

COURT OF APPEAL FOR ONTARIO

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

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

MOTION RECORD OF THE UNDERWRITERS

(responding to the motion for leave to appeal
from the Sanction Order)

VOLUME II OF IV

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TAB C

This is Exhibit "C" referred to in the
Affidavit of Rebecca Wise
Sworn before me, this 23rd
day of April, 2012

A handwritten signature in black ink, appearing to read 'AS', with a long horizontal flourish extending to the right.

A Commissioner, Etc.

ADAM MARCUS SLAVENS
Barrister and Solicitor, Notary
Public for the Province of Ontario
My Commission is unlimited as to time.

UNDERWRITING AGREEMENT

May 22, 2009

Credit Suisse Securities (Canada) Inc.
1 First Canadian Place
Suite 2900
Toronto, ON M5X 1C9

Dundee Securities Corporation
2700, 1 Adelaide Street East
Toronto, ON M5C 2V9

Merrill Lynch Canada Inc.
BCE Place,
181 Bay Street, Suite 400
Toronto, Ontario
M5J 2V8

Scotia Capital Inc.
40 King Street West
Scotia Plaza
P.O. Box 4085, Station A
Toronto, Ontario
M5W 2X6

TD Securities Inc.
66 Wellington Street West
P.O. Box 1, TD Bank Tower
Toronto, Ontario
M5K 1A2

Dear Sirs and Mesdames:

SINO-FOREST CORPORATION, a *Canada Business Corporations Act* corporation (the "Company"), proposes to issue and sell to Credit Suisse Securities (Canada) Inc., Dundee Securities Corporation (together, the "Co-Lead Underwriters") Merrill Lynch Canada Inc., Scotia Capital Inc. and TD Securities Inc. (collectively, the "Underwriters") 30,000,000 common shares in the capital of the Company (the "Firm Shares"). The Company also proposes to issue and sell to the Underwriters not more than an additional 4,500,000 Common Shares in the capital of the Company (the "Optional Shares") if and to the extent that the Underwriters shall have determined to exercise the right to purchase such Optional Shares granted to the Underwriters in Section 3 hereof. The Firm Shares and the Optional Shares are hereinafter collectively referred to as the "Offered Shares".

We also understand that the Company is eligible to file, and will prepare and file a preliminary short form prospectus and a (final) short form prospectus and all other necessary documents in order to qualify the Offered Shares for distribution to the public in each of the provinces of Canada other than Québec (the "Offering").

The following are the terms and conditions of the agreement among the Company and the Underwriters:

1. *Definitions.* In this Agreement, unless otherwise defined herein, the following words and terms shall have the following meanings:

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- (a) "1933 Act" means the United States *Securities Act of 1933*, as amended.
- (b) "1934 Act" means the United States *Securities Exchange Act of 1934*, as amended.
- (c) "Affiliates" or "affiliates" has the meaning specified in Rule 501(b) of Regulation D under the 1933 Act.
- (d) "Agreement" means this underwriting agreement between the Company and the Underwriters dated May 22, 2009, and all schedules attached hereto and any and all amendments made hereto and thereto.
- (e) "Agreements and Instruments" has the meaning specified in Section 2(tt).
- (f) "Business Day" means a day which is not a Saturday, a Sunday or a statutory or civic holiday in the City of Toronto, Ontario, the City of New York, New York or the City of Hong Kong, SAR.
- (g) "Canadian Securities Laws" means the securities laws, regulations, rules, published national and local instruments, policy statements, notices, blanket rulings and orders, discretionary rulings and orders applicable to the Company, and prescribed forms, collectively, of each of the Qualifying Jurisdictions and all rules, by-laws and regulations governing the TSX, all as the same are in effect at the date hereof and as amended, supplemented or replaced from time to time.
- (h) "CJV Conversion" has the meaning specified in Section 2(j).
- (i) "Claim" has the meaning specified in Section 9(a).
- (j) "Closing Date" has the meaning specified in Section 4.
- (k) "Closing Time" means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date, as the Company and the Underwriters, may agree.
- (l) "Co-Lead Underwriters" has the meaning set forth in the Recitals.
- (m) "Common Shares" means the common shares in the capital of the Company.
- (n) "Company" has the meaning set forth in the Recitals.
- (o) "Company Public Documents" has the meaning specified in Section 2(ii).
- (p) "Company's Auditors" means Ernst & Young LLP.
- (q) "Company's BVI and Cayman Counsel" means the law firm of Appleby in the British Virgin Islands.

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- (r) "Company's Canadian Counsel" means the law firm of Aird & Berlis LLP.
- (s) "Company's Counsel" means, collectively, Company's Canadian Counsel, Company's PRC Counsel, Company's Hong Kong Counsel, Company's BVI and Cayman Counsel and Company's U.S. Counsel.
- (t) "Company's Hong Kong Counsel" means the law firm of Linklaters.
- (u) "Company's PRC Counsel" means the law firm of Jingtian & Gongcheng.
- (v) "Company's U.S. Counsel" means the law firm of Linklaters.
- (w) "Condition of the Company" means the business, affairs, operations, assets, properties, prospects, liabilities (contingent or otherwise), capital, earnings or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole.
- (x) "critical accounting policies" has the meaning specified in Section 2(nn).
- (y) "Defaulted Securities" has the meaning specified in Section 10(b).
- (z) "Directed Selling Efforts" means "directed selling efforts" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Agreement, it means, subject to the exclusions from the definition of "directed selling efforts" contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Shares, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the Offering.
- (aa) "distribution" and "distribution to the public" shall have the respective meanings ascribed thereto in the Canadian Securities Laws.
- (bb) "Enterprise Income Tax Law" means the PRC Enterprise Income Tax Law enacted on March 16, 2007 and effective on January 1, 2008 and its Implementation Rules issued on December 6, 2007 and effective on January 1, 2008.
- (cc) "Environmental Laws" has the meaning specified in Section 2(ee).
- (dd) "Final International Offering Memorandum" means the final international offering memorandum prepared by the Company for use in connection with the International Offering, which consists of the Prospectus and certain additional pages, as amended or supplemented.
- (ee) "Firm Shares" has the meaning specified in the Recitals.
- (ff) "GAAP" has the meaning specified in Section 2(jj).

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- (gg) "Governmental Authorizations" has the meaning specified in Section 2(d).
- (hh) "Hazardous Substance" has the meaning specified in Section 2(ff).
- (ii) "including" means including, without limitation.
- (jj) "Indemnified Party" has the meaning specified in Section 9(a).
- (kk) "Intellectual Property Rights" has the meaning specified in Section 2(f).
- (ll) "International Offering" means the distribution of the Offered Shares by the Underwriters and their affiliates outside of Canada.
- (mm) "Master Agreements" means the agreements entered into by certain Subsidiaries, pursuant to which the Company secures its supply of standing timber.
- (nn) "misrepresentation", "material fact" and "material change" mean, with respect to circumstances to which the Canadian Securities Laws of a particular Qualifying Jurisdiction are applicable, a misrepresentation, material fact, and material change as defined under the Canadian Securities Laws of that Qualifying Jurisdiction and, if not so defined or in circumstances in which the particular Canadian Securities Laws of a particular Qualifying Jurisdiction are not applicable, mean a misrepresentation, material fact and material change as defined under the *Securities Act* (Ontario).
- (oo) "NI 44-101" means National Instrument 44-101 - *Short Form Prospectus Distributions*.
- (pp) "OFAC" has the meaning specified in Section 2(dd).
- (qq) "Offered Shares" has the meaning specified in the Recitals.
- (rr) "Offering" has the meaning specified in the Recitals.
- (ss) "Offering Documents" means the Preliminary Prospectus, the Prospectus, the Supplementary Material, the Preliminary International Offering Memorandum and the Final International Offering Memorandum.
- (tt) "Option Closing Date" has the meaning specified in Section 3.
- (uu) "Option Closing Time" has the meaning specified in Section 4.
- (vv) "Optional Shares" has the meaning specified in the Recitals.
- (ww) "Original CJVs" has the meaning specified in Section 2(j).
- (xx) "Over-Allotment Option" has the meaning specified in Section 3.

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- (yy) "Plantation Rights Certificates" means certificates issued under the PRC Forestry Law in respect of the right to use the plantation land and to own the planted trees (in the case of planted forestry plantations) or to the owners of the plantation trees (in the case of purchased tree plantations).
- (zz) "PRC" means the People's Republic of China (excluding Hong Kong, Macau and Taiwan for the purposes of this Agreement).
- (aaa) "PRC Limited Company Subsidiary" or "PRC Limited Company Subsidiaries" has the meaning specified in Section 2(k).
- (bbb) "PRC Subsidiaries" has the meaning specified in Section 2(k).
- (ccc) "Preliminary International Offering Memorandum" means the preliminary international offering memorandum prepared by the Company for use in connection with the International Offering, which consists of the Preliminary Prospectus and certain additional pages, as amended or supplemented.
- (ddd) "Preliminary Prospectus" means the preliminary short form prospectus of the Company dated the date of this Agreement, in English, and filed with the Securities Regulators in connection with the qualification of the Offered Shares for distribution in the Qualifying Jurisdictions, and the term "Preliminary Prospectus" shall be deemed to refer to and to include all the documents incorporated therein by reference and any amendment or restatement thereto. For avoidance of doubt, reference to "Preliminary Prospectus" shall include the Preliminary Prospectus included in the Preliminary International Offering Memorandum.
- (eee) "Prospectus" means the (final) short form prospectus of the Company, approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Offered Shares under applicable Canadian Securities Laws in the Qualifying Jurisdictions, and the term "Prospectus" shall be deemed to refer to and include all the documents incorporated therein by reference. For avoidance of doubt, reference to "Prospectus" shall include the Prospectus included in the Final International Offering Memorandum.
- (fff) "Purchase Price" has the meaning specified in Section 3.
- (ggg) "Qualified Institutional Buyer" means a "qualified institutional buyer" as that term is defined in Rule 144A.
- (hhh) "Qualifying Jurisdictions" means the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

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- (iii) "Regulation D" means Regulation D adopted by the SEC under the 1933 Act.
- (jjj) "Regulation S" means Regulation S adopted by the SEC under the 1933 Act.
- (kkk) "Repayment Event" has the meaning set forth in Section 2(vv).
- (lll) "Rule 144A" means Rule 144A under the 1933 Act.
- (mmm) "SEC" means the United States Securities and Exchange Commission.
- (nnn) "Securities Regulators" means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions and in the United States, as applicable.
- (ooo) "Solvent" has the meaning specified in Section 2(t).
- (ppp) "Subsidiary" means:
 - (i) any corporation of which securities, having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues), are at the time directly, indirectly or beneficially owned or controlled by the Company or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries;
 - (ii) any partnership of which the Company, or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries: (x) directly, indirectly or beneficially owns or controls more than 50% of the income, capital, beneficial or ownership interest (however designated) thereof; and (y) is a general partner, in the case of a limited partnership, or is a partner that has the authority to bind the partnership in all other cases; or
 - (iii) any other person of which at least a majority of the income, capital, beneficial or ownership interest (however designated) is at the time directly, indirectly or beneficially owned or controlled by the Company, or one or more of its Subsidiaries or the Company and one or more of its Subsidiaries;

provided that the term Subsidiary shall in any event include any cooperative joint venture corporations, the WFOEs and each of the additional entities identified in Schedules 1, 2, 3, 4, 5 and 7 but excludes Sinowood Holdings Limited, Sinowood Finance Limited, Khan Forestry Inc. and Max Grain Development Limited which are inactive.
- (qqq) "Substantial U.S. Market Interest" means "substantial U.S. market interest" as that term is defined in Regulation S.

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- (rrr) "Supplementary Material" means, collectively, any amendment or supplement to the Prospectus or any other similar documents required to be filed by the Company under the Canadian Securities Laws in connection with the Offering.
- (sss) "to the best of the knowledge, information and belief of" means (unless otherwise expressly stated) a statement of the declarant's knowledge of the facts or circumstances to which such phrase relates after having made due inquiries and investigations in connection with such facts and circumstances.
- (ttt) "TSX" means the Toronto Stock Exchange.
- (uuu) "Underwriters" has the meaning set forth in the Recitals.
- (vvv) "Underwriters' Canadian Counsel" means the law firm of Stikeman Elliott LLP.
- (www) "Underwriters' Counsel" means collectively, Underwriters' Canadian Counsel, Underwriters' PRC Counsel and Underwriters' U.S. Counsel.
- (xxx) "Underwriters' PRC Counsel" means the law firm of Commerce & Finance Law Offices.
- (yyy) "Underwriters' U.S. Counsel" means the law firm of Davis Polk & Wardwell.
- (zzz) "United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.
- (aaaa) "U.S. Securities Laws" means all applicable securities legislation in the United States, including, the 1933 Act, as amended, and the 1934 Act, as amended, and the rules and regulations promulgated thereunder.
- (bbbb) "WFOEs" has the meaning set forth in 2(k).

2. *Representations and Warranties.* The Company represents and warrants to the Underwriters and acknowledges that the Underwriters are relying upon such representations and warranties in connection with their execution and delivery of this Agreement, and delivery of each of the Offering Documents by the Company to the Underwriters shall constitute the representation and warranty of the Company to the Underwriters, that:

- (a) The Company is continued under the laws of Canada and is validly existing as a corporation in good standing under the laws of Canada, has the corporate power and authority to own its property and to conduct its business as described in the Offering Documents and is duly qualified to transact business and is in good standing in each jurisdiction in which the

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conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its Subsidiaries, taken as a whole.

- (b) All of the subsidiaries of the Company, except those specifically excluded in Section 1(ppp), are listed on Schedule 7 hereto; there is no other company or undertaking in which any of the Company or its Subsidiaries directly or indirectly owns or controls or proposes to own or control a majority interest (whether by way of shareholding, trust arrangement or otherwise).
- (c) Each Subsidiary has been duly incorporated, amalgamated, formed or continued, as the case may be, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, amalgamation, formation or continuance, has the corporate power and authority to own its property and to conduct its business as described in the Offering Documents and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its Subsidiaries, taken as a whole; except as disclosed in the following item (m) all of the issued shares of capital stock of each Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and the shares of capital stock of each such Subsidiary owned by the Company or another Subsidiary are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims.
- (d) Each of the Company and its Subsidiaries has obtained all consents, authorizations, approvals, orders, certificates and permits of and from, and has made all declarations and filings with, all relevant national, local or other governmental authorities and all relevant courts and other tribunals ("**Governmental Authorizations**") which are required for the Company or any of its Subsidiaries to own, lease, license and use its properties and assets and to conduct its business in the manner described in, and contemplated by, the Offering Documents. Except for the Governmental Authorizations whose absence would not have a material adverse effect on the Condition of the Company, all such Governmental Authorizations are in full force and effect; none of the Company and its Subsidiaries is in violation of, or default under, such Governmental Authorizations.
- (e) Each of the Company and its Subsidiaries has good and marketable title to all real property and all personal property owned by it, in each case free and clear of all liens, encumbrances and defects, except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by it and except for the mortgages, liens, pledges or other security interests relating to the bank borrowings and

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other indebtedness by the Company disclosed in the Offering Documents; and any real property and buildings held under lease by the Company and its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries, in each case except as described in or contemplated in the Offering Documents.

- (f) The Company and its Subsidiaries own or possess or can acquire on reasonable terms sufficient trademarks, trade names, patent rights, copyrights, licenses, approvals, trade secrets and other similar rights (collectively, the "Intellectual Property Rights") reasonably necessary to conduct their businesses as now conducted; neither the Company nor any of its Subsidiaries has received any notice of or is otherwise aware of infringement or conflict with asserted Intellectual Property Rights of others.
- (g) This Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- (h) The relevant PRC Subsidiaries have duly obtained or are in the process of applying for the relevant Plantation Rights Certificates, its equivalents or other relevant approvals for their legal titles to the plantation land use rights and the planted tree plantations. The relevant PRC Subsidiaries have planted at least 61,500 hectares of planted tree plantation as of March 31, 2009.
- (i) Each of the Company and its Subsidiaries has the right to conduct business in the PRC in the manner as presently conducted and as described in the Offering Documents, and has the right to own the purchased tree plantations (as set forth in the Offering Documents) and has the right to log, transport, and sell the purchased tree plantations in accordance with the PRC laws and regulations.
- (j) The events and transactions (the "CJV Conversion") set forth in the Offering Documents relating to the conversion of the corporate form of certain PRC Subsidiaries of the Company from cooperative joint venture enterprise into wholly foreign-owned enterprise, as listed in Schedule 6 (the "Original CJVs"), have been duly effected in accordance with applicable laws and regulations, and the description of the CJV Conversion set forth therein is an accurate and fair summary of such transactions in all material respects.
- (k) Each of the Company's Subsidiaries in the PRC has been duly established as a wholly foreign owned enterprises (each, a "WFOE" and, collectively the "WFOEs") or a PRC limited company invested by WFOE (each, a "PRC

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Limited Company Subsidiary" and, collectively the "PRC Limited Company Subsidiaries"; together with the WFOEs, the "PRC Subsidiaries") in compliance with applicable PRC laws and regulations.

- (l) The ownership structure of the PRC Subsidiaries as described in the Offering Documents is in compliance with any applicable laws and regulations in the PRC.
- (m) Except for Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co, Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co. Ltd. whose registered capital has been subscribed in accordance with their respective government approvals, the registered capital of each of the PRC Subsidiaries has been subscribed in full and all government approvals relating to the subscription thereof have been issued and are in full force and effect; the Company will pay or cause to be paid in full the unpaid registered capital of Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co., Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co. Ltd. in due course in accordance with PRC laws and regulations.
- (n) The articles of association of each of the WFOEs comply with the requirements of applicable laws of the PRC, and are in full force and effect.
- (o) Each of (i) the documents listed under "Material Contracts" in the Company's annual information form dated March 31, 2009, (ii) the Master Agreements or other contracts entered into by the Subsidiaries of the Company relating to the purchase of the rights to the trees on particular plantation land with or without a pre-emptive right to lease such plantation land, (iii) the longterm lease agreements entered into by any of the Company's Subsidiaries for tree plantations, (iv) the share purchase or other investment agreements entered into by the Company and any of its Subsidiaries, and (v) any other contracts or arrangements between any of either the Company or the Company's Subsidiaries and an authorized intermediary regarding the sales of standing timber, has been duly authorized, executed and delivered by the relevant Subsidiaries of the Company, constitutes a valid and binding agreement of each of the parties thereto, is in full force and effect and is enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction. The Company has no knowledge of the invalidity of or grounds for rescission, avoidance or repudiation of any such material contract and none of the Company or its Subsidiaries has received notice of any intention to terminate any such contract or agreement or repudiate or disclaim any such transaction. All descriptions of material contracts or documents in the Offering Documents, to the extent such descriptions purport to describe or summarize such contracts or documents, are true and accurate in all material respects, fairly summarize the contents of

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such contracts or documents and do not omit any material information which affects the import of such descriptions.

- (p) Each of the WFOEs has obtained all necessary foreign exchange registration certificates from the State Administration of Foreign Exchange or its local counterparts and has passed foreign exchange annual inspections, except for those the absence of which would not result in a material adverse effect on the Condition of the Company. The Company, through the WFOEs, has obtained all necessary foreign exchange registration certificates from the State Administration of Foreign Exchange or its local counterparts for its investments in the PRC. No other governmental registration, authorization or filing with any governmental authority is required in the PRC in respect of the ownership by the Company of its direct or indirect equity interest in any PRC Subsidiary or in respect of the CJV Conversion, except for those that have already been obtained or those the absence of which would not result in a material adverse effect on the Condition of the Company.
- (q) Subject to compliance with the requisite procedures under the PRC laws and regulations, each PRC Subsidiary has full power and authority to effect dividend payments and remittances thereof outside the PRC in foreign currency free of deduction or withholding on account of income taxes and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC. No wholly-owned Subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's properties or assets to the Company or any other wholly-owned Subsidiary upon the requisite approval procedures for such transferring, except for Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co., Ltd. Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co. Ltd. whose registered capital has been partially paid up and the dividend payments and remittances for which shall be made in proportion to the paid-up contribution of its registered capital, and except as otherwise described in the Offering Documents.
- (r) The authorized capital of the Company conforms to the description thereof contained in the Offering Documents. None of the outstanding Common Shares were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its Subsidiaries other than those accurately described in the Offering Documents. The description of the

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Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Offering Documents accurately and fairly describes such plans, arrangements, options and rights.

- (s) Each of the WFOEs has full power and authority to borrow shareholder loans from its foreign shareholder as contemplated and described in the Offering Documents. Except for those disclosed in the Offering Documents, no other licenses, consents, approvals, authorizations, permits, certificates or orders of or from, or filings, declarations or qualifications with or to, any governmental body, court, agency or official in the PRC are required for any WFOE to borrow shareholder loans. Each of the WFOEs will be able to repay such shareholder loans in, and remit to outside the PRC, United States dollars, except for the withholding tax required under the Enterprise Income Tax Law of the PRC and other exceptions, in each case, as disclosed in the Offering Documents, free of deduction or withholding on account of income taxes and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC.
- (t) The Company and each Subsidiary is, and immediately after the Closing Time and immediately upon consummation of the transactions contemplated herein and in the Offering Documents will be, Solvent. As used herein, the term "Solvent" means, with respect to an entity, on a particular date, that on such date (a) the book value of the assets of such entity is greater than or equal to the total amount of liabilities (including contingent liabilities) of such entity, (b) the value of the assets of the entity is greater than the amount that will be required to pay the probable liabilities of such entity on its debt as they become absolute and mature, (c) the entity is able to realize upon its assets and pay its debts and other liabilities (including contingent obligations) as they mature, and (d) the entity does not have unreasonably small capital. Except such as would not result in a material adverse effect on the Condition of the Company, no winding up or liquidation proceedings have been commenced against the Company or any of its Subsidiaries and no proceedings have been started or, to the best of the knowledge information and belief of the Company, threatened for the purpose of, and no judgment has been rendered, declaring the Company or any of its Subsidiaries bankrupt or in any insolvency proceeding, or for any arrangement or composition for the benefit of creditors, or for the appointment of a receiver, trustee, administrator or similar officer of any of the Company and its Subsidiaries, or any of their respective properties, revenues or assets.
- (u) The Common Shares outstanding prior to the issuance of the Offered Shares have been duly authorized and are validly issued, fully paid and non-assessable.

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- (v) The Common Shares are listed on the TSX under the symbol "TRE". The Company has taken no action designed, or likely, to have the effect of delisting the Common Shares from the TSX nor is the TSX contemplating such delisting.
- (w) The Offered Shares have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Offered Shares will not be subject to any pre-emptive or similar rights and will be free and clear of any security interests, claims, liens, equity or encumbrances; and no holder of such shares will be subject to personal liability by reason of being such a holder. Except as disclosed in the Offering Documents, there are no limitations on the rights of the holders of the Offered Shares to hold, vote or transfer their shares.
- (x) The total shareholders' equity of the Company is as set forth in the Preliminary Prospectus under the caption "Consolidated Capitalization of the Corporation" as of March 31, 2009, and the actual, authorized, issued and outstanding number of Common Shares as of March 31, 2009 is as set forth in the section entitled "Supplemental Information - Description of Securities Being Distributed" in the Preliminary International Offering Memorandum and Final International Offering Memorandum, and there have been no changes to such amounts.
- (y) The execution and delivery of this Agreement by the Company, the issuance, offering and sale of Offered Shares, the use of the proceeds as described in the Offering Documents and the compliance by the Company with the other provisions of this Agreement do not:
 - (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, stock exchange, Securities Regulators or other third party except: (A) such as have been obtained; and (B) such as may be required (and shall be obtained as provided in this Agreement) under the Canadian Securities Laws and by the TSX;
 - (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under: (A) any indenture, mortgage, lease or other agreement or instrument to which the Company, any of its Subsidiaries or any of their respective properties is bound; (B) the charter documents or by-laws of the Company or any of its Subsidiaries, respectively; or (C) any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator, stock exchange or securities association applicable to the Company or any of its Subsidiaries; or
 - (iii) give rise to any claim against the Company, any of its Subsidiaries, or any of their assets or give rise to or accelerate the repayment of any

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indebtedness or other payment or repayment obligation under any term or provision of any document or instrument referred to in sub-clause (A) or (B) of clause 2(y)(ii) above.

- (z) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the Condition of the Company, whether or not arising out of the ordinary course of business, from that set forth in the Preliminary Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement). Other than as set forth in the Offering Documents, (i) there have been no transactions entered into by the Company or any of its Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its Subsidiaries considered in the aggregate, (ii) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock, and (iii) neither the Company nor any of its Subsidiaries has sustained any material loss or interference with its business from fire, earthquake, flood, explosion or other calamity, whether or not covered by insurance.
- (aa) There are no legal or governmental proceedings pending or threatened to which the Company or any of its Subsidiaries is a party or to which any of the properties of the Company or any of its Subsidiaries is subject other than proceedings accurately described in the Offering Documents and proceedings that would not have a material adverse effect on the Condition of the Company.
- (bb) No labour dispute with the employees of the Company or any of its Subsidiaries exists or, to the best of the knowledge, information and belief of the Company, is imminent, and the Company is not aware of any existing or imminent labour disturbance by the employees of any of its or any of its Subsidiaries' principal suppliers, manufacturers, customers or contractors, which, in either case, would result in any material adverse effect on the Condition of the Company.
- (cc) The Company and its Subsidiaries have not, and to the best of the knowledge, information and belief of the Company, no director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its Subsidiaries has, taken any action, directly or indirectly, that would result in a violation by such persons of the anti-corruption legislation of Canada, the PRC, Hong Kong or any other jurisdiction, or the rules and regulations thereunder, and all related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency thereof, including, without limitation, (i) making an offer, payment or promise to pay or (ii) authorizing the payment of any money, other property, gift, promise to give, or the giving of anything of value to any official, employee or agent of any governmental agency, authority or instrumentality in Canada, the PRC, Hong Kong or any other jurisdiction where either the

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payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, the PRC, Hong Kong or any other relevant jurisdiction or to any political party or official thereof or any candidate for political office, where either the payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, the PRC, Hong Kong or any other relevant jurisdiction, except such as would not, individually or in the aggregate, have any material adverse effect on the Condition of the Company.

- (dd) Neither the Company or any of its Subsidiaries nor, to the best of the knowledge, information and belief of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company or any of its Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.
- (ee) The Company and its Subsidiaries (i) are in compliance with any and all applicable foreign, federal, provincial, state, territorial, and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants, dangerous goods or contaminants ("Environmental Laws"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Condition of the Company.
- (ff) There is not at present on, at or under any of the real properties of the Company or any of its Subsidiaries any hazardous substances, toxic substances, wastes, pollutants, dangerous goods or contaminants ("Hazardous Substance") and there has not been the discharge, deposit, leak, emission, spill or other release of any Hazardous Substance on, at, under or from any real property of the Company or any of its Subsidiaries (including relating to the collection, removal and disposal of wastes), which has resulted in or may result in any cost, damage or other liability, including the diminution in value of any property.

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- (gg) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Condition of the Company.
- (hh) The Company is eligible to file a short form prospectus under NI 44-101 in each of the Qualifying Jurisdictions and there are no reports or information that in accordance with the requirements of the Canadian Securities Laws must be made publicly available in connection with the Offering as at the date hereof that have not been made publicly available as required.
- (ii) The Company has filed each statement, report, material change report, prospectus, management information circular, annual and interim report to shareholders, annual information form, financial statements, and any other material filing required to be filed with the Securities Regulators by the Company since January 1, 2006 (collectively, the "Company Public Documents"). As of their respective filing dates, the Company Public Documents complied in all material respects with the requirements of applicable Canadian Securities Laws and none of the Company Public Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except to the extent corrected by a subsequently filed Company Public Document. The Company has not filed any confidential material change report or other confidential report with any Securities Regulators or other governmental entity which at the date hereof remains confidential.
- (jj) The financial statements, together with the related schedules and notes, included in the Offering Documents, present fairly, in all material respects, the financial position of the Company and its consolidated Subsidiaries (as defined below) at the dates indicated and the statements of income and retained earnings, comprehensive income and cash flows of the Company and its consolidated Subsidiaries for the periods specified therein; said financial statements have been prepared in conformity with Canadian generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The selected financial data and the summary financial information included in the Offering Documents present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Offering Documents. The other financial and operational information included in the Offering Documents present fairly information included therein.

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- (kk) Other than as disclosed in the financial statements referred to in clause 2(jj) and in the Offering Documents, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company or any of its Subsidiaries with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, change in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Company or any of its Subsidiaries.
- (ll) Except as disclosed in the Offering Documents, none of the Company or any of its Subsidiaries has any contingent liabilities, in excess of the liabilities that are either reflected or reserved against in the financial statements referred to in clause (jj), which are material to the Condition of the Company.
- (mm) Except as disclosed in the Offering Documents, no material indebtedness (actual or contingent) and no material contract or arrangement is outstanding between the Company or any of its Subsidiaries and any director or executive officer of the Company or any of its Subsidiaries or any person connected with such director or executive officer (including his/her spouse or children, or any company or undertaking in which he/she holds a controlling interest). There are no material relationships or transactions between the Company or any of its Subsidiaries on the one hand and its affiliates, officers and directors or their shareholders, customers or suppliers on the other hand which are not disclosed in the Offering Documents.
- (nn) The sections entitled "Management's Discussion and Analysis - Overview of Business - Significant Accounting Policies and Interpretation" and "Management's Discussion and Analysis - Critical Accounting Estimates" in the Offering Documents accurately and fairly describes in all material respects (i) accounting policies which the Company believes are the most important in the portrayal of the financial condition and results of operations for the Company and its consolidated Subsidiaries and which require management's most difficult, subjective or complex judgments ("critical accounting estimates"); and (ii) judgments and uncertainties affecting the application of critical accounting policies. The sections entitled "Management's Discussion and Analysis - Liquidity and Capital Resources" in the Offering Documents accurately and fairly describes in all material respects (x) all material trends, demands, commitments, events, uncertainties and risks, and the potential effects thereof, that the Company believes would materially affect its liquidity and are reasonably likely to occur; and (y) all off-balance sheet arrangements, if any, that have or are reasonably likely to have a current or future effect on the financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources of the Company and the Subsidiaries taken as a whole. Except as disclosed in the Offering Documents, there are no outstanding guarantees or other contingent obligations of the Company or

any Subsidiary that could reasonably be expected to have a material adverse effect on the Condition of the Company.

- (oo) The Company and each of its Subsidiaries maintains a system of internal controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the financial statements to be fairly presented in accordance with Canadian GAAP and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to differences; (v) the Company and each of its Subsidiaries have made and kept books, records and accounts, which in reasonable details, accurately and fairly reflect in all material respects the transactions and dispositions of assets of such entity; (vi) material information relating to the Company and its Subsidiaries is made known to those within the Company responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required by applicable law, including Canadian Securities Laws; and (vii) all significant deficiencies and material weaknesses in the design or operation of such internal controls that could adversely affect the Company's ability to disclose to the public information required to be disclosed by it in accordance with applicable law, including Canadian Securities Laws, and all fraud, whether or not material, that involves management or employees that have a significant role in the Company's internal controls have been disclosed to the audit committee of the Company's board of directors.
- (pp) The Company's Auditors are independent public accountants as required under Canadian Securities Laws and there has not been any disagreement (within the meaning of National Instrument 51-102 - Continuous Disclosure Obligations) since January 1, 2006 with the present or any former auditors of the Company.
- (qq) The Company and its Subsidiaries carry or are entitled to the benefits of insurance, with to the best of the knowledge, information and belief of the Company, financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect. The Company has no reason to believe that it or any of its Subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a material adverse change in the Condition of the Company.

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- (rr) Except as referred to in and contemplated by the Offering Documents, subsequent to the respective dates as of which information is given in such documents:
- (i) there has not been any material change in the assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Company and its Subsidiaries on a consolidated basis;
 - (ii) there has not been any material change in the capital or long-term debt of the Company and its Subsidiaries on a consolidated basis; and
 - (iii) there has not been any material change in the Condition of the Company.
- (ss) There is no person, firm or corporation which has been engaged by the Company to act for the Company and which is entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder, and in the event any such person, firm or corporation establishes a claim for any fee from the Underwriters in respect of the transactions contemplated hereunder, the Company covenants to indemnify and hold harmless the Underwriters with respect thereto and with respect to all costs reasonably incurred in the defence thereof.
- (tt) Neither the Company nor any of its Subsidiaries is, or with the giving of notice or lapse of time or both would be, (A) in violation of any provision of law, statute, rule or regulation or its charter documents, by-laws, business license, business permit or other constitutional documents, or any judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their assets, properties or operations or (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or any of its Subsidiaries is subject (collectively, "Agreements and Instruments") except, in each case, for such violations or defaults that would not result in a material adverse effect on the Condition of the Company; and the execution, delivery and performance of this Agreement and any other agreement or instrument entered into or issued or to be entered into or issued by the Company in connection with the transactions contemplated hereby or thereby or in the Offering Documents and the consummation of the transactions contemplated herein and in the Offering Document (including the issuance and sale of the Offered Shares and the use of the proceeds from the sale of the Offered Shares as described in the Offering Documents under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder or thereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without

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the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its Subsidiaries pursuant to, the Agreements and Instruments, nor will such action result in any violation of the provisions of the charter documents, by-laws, business license, business permit or other constitutional documents of the Company or any of its Subsidiaries or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their assets, properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its Subsidiaries.

- (uu) Other than as disclosed in the Offering Documents, the Company and each of its Subsidiaries has, on a timely basis, filed all necessary tax returns and notices and has paid or made provision for all applicable taxes of whatever nature for all tax years to the date hereof to the extent such taxes have become due or have been alleged to be due; other than as disclosed in the Offering Documents, the Company is not aware of any material tax deficiencies or material interest or penalties accrued or accruing or alleged to be accrued or accruing thereon with respect to itself or any of its Subsidiaries which have not otherwise been provided for by the Company.
- (vv) The Company is a reporting issuer under the Canadian Securities Laws of each of the Qualifying Jurisdictions and is not in default of any requirement of such Canadian Securities Laws. The Company has not taken any action to cease to be a reporting issuer in any province nor has the Company received notification from any applicable Canadian securities regulatory authority seeking to revoke the reporting issuer status of the Company.
- (ww) The delivery to the Underwriters of the Offering Documents shall constitute the representation and warranty of the Company to the Underwriters that, at the time of such delivery, the information and statements contained therein (except for statements or omissions based upon information relating to the Underwriters furnished to the Company in writing by the Underwriters expressly for use therein):
 - (i) constitute full, true and plain disclosure of all material facts relating to (x) the Company and its Subsidiaries on a consolidated basis; and (y) the Offered Shares;
 - (ii) are true and correct in all material respects and contain no misrepresentation; and

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- (iii) do not omit a material fact (except for information relating solely to the Underwriters) which is necessary to make the information and statements contained therein not misleading in light of the circumstances in which they were made.
- (xx) Any statistical and market-related data included in the Offering Documents are based on or derived from sources that the Company believes to be reliable and accurate, and, to the extent required or otherwise necessary, the Company has obtained the written consent or other consent in requisite form to the use of such data from such sources.

Such delivery shall also constitute the Company's consent to the use of (a) the Preliminary Prospectus, the Prospectus or the Supplementary Material, as the case may be, by the Underwriters for the purpose of offering and selling the Offered Shares in the Qualifying Jurisdictions in accordance with the Canadian Securities Laws and (b) the Preliminary International Offering Memorandum, the Final International Offering Memorandum and any Supplementary Material by the Underwriters (and its affiliates) for the offering and sale of the Offered Shares by them outside of Canada.

3. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the Underwriters, and the Underwriters agree to purchase from the Company, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, 30,000,000 Common Shares at Cdn.\$11.00 per Share (the "Purchase Price").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters the Optional Shares, and the Underwriters shall have the right to purchase up to 4,500,000 Optional Shares at the Purchase Price (the "Over-Allotment Option"). The Underwriters may exercise this right in whole or from time to time in part by giving written notice prior to 30 days after the Closing Date. Any exercise notice shall specify the number of Optional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least three Business Days after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten Business Days after the date of such notice and must be a day that the TSX is open for trading. Optional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Optional Shares are to be purchased (an "Option Closing Date"), the Underwriters agree to purchase the number of Optional Shares (subject to such adjustments to eliminate fractional shares as the Underwriters may determine) to be purchased on such Option Closing Date.

The Company hereby agrees that, without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, which consent shall not be unreasonably withheld or delayed, it will not, during the period commencing on the date of the Prospectus and ending 120 days after the Closing Date, issue, agree to issue, or announce an intention to issue any additional Common Shares or any securities convertible into or exchangeable for Common Shares (except in connection with the exchange, transfer,

conversion or exercise of rights of existing outstanding securities or existing commitments to issue securities or except in respect of the grant of options pursuant to the Company's stock option plan and the issuance of shares pursuant to the exercise thereof).

4. *Payment and Delivery.* Payment for the Firm Shares shall be made to the Company in Canadian funds immediately available in Toronto, Canada against delivery of such Firm Shares for the account of the Underwriters at 8:00 a.m., Toronto time (the "Closing Time"), on June 8, 2009 or on such other date, not later than June 30, 2009, as shall be designated in writing by the Underwriters. The date of such payment is hereinafter referred to as the "Closing Date".

Payment for any Optional Shares shall be made to the Company in Canadian funds immediately available in Toronto, Canada against delivery of such Optional Shares for the account of the Underwriters at 8:00 a.m., Toronto time (the "Option Closing Time"), on the Option Closing Date specified in the corresponding notice described in Section 3 or on such other date, in any event not later than June 30, 2009, as shall be designated in writing by the Underwriters.

The Firm Shares and Optional Shares shall be registered in such names and in such denominations as the Underwriters shall request in writing not later than one full Business Day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Optional Shares shall be delivered to the Underwriters on the Closing Date or an Option Closing Date, as the case may be.

In consideration for the Underwriters' services in (i) assisting in the preparation of the Offering Documents; (ii) forming and managing banking, selling or other groups in connection with the distribution of the Offered Shares; (iii) distributing the Offered Shares, both directly and through other registered dealers and brokers; and (iv) all other matters in connection with the issue and sale of the Offered Shares, the Company agrees to pay to the Underwriters, by certified cheque, wire transfer or the deduction of the Offering proceeds, a commission equal to 4.25% of the aggregate gross proceeds to the Company of the Firm Shares purchased by the Underwriters hereunder at the Closing Time. To the extent the Over-Allotment Option is exercised, the Company shall pay to the Underwriters, by certified cheque, wire transfer or the deduction of the Offering proceeds, a fee at the Option Closing Date equal to 4.25% of the aggregate gross proceeds to the Company of the Optional Shares purchased by the Underwriters hereunder.

The closing of the purchase and sale of the Firm Shares will be completed at the Closing Time at the offices of the Company's Canadian Counsel, or at any other place determined in writing by the Company and the Underwriters. At the Closing Time, the Company will deliver to the Underwriters (i) a global certificate representing the Firm Shares to be issued on the Closing Date registered in the name of "CDS & Co." for deposit into the book entry only system administered by CDS Clearing and Depository Services Inc. and/or such other number of certificates as directed by the Underwriters at least one Business Day prior to the Closing Date; (ii) such further documentation as may be contemplated herein or as the Underwriters or the applicable Securities Regulators or the TSX may reasonably require, against payment by the Underwriters of the purchase price therefor by certified cheque or wire transfer to the order of the Company in Canadian same

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day funds or by such other method as the Company and the Underwriters may agree upon. In addition, the Company shall contemporaneously pay to the Underwriters the aforementioned 4.25% commission by wire transfer to the order of the Underwriters in Canadian same day funds, the deduction of the Offering proceeds or by such other method as the Company and the Underwriters may agree upon. The Company hereby expressly authorizes the Underwriters to deduct (x) the commission to which it is entitled pursuant to the terms hereof; and (y) any fees and expenses set forth in Section 6(c) hereof payable by the Company to the Underwriters, from any payment made by the Underwriters of the purchase price for the Firm Shares or any Optional Shares in satisfaction of the Company's obligation to pay such commission and such fees and expenses. The Underwriters shall provide at least three Business Days notice if it does not intend to deduct the aforementioned commissions, fees and expenses from the price of the Offered Shares.

In order to facilitate an efficient and timely closing at the Closing Time and the Option Closing Time, the Underwriters may choose to initiate a wire transfer of funds to the Company prior to the Closing Time or the Option Closing Time, as the case may be. If the Underwriters do so, the Company agrees that such transfer of funds to the Company prior to the Closing Time or the Option Closing Time does not constitute a waiver by the Underwriters of any of the conditions set out in this Agreement. Furthermore, the Company agrees that any such funds received from the Underwriters prior to the Closing Time or the Option Closing Time, as the case may be, will be held by the Company in trust solely for the benefit of the Underwriters until the Closing Time or the Option Closing Time as the case may be, and, if the closing, as the case may be, does not occur at the scheduled Closing Time or the Option Closing Time, as the case may be, such funds shall be immediately returned by wire transfer to Credit Suisse Securities (Canada) Inc. on behalf of the Underwriters, without interest. Upon the satisfaction of the conditions of closing at the Closing Time or Option Closing Time, as the case may be, the funds held by the Company in trust for the Underwriters shall be deemed to be delivered by the Underwriters to the Company in satisfaction of the obligation of the Underwriters under Section 12 of this Agreement and upon such delivery the trust constituted by this Section 4 shall be terminated without further formality.

5. *Conditions to the Underwriters' Obligations.* The obligations of the Company to sell the Offered Shares to the Underwriters and the obligation of the Underwriters to purchase and pay for the Offered Shares at the Closing Time are subject to the following conditions:

- (a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date, there shall not have occurred any change, or any development involving a prospective change, in the Condition of the Company, from that set forth in the Offering Documents provided to prospective purchasers of the Offered Shares that, in the Underwriters' judgment, is material and adverse and that makes it, in the Underwriters' judgment, impracticable to profitably market and sell the Offered Shares on the terms and in the manner contemplated in the Prospectus.
- (b) The Underwriters shall have received a legal opinion dated the Closing Date from Company's Canadian Counsel, addressed to the Underwriters and

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Underwriters' Counsel, in form and substance satisfactory to the Underwriters and the Underwriters' Counsel, acting reasonably. Such opinion shall be rendered to the Underwriters at the request of the Company and shall so state therein.

- (c) The Company shall have received a legal opinion dated the Closing Date from the Company's PRC Counsel, addressed to the Company for its sole reliance and expressly consent to the Company's delivering a copy of such opinion to the Underwriters and Underwriters' Counsel, in form and substance satisfactory to the Underwriters, acting reasonably.
- (d) The Underwriters shall have received a legal opinion and disclosure letter dated the Closing Date from the Company's U.S. Counsel, addressed to the Underwriters, in form and substance satisfactory to the Underwriters, acting reasonably. Such opinion and disclosure letter shall be rendered to the Underwriters at the request of the Company, and shall so state therein.
- (e) The Company shall have received a legal opinion dated the Closing Date from the Company's Hong Kong Counsel addressed to the Company for its sole reliance and expressly consent to the Company's delivering a copy of such opinion to the Underwriters, in form and substance satisfactory to the Underwriters, acting reasonably.
- (f) The Underwriters shall have received a legal opinion dated the Closing Date from the Company's BVI and Cayman Counsel in form and substance satisfactory to Underwriters and the Underwriters' Counsel, acting reasonably. Such opinion shall be rendered to the Underwriters at the request of the Company, and shall so state therein.
- (g) The Underwriters shall have received a legal opinion dated the Closing Date from Underwriters' Canadian Counsel, addressed to the Underwriters, in a form satisfactory to the Underwriters, acting reasonably.
- (h) The Underwriters shall have received legal opinions dated the Closing Date from Underwriters' PRC Counsel, addressed to the Underwriters, in a form satisfactory to the Underwriters, acting reasonably.
- (i) The Underwriters shall have received a legal opinion and disclosure letter dated the Closing Date from Underwriters' U.S. Counsel, addressed to the Underwriters, in forms satisfactory to the Underwriters, acting reasonably.
- (j) The Underwriters shall have received a certificate, or certificates, dated the Closing Date and executed by each of the Chief Executive Officer and the Chief Financial Officer of the Company, on behalf of the Company, without personal liability, to the effect that, after due inquiry:
 - (i) a receipt for the Prospectus has been issued by the Ontario Securities Commission as the principal regulator of the Company, and no order

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suspending or preventing the use of the Prospectus or any amendment thereto or cease trading the Common Shares or any other securities of the Company has been issued, and no proceedings for that purpose have been instituted or threatened by any Securities Regulator;

- (ii) subsequent to the respective dates as of which information is given in the Offering Documents, there has not been any material change of any kind, any material adverse change, or any development involving a prospective material adverse change, in the Condition of the Company;
- (iii) subsequent to the respective dates as of which information is given in the Offering Documents, no transaction out of the ordinary course of business, material to the Company and its Subsidiaries on a consolidated basis, has been entered into by the Company or any of its Subsidiaries or has been approved by the management of any of them;
- (iv) the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Date with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby;
- (v) the minute books and records of the Company relating to all meetings of shareholders of the Company and the Board of Directors of the Company made available to the Underwriters' Canadian Counsel are true, correct and complete, in all material respects, with respect to all proceedings of said shareholders and Board of Directors since January 1, 2001;
- (vi) except for such non-compliance which would not, in the aggregate, result in a material adverse effect on the Condition of the Company, the Company has duly complied in all respects with all the agreements and satisfied all the conditions of this Agreement on its part to be satisfied or complied with up to the Closing Time; and
- (vii) from April 1, 2009 to June 1, 2009, there has been no material adverse change in the Company's financial position as stated in its financial statements for the period ended March 31, 2009 and the Company has undertaken acceptable procedures to provide comfort to the Underwriters with respect to certain information included in the Final International Offering Memorandum, such comfort to be set out in a certificate substantially in a form satisfactory to the Underwriters and the Underwriters' Counsel.

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- (k) The Underwriters shall have received a certificate, dated the Closing Date and executed by the Secretary of the Company, on behalf of the Company, without personal liability, to the effect that, to the best of his knowledge, information and belief:
 - (i) the articles and by-laws of the Company attached to the certificate are full, true and correct copies and in effect on the date of such certificate;
 - (ii) the resolutions of the board of directors of the Company relating to the Offering attached to the certificate are full, true and correct copies thereof and have not been modified or rescinded as of the date of such certificate and are all of the resolutions relating to the subject matter of the Offering; and
 - (iii) such other matters as are requested by the Underwriters, in form and substance satisfactory to the Underwriters.
- (l) The Underwriters shall have received on the Closing Date comfort letters of the Company's Auditors in form and substance satisfactory to Underwriters' Counsel, similar to the comfort letters to be delivered to the Underwriters pursuant to 6(j)(v) hereof, and updated to a date not less than two days prior to the Closing Date.
- (m) On the Closing Date, the Offered Shares shall be listed and posted for trading on the TSX.
- (n) On or prior to the Closing Date, all necessary and required regulatory approvals in connection with the Offering have been received by the Company.
- (o) The Company shall have delivered the definitive certificates representing the Offered Shares as specified in Section 4 hereof.
- (p) The Underwriters shall have received at the Closing Time such other certificates, statutory declarations, agreements or materials, in form and substance satisfactory to the Underwriters and the Underwriters' Counsel, as the Underwriters and the Underwriters' Counsel may reasonably request.

In addition, the obligation of the Underwriters to purchase Optional Shares hereunder are subject to the delivery to the Underwriters on the applicable Option Closing Date of such documents as the Underwriters may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Optional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Optional Shares.

6. *Covenants of the Company.* In further consideration of the agreements of the Underwriters herein contained, the Company covenants with the Underwriters as follows:

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- (a) If, during the period after the date hereof and prior to the date on which all of the Offered Shares have been sold by the Underwriters, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Offering Documents in order to correct any misrepresentation or make the statements therein, in the light of the circumstances when the Offering Documents are delivered to a purchaser, not misleading or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Offering Documents to comply with Canadian Securities Laws, forthwith to prepare, file with the Securities Regulators and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses the Underwriters will furnish to the Company) to which Offered Shares may have been sold by the Underwriters and to any other dealers upon request, either amendments or supplements to the Offering Documents so that the statements in the Offering Documents as so amended or supplemented will not, in the light of the circumstances when the Offering Documents are delivered to a purchaser, be misleading or so that the Offering Documents, as amended or supplemented, will comply with Canadian Securities Laws.
- (b) To endeavor to qualify the Offered Shares for offer and sale under the securities laws of such jurisdictions outside of Canada as the Underwriters shall reasonably request.
- (c) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Underwriters' Counsel, the Company's Counsel, the Company's Auditors, Pöyry Forest Industry Ltd. and any other experts or advisors retained by the Company in connection with the offering of the Offered Shares and all other fees or expenses in connection with the preparing, printing and filing or other publication of all documents contemplated hereby, including all costs of printing the Offering Documents, and the mailing and delivering of copies thereof to the Underwriters, in the quantities and to the locations specified by the Underwriters, (ii) all costs and expenses related to the transfer and delivery of the Offered Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) all expenses in connection with the qualification of the Offered Shares for offer and sale under applicable securities laws as provided in clause 6(b) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with any legal investment memorandum, (iv) all filing fees incurred in connection with the offering of the Offered Shares, (v) the cost of printing certificates representing the Offered Shares, (vi) the costs and charges of any transfer agent, registrar or depositary and all fees and expenses of the Canadian Depositary for Securities Limited, (vii) the costs and expenses of the Company and the Underwriters relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Offered

Shares, including, without limitation, costs related to investor lunches and conference facilities (other than conference facilities at the offices of the Underwriters), and travel and lodging expenses in connection with due diligence and marketing meetings; (viii) the qualification of the Offered Shares and the Over-Allotment Option under the Canadian Securities Laws, including listing fees on the TSX and all filing or similar fees required by the Securities Regulators; (ix) the document production charges and expenses associated with printing the Offering Documents; and (x) all other costs and expenses incident to the performance of the obligations of the Company and the Underwriters hereunder for which provision is not otherwise made in this Section 6.

- (d) The Offered Shares to be issued and sold by the Company hereunder shall be duly and validly issued by the Company and, when issued and sold by the Company, such Offered Shares shall have the attributes set out in the Offering Documents.
- (e) The Company will, by no later than May 22, 2009, prepare and file the Preliminary Prospectus in order to qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions in accordance with the Canadian Securities Laws and will use reasonable commercial efforts to obtain a receipt for the Preliminary Prospectus not later than 5:00 p.m. (Toronto time) on May 22, 2009 from the Ontario Securities Commission.
- (f) The Company will prepare and file the Prospectus and will use reasonable commercial efforts to obtain a receipt for the Prospectus from the Ontario Securities Commission, in order to qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions in accordance with the Canadian Securities Laws, as soon as possible, and, shall obtain such receipt, in any event, not later than 5:00 pm (Toronto time) on June 1, 2009 (or such other time and/or later date as the Company and the Underwriters may agree).
- (g) Until the date on which the distribution of the Offered Shares is completed, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under the Canadian Securities Laws to continue to qualify the distribution of the Offered Shares.
- (h) The Company shall deliver or cause to be delivered, to the Underwriters, without charge, in Toronto, Ontario, contemporaneously with or prior to the filing of the Preliminary Prospectus or any Supplementary Material, as the case may be:
 - (i) a copy of the Preliminary Prospectus in the English language, signed as required by the Canadian Securities Laws, including copies of documents incorporated by reference therein;
 - (ii) a copy of any Supplementary Material required to be filed by the Company under the Canadian Securities Laws, signed as required by

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the Canadian Securities Laws, including copies of documents incorporated by reference therein; and

- (iii) a copy of the Preliminary International Offering Memorandum.
- (i) The Company shall deliver or cause to be delivered to the Underwriters, without charge, as soon as possible and in any event not later than the first business day after the date that the Preliminary Prospectus or Supplementary Material is filed with the Securities Regulators, such number of commercial copies of the Preliminary Prospectus or Supplementary Material in respect thereof (including the Preliminary International Offering Memorandum) as the Underwriters reasonably require.
- (j) The Company shall deliver or cause to be delivered, to the Underwriters, without charge, in Toronto, Ontario, contemporaneously with or prior to the filing of the Prospectus or any Supplementary Material, as the case may be:
- (i) a copy of the Prospectus in the English language, signed as required by the Canadian Securities Laws, including copies of documents incorporated by reference therein;
 - (ii) a copy of each consent required to be filed by the Company under the Canadian Securities Laws, signed as required by the Canadian Securities Laws, including the consent of the Company's Auditors, Company's Canadian Counsel and Pöyry Forest Industry Ltd. together with copies of any other ancillary documents required to be filed by the Company under the Canadian Securities Laws;
 - (iii) a copy of any Supplementary Material required to be filed by the Company under the Canadian Securities Laws, signed as required by the Canadian Securities Laws, including copies of documents incorporated by reference therein;
 - (iv) a copy of the Final International Offering Memorandum;
 - (v) a comfort letter or letters dated the date of the Prospectus and addressed by the Company's Auditors to the Underwriters and the directors and Chief Executive Officer and Chief Financial Officer of the Company, in form and substance satisfactory to the Underwriters and Underwriters' Counsel, acting reasonably, with respect to certain financial and accounting information relating to the Company contained in the Prospectus, which comfort letter shall be based on a review by the Company's Auditors having a cut-off date of not more than two Business Days prior to the date of the letter or letters, as applicable, and shall be in addition to the auditors' reports contained in the Prospectus and the auditors' comfort letter addressed to the Securities Regulators; and

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- (vi) a letter from the TSX advising the Company that approval of the conditional listing of the Offered Shares has been granted by the TSX, subject to the satisfaction of certain conditions set out therein.
- (k) The Company shall deliver or cause to be delivered to the Underwriters, to the locations directed by the Underwriters, without charge, as soon as possible and in any event not later than the first Business Day after the date that the Prospectus is filed with the Securities Regulators, such number of commercial copies of the Prospectus and copies of the Final International Offering Memorandum, as the Underwriters require.
- (l) During the period of distribution to the public of the Offered Shares, which shall be the period from the date hereof to the date upon which the Company has received notice from the Underwriters of the completion thereof, the Company shall promptly notify the Underwriters in writing of:
 - (i) any material fact that has arisen or has been discovered which would have been required to have been stated in the Offering Documents, as the case may be, had the fact arisen or been discovered on, or prior to, the date of such document; and
 - (ii) any change in a material fact in the Offering Documents, as the case may be, or the existence of any new material fact,

which change or new material fact is, or may be of such a nature as:

- (iii) to render the Offering Documents misleading or untrue;
- (iv) would result in the Preliminary Prospectus, the Prospectus and the Supplementary Material not complying with any Canadian Securities Laws, the Preliminary International Offering Memorandum or the Final International Offering Memorandum not complying with applicable securities laws;
- (v) would reasonably be expected to have a significant effect on the market price or value of the Offered Shares or which would restrict or prevent the trading of the Offered Shares; or
- (vi) would be reasonably considered material to a prospective purchaser of the Offered Shares.

In any such case, the Company shall promptly and, in any event within applicable time limitations required by the Canadian Securities Laws, comply with all legal requirements necessary to comply with the Canadian Securities Laws in order to allow for the continued distribution of the Offered Shares in the Qualifying Jurisdictions as contemplated in Section 3 hereof.

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- (m) The Company shall in good faith discuss with the Underwriters any change in circumstances (actual, proposed or prospective) which is of such a nature that there is reasonable doubt whether notice need be given to the Underwriters pursuant to Subsection 6(1), it being understood that no Supplementary Material will be filed with the Securities Regulators prior to the review and approval by the Underwriters, acting reasonably.
- (n) At the respective times of filing, the Preliminary Prospectus, the Prospectus and any Supplementary Material will comply with the requirements of the Canadian Securities Laws.
- (o) Following the execution of this Agreement, the Company will (i) prepare and file or cause to be prepared and filed all documents and take or cause to be taken all actions required under the by-laws, rules, policies and regulations of the TSX in order to issue and sell to the Underwriters the Offered Shares for distribution to the public in the Qualifying Jurisdictions and for the Offered Shares to be listed on the TSX prior to or on the Closing Date, and (ii) make all necessary filings and use its best efforts to obtain all necessary regulatory and other consents and approvals required in connection with the transactions contemplated by this Agreement.
- (p) The Company will advise the Underwriters, promptly after receiving notice thereof, of the time when any amendment or supplement to the Prospectus and any Supplementary Material has been filed and a receipt for the Prospectus has been issued by the Ontario Securities Commission, and will provide evidence satisfactory to the Underwriters of such document.
- (q) The Company will, until the end of the distribution, advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, of: (i) the issuance of any order suspending or preventing the use of the Offering Documents; (ii) the imposition of cease trading or similar orders affecting the Offered Shares or any other securities of the Company; (iii) the institution, threatening or contemplation of any proceeding for any such purpose; or (iv) any request made by any Securities Regulator for amending or supplementing the Prospectus or any Supplementary Material or any request made by any other securities regulatory authority for amending or supplementing the Final International Offering Memorandum. The Company will use its best efforts to prevent the issuance of any such order and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible.
- (r) Prior to the filing of the Offering Documents, the Company shall allow the Underwriters to participate fully in the preparation thereof, and shall allow the Underwriters to conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfill its obligations as an underwriter and in order to enable the Underwriters to responsibly execute the certificate required to be executed by the Underwriters in the Prospectus and any Supplementary Materials.

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7. *Covenants of the Underwriters.* The Underwriters covenant with the Company as follows:

- (a) They will not to make any representation or warranty as to the Company or the Offered Shares other than as set forth in the Offering Documents.
- (b) The Offered Shares shall be offered for sale by the Underwriters to the public in the Qualifying Jurisdictions in compliance with the Canadian Securities Laws upon the terms and conditions set forth herein and in the Prospectus including applicable registration requirements. The Underwriters shall cause similar undertakings to be contained in any agreements among the members of any banking, selling or other groups formed for the distribution of the Offered Shares.
- (c) If they offer to sell or sell any Offered Shares in jurisdictions other than the Qualifying Jurisdictions, such offers or sales shall be effected in accordance and compliance with the applicable laws of such jurisdictions and shall be effected in such manner so as not to require registration of the Offered Shares, or the filing of a prospectus, registration statement or any other notice or document with respect to the distribution of the Offered Shares, under the laws of any jurisdiction outside the Qualifying Jurisdictions including, without limitation, the United States and the PRC. The Underwriters shall cause similar undertakings to be contained in any agreements among the members of any banking, selling or other groups formed for the distribution of the Offered Shares.
- (d) They agree, and will require each member of the banking or selling group, if any, to agree, to observe the United States selling restrictions set forth in Section 8 hereof and the Company agrees for the benefit of the Underwriters to comply with its covenants as set forth in Section 8 hereof. The Underwriters represent and warrant that they will not offer or sell any of the Offered Shares within the United States except for offers and sales made through U.S. selling agents in accordance with Rule 144A under the 1933 Act.
- (e) They shall after the Closing Time (a) use its reasonable commercial efforts and will require each member of the banking or selling group, if any, to agree, to terminate, distribution of the Offered Shares as promptly as possible; and (b) give prompt written notice to the Company, with a copy to Company's Counsel, when, in the opinion of the Underwriters, they, and the members of such groups, have ceased distribution of the Offered Shares and of the total proceeds realized from such distribution in each of the respective Qualifying Jurisdictions in which such information is or may be required by the appropriate Securities Regulators.

8. *International Offers and Sales.*

- (a) The Underwriters intend to offer and sell the Offered Shares within and outside the United States in the International Offering on the terms and

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subject to the conditions of this Section 8. In that connection, the Company hereby further represents, warrants, covenants and agrees to and with the Underwriters that:

- (i) it is not necessary in connection with the offer, sale and delivery of the Offered Shares to the Underwriters in the manner contemplated by this Agreement to register the Offered Shares under the 1933 Act.
- (ii) the Company is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest with respect to the Offered Shares.
- (iii) the Company is not, and after giving effect to the offering and sale of the Offered Shares and the application of the proceeds thereof as described in the Offering Documents will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.
- (iv) the Offering Documents, at the respective dates thereof, did, do and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Such documents, at the date hereof, do not and at the Closing Time will not (and any amendment or supplement thereto or final form thereof, at the date thereof and at the Closing Time will not) contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (v) the Company does not expect to be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended, and does not anticipate becoming one in the foreseeable future.
- (vi) neither the Company nor any Affiliate of the Company, directly, or through any agent, (i) has sold, offered for sale, solicited offers to buy or otherwise negotiated, or will sell, offer for sale or solicit offers to buy or otherwise negotiate, in respect of, any security (as defined in the 1933 Act) which is or will be integrated with the sale of the Offered Shares in a manner that would require the registration under the 1933 Act of the Offered Shares or (ii) offered, solicited offers to buy or sold, or will offer, solicit offers to buy or sell, the Offered Shares by any form of general solicitation or general advertising (as those terms are used in Regulation D under the 1933 Act) or in any manner involving a public offering within the meaning of Section 4(2) of the 1933 Act.

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- (vii) none of the Company, its Affiliates or any person acting on its behalf or their behalf has engaged or will engage in any Directed Selling Efforts with respect to the Offered Shares and the Company and its Affiliates.
 - (viii) the Offered Shares satisfy the requirements set forth in Rule 144A(d)(3) under the 1933 Act.
 - (ix) during the period of one year after the Closing Date or any Option Closing Date, if later, the Company will not, and will not permit any of its Affiliates to, resell any of the Offered Shares which constitute "restricted securities" under Rule 144(a)(3) that have been reacquired by any of them.
 - (x) none of the Company, its Affiliates, and persons acting on its or their behalf (other than the Underwriters) will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the 1933 Act) which could be "integrated" (as referred to in Rule 502 under the 1933 Act) with the sale of the Offered Shares in a manner which would require the registration of the Offered Shares under the 1933 Act.
 - (xi) for the benefit of any holder of Offered Shares or potential purchaser thereof, that for so long as any of the Common Shares are outstanding and are "restricted securities" within the meaning of Section (a)(3) of Rule 144 under the 1933 Act, it will provide to any holder of Offered Shares and any prospective purchaser thereof designated by such holder for so long as such requirement is necessary in order to permit holders of Offered Shares to effect resales under Rule 144A, upon the request of such holder or purchaser, at or prior to the time of purchase, the information required to be provided to such holder or prospective purchaser by Section (d)(4) of Rule 144A unless it files reports and other information with the SEC under Section 13 or 15(d) of the 1934 Act or is exempt from such reporting requirement pursuant to Rule 12g3-2(b) under the 1934 Act.
- (b) With respect to offers and sales within the United States pursuant to the International Offering, each Underwriter agrees with the Company that:
- (i) it will solicit (and will cause its U.S. affiliate to solicit) offers for the Offered Shares in the United States only from, and will offer (and cause its U.S. affiliate to offer) the Offered Shares only to, persons who it reasonably believes to be Qualified Institutional Buyers in accordance with Rule 144A;
 - (ii) it has not offered or will not offer to sell, has not solicited or will not solicit any offer to buy, by any form of general solicitation or general advertising (as those terms are used in Regulation D under the 1933

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- Act) or in any manner involving a public offering within the meaning of Section 4(2) of the 1933 Act, any of the Offered Shares; and
- (iii) it is an "accredited investor" within the meaning of Regulation D under the 1933 Act.
- (c) Each of the Underwriters has not entered, and will not enter, into any contractual arrangement with respect to the distribution of the Offered Shares in the United States, except with its respective Affiliates, without the prior written consent of the Company, except that nothing in this Section 8 shall in any way restrict offers and sales in accordance with Rule 144A.
- (d) With respect to offers and sales outside the United States and Canada, pursuant to the International Offering, the Underwriters agree with the Company that:
- (i) the Underwriters understand that no action has been or will be taken in any jurisdiction (other than Canada) by the Company that would permit a public offering of the Offered Shares, or possession, or distribution of the Offering Documents or any other offering or publicity material relating to the Offered Shares in any country or jurisdiction where action for that purpose is required;
 - (ii) the Underwriters will comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Offered Shares or has in its possession, or distributes the Offering Documents, in all cases at its own expense;
 - (iii) the Offered Shares have not been registered under the 1933 Act and may not be offered or sold within the United States except in accordance with Rule 144A or Regulation S under the 1933 Act or pursuant to another exemption from the registration requirements of the 1933 Act; and
 - (iv) the Underwriters have offered the Offered Shares and will offer and sell the Offered Shares in offshore transactions outside the United States as part of their distribution at any time only in accordance with Rule 903 of Regulation S or as otherwise permitted under the 1933 Act. Accordingly, none of the Underwriters, its Affiliates nor any persons acting on their behalf have engaged or will engage in any Directed Selling Efforts with respect to the Offered Shares.
- (e) Neither the Company nor to its knowledge any affiliate, as such term is defined in Rule 501(b) under the 1933 Act, of the Company has taken, nor will the Company or any Affiliate of the Company take, directly or indirectly, any action which is designed to or which has constituted or which would be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Shares.

9. *Indemnity and Contribution.*

- (a) The Company agrees to indemnify and hold harmless the Underwriters, their directors, their officers and each person, if any, who controls the Underwriters within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, and each affiliate of the Underwriters within the meaning of Rule 405 under the 1933 Act (each an "Indemnified Party") from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) (collectively, a "Claim") caused by (i) any untrue statement or alleged untrue statement made by the Company in Section 2 hereof or in any certificate delivered to the Underwriters pursuant to this Agreement; (ii) any misrepresentation or alleged misrepresentation (for purposes of Canadian Securities Laws), or any untrue statement or alleged untrue statement of a material fact contained in any of the Offering Documents (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in the light of the circumstances under which they are made not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such misrepresentation, untrue statement or omission or alleged misrepresentation, untrue statement or omission based upon information relating to the Underwriters furnished to the Company in writing by the Underwriters expressly for use therein; (iii) the Company not complying with any requirement of Canadian Securities Laws or U.S. Securities Laws; or (iv) any order made or inquiry, investigation or proceeding (formal or informal) commenced or threatened by any officer or official of any Securities Regulator based upon the circumstances described in paragraphs 9(a)(ii) or 9(a)(iii) above which operates to prevent or restrict trading in or distribution of the Offered Shares or any other securities of the Company in any of the Qualifying Jurisdictions.
- (b) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 9(a), such Indemnified Party shall promptly notify the Company in writing of the nature of the Claim and the Company, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Company may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless i) the Company and the Indemnified Party shall have mutually agreed to the retention of such counsel or ii) the named parties to any such proceeding (including any impleaded parties) include both the Company and the Indemnified Party and representation of both

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parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Company shall not, in respect of the legal expenses of any Indemnified Party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnified Parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Underwriters, in the case of parties indemnified pursuant to Section 9(a). The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Company agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an Company to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such Company of the aforesaid request and (ii) the Company shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement. The Company shall not, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

- (c) In the event that the Company does not assume the defence of a Claim within thirty (30) days after receiving notice thereof, the Indemnified Party shall have the right to retain his, her or its own legal counsel and the Company shall bear the reasonable fees, costs and expenses of such counsel. Notwithstanding the foregoing, in no event shall the Company be required to pay the fees and expenses of more than one set of counsel for all of the Indemnified Parties in a jurisdiction in respect of any particular Claim or related set of Claims.
- (d) The Company hereby waives its right to recover contribution from any of the Underwriters or any other Indemnified Party with respect to any liability of the Company by reason of or arising out of any misrepresentation (for the purposes of the Canadian Securities Laws or any of them) contained in the Offering Documents provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of or arising out of:
 - (i) any misrepresentation (for the purposes of the Canadian Securities Laws or any of them) which is based upon or results from a statement

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or information relating solely to the Underwriters contained in such documents; or

- (ii) any failure by the Underwriters or members of their banking or selling group (if any) to provide to purchasers of the Offered Shares any document which the Company is required to provide to such purchasers and which it has provided to the Underwriters to forward to such purchasers.
- (e) With respect to any Indemnified Party who is not a party to this Agreement, the Underwriters shall obtain and hold the rights and benefits of this Section 9 in trust for and on behalf of such Indemnified Party.
- (f) To the extent the indemnification provided for in Section 9(a) is unavailable to an Indemnified Party or insufficient in respect of any Claims referred to therein, then the Company, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Offered Shares or (ii) if the allocation provided by clause 9(f)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(f)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the misrepresentation, statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Offered Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Offered Shares (net of the fee payable to the Underwriters but before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, bear to the aggregate offering price of the Offered Shares. The Underwriters shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the aggregate fees actually received by the Underwriters from the Company. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the misrepresentation or alleged misrepresentation, the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such misrepresentation, statement or omission.
- (g) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 9 were determined by *pro*

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rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in clause 9(f). The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages and liabilities referred to in clause 9(f) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9, the Underwriters shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the aggregate fees actually received by the Underwriters from the Company. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Party at law or in equity.

- (h) The indemnity and contribution provisions contained in this Section 9 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Underwriters, any person controlling the Underwriters or any affiliate of the Underwriters or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Offered Shares.

10. *Obligations of Underwriters*

- (a) Subject to the terms hereof, the obligations of the Underwriters to purchase the Offered Shares at the Closing Time or Option Closing Time, as applicable, shall be several and not joint and several and their respective obligations and rights in this regard shall be in the following percentages:

Credit Suisse Securities (Canada) Inc.	35%
Dundee Securities Corporation	35%
Merrill Lynch Canada Inc.	10%
Scotia Capital Inc.	10%
TD Securities Inc.	10%

- (b) If one or more of the Underwriters should default in its obligations to purchase its respective percentage of the Offered Shares (the "Defaulted Securities") at the Closing Time or Option Closing Time, the non-defaulting Underwriters shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all but not less than all of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Underwriters shall not have completed such arrangements within such 24-hour period, then:

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- (i) if the number of Defaulted Securities is less than 10% of the number of Offered Shares to be purchased hereunder, the non-defaulting Underwriters shall be obligated, each severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations bear to the underwriting obligation of all non-defaulting Underwriters, or
 - (ii) if the number of Defaulted Securities is 10% or more of the number of Offered Shares to be purchased hereunder, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter.
 - (c) In the event of any default by an Underwriter as described in this Section 10, the non-defaulting Underwriter shall have the right to postpone the Closing Date or Option Closing Date for not more than three (3) Business Days in order that any changes in the arrangements or documents for the purchase and delivery of the Offered Shares may be made. Nothing in this Section 10 shall require the Company to sell less than all of the Firm Shares or Over-Allotment Shares, as applicable, or relieve any defaulting Underwriter from liability in respect of its default hereunder to the Company and to the non-defaulting Underwriters.
11. *Termination.*
- (a) In addition to any other remedies which may be available to the Underwriters, any Underwriter shall be entitled, without liability, at such Underwriter's sole discretion, to terminate and cancel such Underwriter's obligations under this Agreement by notice to the Company given prior to the Closing Time if, at or prior to the Closing Time:
 - (i) Trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the TSX, the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Market, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange, the Chicago Board of Trade or the London Stock Exchange;
 - (ii) Trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market;
 - (iii) A material disruption in securities settlement, payment or clearance services in the United States, Canada or London shall have occurred;
 - (iv) Any moratorium on commercial banking activities shall have been declared by Canadian, U.S. Federal or New York State authorities, UK authorities or the European Central Bank;
 - (v) The Company, subject to Section 6(a), has not obtained a receipt for the Prospectus from the Ontario Securities Commission, in order to

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qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions in accordance with the Securities Laws, by 5:00 pm (Toronto Time) on June 1, 2009 (or such other time and/or later date as the Company and the Underwriters may agree in writing);

- (vi) There should occur or commence, or be announced or threatened, any inquiry, action, suit, investigation or other proceeding (whether formal or informal) other than any inquiry, action, suit, investigation or other proceeding based on alleged activities of the Underwriters, or any order is issued by any governmental authority, other than an order based on the alleged activities of the Underwriters, or any law or regulation is promulgated, changed or announced or there is any change in the interpretation or administration of any law or regulation, which, in the reasonable opinion of the Underwriters (or any of them), is expected to prevent or materially suspend or restrict the trading in or the distribution of the Offered Shares, or any other securities of the Company or would be expected to have a material adverse effect on the market price or value of the Offered Shares or any other securities of the Company;
 - (vii) There should develop, occur or come into effect or existence, any event, action, state, condition or occurrence of national or international consequence, acts of hostilities, terrorism, or escalation thereof or other calamity or crisis, any changes in currency exchange rates or controls in Canada, the United States, the United Kingdom, Hong Kong, the PRC or elsewhere or any change or development involving a prospective change in national or international political, financial or economic conditions, or any law, action, regulation or other occurrence of any nature whatsoever which, in the reasonable opinion of the Underwriters (or any of them), materially adversely affects or involves, or is expected to materially adversely affect or involve, financial markets generally or the business, affairs or operations of the Company; or
 - (viii) There should occur or be discovered any material change in the Condition of the Company or any change in any material fact such as is contemplated in Section 6 hereof (other than a change related solely to the Underwriters), or the Underwriters become aware of any undisclosed material information, which, in the reasonable opinion of the Underwriters (or any of them), could be expected to have a material adverse effect on the market price or value of the Common Shares or any other securities of the Company.
- (b) All terms and conditions of this Agreement shall be construed as conditions, and any breach or failure by the Company to comply with any of such terms and conditions in all material respects shall entitle the Underwriters, or any of them, to terminate their obligations to purchase the Offered Shares by

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notice to that effect given to the Company at or prior to the Closing Time. The Underwriters may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance; provided, however, that to be binding on the Underwriters any such waiver or extension must be in writing and signed by all of the Underwriters.

- (c) The rights of termination contained in this Section 11 may be exercised by the Underwriters (or any of them) and are in addition to any other rights or remedies the Underwriters (or any of them) may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. A notice of termination given by an Underwriter under this Section 11 shall not be binding upon the other Underwriters. In the event that one or more, but not all of the Underwriters shall exercise the right of termination herein, the other Underwriter(s) shall have the right, but shall not be obligated, to purchase all of the Offered Shares which would otherwise have been purchased by the Underwriter(s) which has so terminated. Nothing in this Section 11 shall oblige the Company to sell to the Underwriters less than all of the Offered Shares.

12. *Effectiveness.* This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If this Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by the Underwriters in connection with this Agreement or the offering contemplated hereunder.

13. *Counterparts.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any suit, action or proceeding against any party hereto or any of its assets arising out of or relating to this Agreement may be brought in a competent court of the Province of Ontario and each party hereto hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of such court over the subject matter of any such suit, action or proceeding. Each party hereto irrevocably waives and agrees not to raise any objection it might now or hereafter have to any such suit, action or proceeding in any such court including any objection that the place where such court is located is an inconvenient forum or that there is any other suit, action or proceeding in any other place relating in whole or in part to the same subject matter.

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15. *Headings.* The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

16. *Notices.* All communications hereunder shall be in writing and shall be telecopied or delivered, and shall, in the case of notice to the Company, be addressed and sent to:

Sino-Forest Corporation
90 Burnhamthorpe Road West
Suite 1208
Mississauga, Ontario
Canada, L5B 3C3

Attention: Mr. Allen T. Y. Chan
Telecopier No.: (852) 2877-0125

And in the case of notice to the Underwriters, be addressed and sent to:

Credit Suisse Securities (Canada) Inc.
1 First Canadian Place
Suite 2900
Toronto, ON M5X 1C9

Attention: Ryan Lapointe
Telecopier No.: (416) 352-0925

Dundee Securities Corporation
2700, 1 Adelaide Street East
Toronto, ON M5C 2V9

Attention: David Anderson
Telecopier No.: (416) 350-3312

The parties may change their respective addresses and telecopy numbers for notice, by notice given in the manner aforesaid. Any such notification shall be deemed to be effective when telecopied or delivered, if telecopied or delivered to the recipient on a Business Day and before 3:00 p.m. (Toronto time) on such Business Day, and otherwise shall be deemed to be given at 9:00 a.m. (Toronto time) on the next following Business Day.

17. *Successors.* This Agreement shall enure to the benefit of, and shall be binding upon, the Underwriters and the Company and their respective successors and legal representatives and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person.

18. *Public Announcements.* The Company agrees that it shall not make any public announcements regarding the transactions contemplated hereunder without the prior

written consent of the Underwriters, such consent not to be unreasonably withheld. The Company agrees that, following Closing, the Underwriters may, at the Underwriters expense, place "tombstone" and other advertisements relating to its role in connection with the Offering.

19. *Time of Essence.* Time shall be of the essence of this Agreement.

20. *Survival.* The respective representations, warranties, agreements, covenants, indemnities and contribution obligations of the Company and the Underwriters set forth in this Agreement shall survive the Closing Date and remain in full force and effect regardless of: (i) any investigation made by or on behalf of the Company, the Underwriters or any of their respective officers or directors; (ii) delivery of and payment for the Offered Shares; and (iii) any subsequent disposition by the Underwriters of the Offered Shares.

21. *Authority of the Co-Lead Underwriters.* The Co-Lead Underwriters are hereby authorized by the other Underwriters to act on their behalf and the Company shall be entitled to and shall act on any notice given in accordance with this Agreement or any agreement entered into by or on behalf of the Underwriters by the Co-Lead Underwriters which represent and warrant that they have irrevocable authority to bind the Underwriters, except in respect of any matters relating to termination, waiver or extension, and Sections 10 and 11, which matters may be acted on by only the Underwriter affected. The Co-Lead Underwriters shall consult with the other Underwriters concerning any matter in respect of which they act as joint representatives of the Underwriters. The obligations of the Underwriters under this Agreement shall be several and not joint and several.

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Very truly yours,

SINO-FOREST CORPORATION

By: *(Signed) David Horsley*

Name: David Horsley

Title: Senior Vice-President and Chief
Financial Officer

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Accepted as of the date hereof

**CREDIT SUISSE SECURITIES
(CANADA) INC.**

By: (Signed) Ryan Lapointe
Name: Ryan Lapointe
Title: Vice-President

DUNDEE SECURITIES CORPORATION

By: (Signed) David G. Anderson
Name: David G. Anderson
Title: Vice- Chairman

MERRILL LYNCH CANADA INC.

By: (Signed) Kosta Galanis
Name: Kosta Galanis
Title: Vice-President

SCOTIA CAPITAL INC.

By: (Signed) Andrew McLenan
Name: Andrew McLenan
Title: Director

TD SECURITIES INC.

By: (Signed) Louis G. Véronneau
Name: Louis G. Véronneau
Title: Vice-President and Director

Schedule 1List of WFOEs

1. Sino-Forest (Guangzhou) Co., Ltd. (嘉汉林业 (广州) 有限公司)
2. Sino-Forest (Heyuan) Co., Ltd. (嘉汉林业 (河源) 有限公司)
3. Sino-Forest (Anhui) Co., Ltd. (嘉汉林业 (安徽) 有限公司)
4. Sino-Forest (China) Investments Limited (嘉汉林业 (中国) 投资有限公司)
5. Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业 (广州) 商贸有限公司)
6. Sino-Forest (Suzhou) Trading Co., Ltd. (嘉汉林业 (苏州) 商贸有限公司)
7. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业 (苏州) 有限公司)
8. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
9. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
10. Heyuan Jiahe Forestry Development Co., Ltd. (河源嘉河林业发展有限公司)
11. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)
12. Zhangzhou Jiamin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司)
13. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木 (苏州) 有限公司)
14. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情 (上海) 贸易有限公司)
15. Sino-Maple (Shanghai) Co., Ltd. (北美枫情 (上海) 商贸有限公司)
16. Sino-Panel (China) Investments Limited (嘉汉板业 (中国) 投资有限公司)
17. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业 (福建) 有限公司)
18. Guangdong Jiayao Wood Products Development Co., Ltd.
(广东嘉耀木业发展有限公司)

19. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司)
20. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司)
21. Xiangxi Autonomous State Jiayi Forestry Development Co., Ltd.
(湘西自治州嘉熙林业发展有限公司)
22. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd.
(湖南嘉裕木业(洪江市)有限公司)
23. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd.
(张家港保税区嘉盛国际贸易有限公司)
24. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)
25. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业(耿马)有限公司)
26. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
27. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业(鹿寨)有限公司)
28. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业(三江)有限公司)
29. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业(北海)发展有限公司)
30. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
31. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
32. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
33. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业(广州)商贸有限公司)
34. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
35. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
36. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
37. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)

38. Jiangxi Jiawei Panel Co., Ltd. (江西嘉維板業有限公司)

Schedule 2

List of PRC Limited Companies invested by WFOE

1. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
2. Beihai Changqing Wooden Co., Ltd. (北海常青木业有限公司)
3. Suzhou City Yuejia Gardening Design Co., Ltd.¹ (苏州市悦家园艺设计有限公司)

¹ This company is owned 30% by the same WFOE parent as Suzhou City Lvyun Garden Engineering Co., Ltd.

Schedule 3List of non-Material PRC Subsidiaries

1. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
2. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
3. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业(三江)有限公司)
4. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
5. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业(广州)商贸有限公司)
6. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
7. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
8. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
9. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
10. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
11. Beihai Changqing Wooden Co., Ltd. (北海常青木业有限公司)
12. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业(福建)有限公司)
13. Suzhou City Yuejia Gardening Design Co., Ltd. (苏州市悦家园艺设计有限公司)
14. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
15. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司)

Schedule 4

List of the BVI Subsidiaries

1. Suri-Wood Inc.
2. Express Point Holdings Ltd.
3. Smart Sure Enterprises Ltd.
4. Ace Supreme International Ltd.
5. Glory Billion International Ltd.
6. Amplemax Worldwide Ltd.
7. Expert Bonus Investment Ltd.
8. Sino-Panel (Yunan) Limited

Schedule 5List of Shareholders of PRC Subsidiaries

1. Sino-Wood (Jiangxi) Limited
2. Sino-Wood (Guangdong) Limited
3. Sino-Wood (Fujian) Limited
4. Sino-Forest Investments Limited
5. Grandeur Winway Ltd.
6. Sinowin Investments Ltd.
7. Sino-Forest Bio-Science Limited
8. Sino-Panel (Asia) Inc.
9. Sino-Panel (Gaoyao) Ltd.
10. SFR (China) Inc.
11. Sino-Panel (Guangxi) Ltd.
12. Sino-Panel (North Sea) Ltd.
13. Sino-Panel (Suzhou) Ltd.
14. Sino-Panel (Yunnan) Ltd.
15. Sino-Panel (Hunan) Ltd.
16. Sino-Panel (Xiangxi) Ltd.
17. Sino-Panel (North East China) Ltd.
18. Sino-Panel (Guangzhou) Ltd.
19. Sino-Panel (Huaihua) Ltd.
20. Sino-Panel (Yongzhou) Ltd.
21. Sino-Forest (China) Investments Limited (嘉汉林业 (中国) 投资有限公司)
22. Sino-Panel (China) Investments Limited (嘉汉板业 (中国) 投资有限公司)

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23. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木 (苏州) 有限公司)
24. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业 (苏州) 有限公司)

Schedule 6

List of Original CJVs

1. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
2. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
3. Heyuan Jiahe Forestry Development Co., Ltd. (河源嘉河林业发展有限公司)
4. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)

* After conversion from a CJV to a WFOE, Heyan Jiahe has been merged with Sino-Forest (Heyuan) Co., Ltd., and it is now in the process of cancelling its registration.

Schedule 7

List of Subsidiaries

1. Sino-Forest (Guangzhou) Co., Ltd. (嘉汉林业 (广州) 有限公司)
2. Sino-Forest (Heyuan) Co., Ltd. (嘉汉林业 (河源) 有限公司)
3. Sino-Forest (Anhui) Co., Ltd. (嘉汉林业 (安徽) 有限公司)
4. Sino-Forest (China) Investments Limited (嘉汉林业 (中国) 投资有限公司)
5. Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业 (广州) 商贸有限公司)
6. Sino-Forest (Suzhou) Trading Co., Ltd. (嘉汉林业 (苏州) 商贸有限公司)
7. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业 (苏州) 有限公司)
8. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
9. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
10. Heyuan Jiahe Forestry Development Co., Ltd. (河源嘉河林业发展有限公司)
11. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)
12. Zhangzhou Jiamin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司)
13. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木 (苏州) 有限公司)
14. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情 (上海) 贸易有限公司)
15. Sino-Maple (Shanghai) Co., Ltd. (北美枫情 (上海) 商贸有限公司)
16. Sino-Panel (China) Investments Limited (嘉汉板业 (中国) 投资有限公司)
17. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业 (福建) 有限公司)
18. Guangdong Jiayao Wood Products Development Co., Ltd. (广东嘉耀木业发展有限公司)
19. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司)
20. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司)
21. Xiangxi Autonomous State Jiayi Forestry Development Co., Ltd.
(湘西自治州嘉熙林业发展有限公司)
22. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd.
(湖南嘉裕木业 (洪江市) 有限公司)

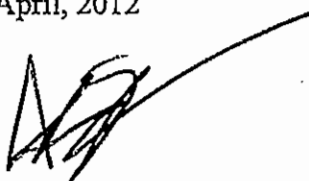
23. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd.
(张家港保税区嘉盛国际贸易有限公司)
24. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)
25. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业 (耿马) 有限公司)
26. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业 (广西) 发展有限公司)
27. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业 (鹿寨) 有限公司)
28. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业 (三江) 有限公司)
29. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业 (北海) 发展有限公司)
30. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业 (芷江) 有限公司)
31. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业 (江华) 有限公司)
32. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业 (沅陵) 有限公司)
33. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业 (广州) 商贸有限公司)
34. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
35. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
36. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
37. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
38. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司)
39. Suzhou City Yuejia Gardening Design Co., Ltd. (苏州市悦家园艺术设计有限公司)
40. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
41. Beihai Changqing Wooden Co., Ltd. (北海常青木业有限公司)
42. Dynamic Profit Holdings Limited
43. Grandeur Winway Limited
44. SFR (China) Inc.
45. Sino-Capital Global Inc.
46. Sino-Forest Investments Limited
47. Sino-Forest Bio-Science Limited
48. Sino-Forest Resources Inc.
49. Sino-Global Holdings Inc.

50. Sino-Panel (Asia) Inc.
51. Sino-Panel (Fujian) Limited
52. Sino-Panel (Gaoyao) Ltd.
53. Sino-Panel (Guangxi) Limited
54. Sino-Panel (Guangzhou) Limited
55. Sino-Panel (Guizhou) Limited
56. Sino-Panel Holdings Limited
57. Sino-Panel (Huaihua) Limited
58. Sino-Panel (Hunan) Limited
59. Sino-Panel (North-East China) Limited
60. Sino-Panel (North Sea) Limited
61. Sino-Panel (Qinzhou) Limited
62. Sino-Panel (Shaoyang) Limited
63. Sino-Panel (Suzhou) Limited
64. Sino-Panel (Xiangxi) Limited
65. Sino-Panel (Yongzhou) Limited
66. Sino-Panel (Yunnan) Limited
67. Sinowin Investments Limited
68. Suri-Wood Inc.
69. Amplemax Worldwide Limited
70. Glory Billion International Limited
71. Smart Sure Enterprises Limited
72. Expert Bonus Investment Limited
73. Ace Supreme International Limited
74. Express Point Holdings Limited
75. Sino-Wood (Jiangxi) Limited
76. Sino-Wood (Guangdong) Limited
77. Sino-Wood (Fujian) Limited
78. Sino-Wood Partners, Limited
79. Sino-Plantation Limited
80. Sino-Wood (Guangxi) Limited
81. Sinowood Limited

TAB D

TAB D

This is Exhibit "D" referred to in the
Affidavit of Rebecca Wise
Sworn before me, this 23rd
day of April, 2012

A handwritten signature in black ink, appearing to read 'ASLAVENS', with a long horizontal stroke extending to the right.

A Commissioner, Etc.

ADAM MARCUS SLAVENS
Barrister and Solicitor, Notary
Public for the Province of Ontario
My Commission is unlimited as to time.

EXECUTION COPY

DEALER MANAGER AGREEMENT

June 24, 2009

Credit Suisse Securities (USA) LLC
 Eleven Madison Avenue
 New York, NY 10010-3629

Ladies and Gentlemen:

1. The Exchange Offer. Sino-Forest Corporation, a Canada Business Corporations Act corporation (the "Company"), together with the Subsidiary Guarantors listed on Schedule I hereto (the "Subsidiary Guarantors"), proposes to exchange (hereinafter referred to, together with any amendments, supplements or extensions thereof, as the "Exchange Offer") for any and all of its issued and outstanding 9.125% Guaranteed Senior Notes due 2011 (the "Existing Securities") held by holders (i) in the United States, that are "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities and Exchange Act of 1933, as amended (the "Securities Act") and (ii) outside the United States that are persons other than "U.S. persons" in reliance on and as that term is defined in Rule 902 of Regulation S under the Securities Act, 10.25% Guaranteed Senior Notes due 2014 (the "New Securities") on the terms and subject to the conditions set forth in the Exchange Offer Material (as hereinafter defined) as the same may be amended or supplemented from time to time.
2. Appointment as Dealer Manager. The Company and the Subsidiary Guarantors hereby appoint you as Dealer Manager (the "Dealer Manager") and authorize you to act as such in connection with the Exchange Offer. On the basis of the representations, warranties and covenants of the Company and the Subsidiary Guarantors contained herein and in accordance with the terms and conditions hereof and of the Exchange Offer, you agree, in accordance with your customary practice, to perform those services in connection with the Exchange Offer as are customarily performed by investment banks in connection with exchange offers of a like nature, including, but not limited to, using reasonable efforts to solicit tenders of Existing Securities in exchange for New Securities pursuant to the Exchange Offer and communicating generally regarding the Exchange Offer with brokers, dealers, commercial banks and trust companies and other holders of Existing Securities. In such capacity, you shall act as an independent contractor, and each of your duties arising out of your engagement pursuant to this Agreement shall be owed solely to the Company.

The Company further authorizes you to communicate with The Depository Trust Company, in its capacity as depository (the "Depository"), and with Global Bondholder Services Corporation, in its capacity as information agent (the "Information Agent"), with respect to matters relating to the Exchange Offer. The Company has instructed the Depository to advise you at least daily as to the number of Existing Securities which have been tendered pursuant to the Exchange Offer and as to such other matters in connection with the Exchange Offer as you may request.

3. No Liability for Acts of Brokers, Dealers, Banks and Trust Companies. Neither you nor any of your affiliates shall have any liability to the Company or any other person for any losses, claims, damages, liabilities and expenses (each, a "Loss" and collectively, the "Losses") arising from any act or omission on the part of any broker or dealer in securities (a "Dealer"), bank or trust company, or any other person, and neither you nor any of your affiliates shall be liable for any Losses arising from your own acts or omissions in performing your obligations as Dealer Manager or as a Dealer

hereunder or otherwise in connection with the Exchange Offer, except to the extent of any such Losses which are finally judicially determined to have resulted from your bad faith, willful misconduct or gross negligence. In soliciting or obtaining tenders, no Dealer, bank or trust company is to be deemed to be acting as your agent or the agent of the Company or any of its affiliates, and you, as Dealer Manager, are not to be deemed the agent of any Dealer, bank or trust company or the agent or fiduciary of the Company or any of its affiliates, security holders, creditors or of any other person. In soliciting or obtaining tenders, you shall not be and shall not be deemed for any purpose to act as a partner or joint venturer of or a member of a syndicate or group with the Company or any of its affiliates in connection with the Exchange Offer, any acceptance of the Existing Securities, or otherwise, and neither the Company nor any of its affiliates shall be deemed to act as your agent. The Company shall have sole authority for the acceptance or rejection of any and all tenders of Existing Securities.

4. The Exchange Offer Material and Withdrawal Rights. The Company agrees to furnish you, at its expense, with as many copies as you may reasonably request of (i) each offering memorandum, disclosure document, or other explanatory statement, or other report, filing, document, release or communication mailed, delivered, published, or filed by or on behalf of the Company in connection with the Exchange Offer, (ii) any document that is filed, if any, with the U.S. Securities and Exchange Commission (the "Commission") or any other federal, state, local or foreign governmental or regulatory authorities or any court, including without limitation, the Ontario Securities Commission (each an "Other Agency" and collectively, the "Other Agencies"), and all documents incorporated therein by reference, pertaining to either the Exchange Offer or the Company during the term of this Agreement and (iii) each appendix, attachment, modification, amendment or supplement to any of the foregoing and all related documents, including but not limited to each related letter of transmittal (each of (i), (ii) and (iii), together with each document incorporated by reference into any of the foregoing, the "Exchange Offer Material"). The Exchange Offer Material has been or will be prepared and approved by, and is the sole responsibility of, the Company, except for any information included therein in reliance on and in conformity with written information furnished to the Company by the Dealer Manager expressly for inclusion therein. The Company acknowledges that the only information furnished by or on behalf of the Dealer Manager is the name of the Dealer Manager on the cover page of the Exchange Offer Materials dated June 24, 2009 in connection with Exchange Offer. At the commencement of the Exchange Offer, the Company shall cause timely to be delivered, to each registered holder of any Existing Securities legally or contractually entitled thereto, the Exchange Offer Material and any other offering materials prepared expressly for use by holders of Existing Securities tendering in the Exchange Offer, together with a return envelope. Thereafter, to the extent practicable, until the expiration of the Exchange Offer, the Company shall use its best efforts to cause copies of such materials and a return envelope to be mailed to each person who becomes a holder of any applicable Existing Securities.

The Company acknowledges and agrees that you may use the Exchange Offer Material as specified herein without assuming any responsibility for independent investigation or verification on your part and the Company represents and warrants to you that you may rely on the accuracy and adequacy of any information delivered to you by or on behalf of the Company without assuming any responsibility for independent verification of such information or without performing or receiving any appraisal or evaluation of the Company's assets or liabilities.

You hereby agree, as Dealer Manager, that you will not disseminate any written material for or in connection with the solicitation of tenders of Existing Securities pursuant to the Exchange Offer other than the Exchange Offer Material.

The Company agrees that no Exchange Offer Material will be used in connection with the Exchange

Offer or the transactions contemplated thereby or filed with the Commission or any Other Agency with respect to the Exchange Offer or the transactions contemplated thereby without first obtaining your prior approval (which approval shall not be unreasonably withheld). In the event that the Company (a) uses or permits the use of any Exchange Offer Material in connection with the Exchange Offer or files any such material with the Commission or any Other Agency without your prior approval or (b) shall have breached any of its representations, warranties, agreements or covenants herein, then you shall be entitled to withdraw as Dealer Manager in connection with the Exchange Offer without any liability or penalty to you or any Indemnified Person (as hereinafter defined) for such withdrawal, and without loss of any right to the indemnification provided in Section 12 hereof, the payment of all fees and expenses payable under this Agreement which have accrued to the date of such withdrawal or would otherwise be due to you on such date, or the benefit of any other provisions surviving such withdrawal pursuant to Section 15 hereof. If you withdraw as Dealer Manager, the fees accrued and reimbursement for your expenses through the date of such withdrawal shall be paid to you as promptly as practicable after such date.

5. Compensation. The Company and the Subsidiary Guarantors, jointly and severally, agree to pay you, as compensation for your services as Dealer Manager in connection with the Exchange Offer, a fee equal to 2.25% of the aggregate principal amount of the Existing Securities that have been validly tendered by the holders of the Existing Securities in connection with the Exchange Offer and accepted by the Company, such fee to be paid to the Dealer Manager on the date of the consummation of the Exchange Offer.
6. Expenses of Dealer Manager and Others. In addition to your compensation for your services hereunder pursuant to Section 5 hereof, the Company and the Subsidiary Guarantors, jointly and severally, agree to pay directly, or reimburse you, as the case may be, for (a) all fees and reasonable out of pocket expenses incurred by you relating to the preparation, printing, filing, mailing and publishing of all Exchange Offer Material, (b) all fees and expenses of the Depository, the Information Agent or other persons rendering services, as agreed by the Company and such party, in connection with the Exchange Offer, (c) all advertising charges in connection with the Exchange Offer or the transactions contemplated thereby, including those of any public relations firm or other person or entity rendering services in connection therewith, (d) all fees, if any, payable to Dealers (including you), and banks and trust companies as reimbursement for their customary mailing and handling expenses incurred in forwarding the Exchange Offer Material to their customers, (e) all fees and expenses payable in connection with the registration or qualification of the New Securities under U.S. state securities or "blue sky" laws, and (f) all other reasonable fees and expenses incurred by you in connection with the Exchange Offer or the transactions contemplated thereby or otherwise in connection with the performance of your services hereunder (including 50% of reasonable fees and disbursements of your legal counsel; *provided that* in the event that the Exchange Offer is not consummated, the Company will reimburse you for 100% of these fees and expenses). All payments to be made by the Company pursuant to this Section 6 shall be made promptly against delivery to the Company of statements therefor. The Company shall be liable for the foregoing payments whether or not the Exchange Offer or the transactions contemplated thereby are commenced, withdrawn, terminated or cancelled prior to the acceptance of any Existing Securities or whether the Company or any of its subsidiaries or affiliates acquires any Existing Securities pursuant to the Exchange Offer or whether you withdraw pursuant to Section 4 hereof.
7. Securityholder Lists. The Company will cause you to be provided with cards or lists or other records in such form as you may reasonably request showing the names and addresses of, and the number of Existing Securities held by, the holders of Existing Securities as of a recent date and will cause you to be advised from day to day during the period of the Exchange Offer as to any transfers of record of Existing Securities.

8. Additional Obligations of the Company. a) The Company will prepare and file, as required, any and all necessary amendments or supplements to any of the Exchange Offer Material, will promptly furnish to you true and complete copies of each such amendment and supplement within a reasonable period of time prior to the filing thereof.
- b) The Company shall advise you promptly of (i) the occurrence of any event which could reasonably be expected to cause the Company to withdraw, rescind, terminate or modify the Exchange Offer or would permit the Company to exercise any right not to accept Existing Securities tendered under the Exchange Offer or otherwise not consummate the Exchange Offer, (ii) the occurrence of any event, or the discovery of any fact, the occurrence or existence of which it believes would require the making of any change in any of the Exchange Offer Material then being used or would cause any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect, (iii) any proposal or requirement to make, amend or supplement any Exchange Offer Material, (iv) to the extent permitted by applicable law, the issuance by the Commission or any Other Agency of any stop order or the taking of any other action concerning the Exchange Offer (and, if in writing, will furnish you with a copy thereof), (v) any material developments in connection with the Exchange Offer, including, without limitation, the commencement of any lawsuit concerning the Exchange Offer and (vi) any other information relating to the Exchange Offer, the Exchange Offer Material or this Agreement which you may from time to time reasonably request.
- c) So long as any of the New Securities are outstanding, the Company will deliver to you, promptly upon their becoming available, unless made publicly available, copies of all financial statements, reports, notices and proxy statements sent by the Company to its security holders.
- d) Prior to the consummation of the Exchange Offer, the Company shall furnish to you, as soon as they have been prepared by the Company, a copy of any consolidated financial statements of the Company and its consolidated subsidiaries for any period subsequent to the period covered by the financial statements appearing in the Exchange Offer Material.
9. Additional Representations, Warranties and Covenants of the Company and the Subsidiary Guarantors. (A) The Company represents and warrants to you that:
- a) The Company is a corporation duly organized, validly existing and in good standing under the laws of Canada, with corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as described in the Exchange Offer Material; and the Company is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or to be in good standing, considering all such cases in the aggregate, would not have a material adverse effect on the business, properties, financial position or results of operations of the Company and all of its subsidiaries and affiliates taken as a whole.
- b) (i) The Company has full corporate power and authority to take and has duly taken all necessary corporate action to authorize (A) the Exchange Offer, (B) the issuance of New Securities, (C) the exchange by the Company of New Securities for Existing Securities pursuant to the Exchange Offer, (D) the consummation of the other transactions contemplated thereby and (E) the execution, delivery and performance of this Agreement and all related documents, and (ii) this Agreement and all related documents have been duly authorized, executed and delivered on behalf of the Company and this Agreement is a legal, valid and binding obligation of the

Company enforceable against the Company in accordance with its terms, except that the enforceability hereof may be limited by (x) bankruptcy, insolvency, reorganization, moratorium and other laws now or hereafter in effect relating to creditors' rights generally and (y) general principles of equity.

- c) All of the subsidiaries of the Company, except those specifically excluded below, are listed in Exhibit H attached hereto; there is no other company or undertaking in which any of the Company or its Subsidiaries directly or indirectly owns or controls or proposes to own or control a majority interest (whether by way of shareholding, trust arrangement or otherwise).

For purposes of this Agreement, "Subsidiary" means:

- (i) any corporation of which securities, having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues), are at the time directly, indirectly or beneficially owned or controlled by the Company or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries;
 - (ii) any partnership of which the Company, or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries: (x) directly, indirectly or beneficially owns or controls more than 50% of the income, capital, beneficial or ownership interest (however designated) thereof; and (y) is a general partner, in the case of a limited partnership, or is a partner that has the authority to bind the partnership in all other cases; or
 - (iii) any other person of which at least a majority of the income, capital, beneficial or ownership interest (however designated) is at the time directly, indirectly or beneficially owned or controlled by the Company, or one or more of its Subsidiaries or the Company and one or more of its Subsidiaries; provided that the term Subsidiary shall in any event include any cooperative joint venture corporations, the WFOEs (as defined below) and each of the additional entities identified in Exhibits B, C, D, E, F and H but excludes Sino-Panel Corporation (Canada), Sinowood Holdings Limited, Sinowood Finance Limited, Khan Forestry Inc. and Max Grain Development Limited which are inactive.
- d) Each Subsidiary has been duly incorporated, amalgamated, formed or continued, as the case may be, is validly existing as a corporation or partnership in good standing under the laws of the jurisdiction of its incorporation, amalgamation, formation or continuance, has the corporate power and authority to own its property and to conduct its business as described in the Exchange Offer Material and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its Subsidiaries, taken as a whole; except as disclosed in clause m) below of this Section 9, all of the issued shares of capital stock of each Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and the shares of capital stock of each such Subsidiary owned by the Company or another Subsidiary are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims.

- e) Each of the Company and its Subsidiaries has obtained all consents, authorizations, approvals, orders, certificates and permits of and from, and has made all declarations and filings with, all relevant national, local or other governmental authorities and all relevant courts and other tribunals ("Governmental Authorizations") which are required for the Company or any of its Subsidiaries to own, lease, license and use its properties and assets and to conduct its business in the manner described in, and contemplated by, the Exchange Offer Material. Except for the Governmental Authorizations whose absence would not have a material adverse effect on the business, affairs, operations, assets, properties, prospects, liabilities (contingent or otherwise), capital, earnings or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole (the "Condition of the Company"), all such Governmental Authorizations are in full force and effect; none of the Company and its Subsidiaries is in violation of, or default under, such Governmental Authorizations.
- f) Each of the Company and its Subsidiaries has good and marketable title to all real property and all personal property owned by it, in each case free and clear of all liens, encumbrances and defects, except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by it and except for the mortgages, liens, pledges or other security interests relating to the bank borrowings and other indebtedness by the Company disclosed in the Exchange Offer Material; and any real property and buildings held under lease by the Company and its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries, in each case except as described in or contemplated in the Exchange Offer Material.

With respect to any of the tree plantations owned, leased or otherwise operated by the Subsidiaries of the Company, each such Subsidiary has obtained or are in the process of applying for the Plantation Rights Certificates, its equivalents or other relevant approvals for their legal titles to the plantation land use or other relevant plantation rights, as applicable, that are required or otherwise necessary under the PRC laws and regulations in order for such Subsidiary to own, lease or operate such plantation and conduct its wood fiber businesses in the manner described in, and contemplated by, the Exchange Offer Material except for any rights the failure of which to obtain would not result in a material adverse effect on the Condition of the Company; with respect to any of the plants, buildings or other structures owned by any of the Company's Subsidiaries, such Subsidiary has valid land use right certificates, building ownership certificate or other relevant title documents, and the construction, development, occupation and use of such plant, building or structure complies in all material respects with all the applicable laws and regulations except such as would not, singly or in the aggregate, result in a material adverse effect on the Condition of the Company.

- g) The Company and its Subsidiaries own or possess or can acquire on reasonable terms sufficient trademarks, trade names, patent rights, copyrights, licenses, approvals, trade secrets and other similar rights (collectively, the "Intellectual Property Rights") reasonably necessary to conduct their businesses as now conducted; neither the Company nor any of its Subsidiaries has received any notice of or is otherwise aware of infringement or conflict with asserted Intellectual Property Rights of others.
- h) The relevant PRC Subsidiaries (as defined below) have duly obtained or are in the process of applying for the relevant Plantation Rights Certificates, its equivalents or other relevant approvals

for their legal titles to the plantation land use rights and the planted tree plantations. The relevant PRC Subsidiaries have planted at least 61,500 hectares of planted tree plantation as of March 31, 2009.

- i) Each of the Company and its Subsidiaries has the right to conduct business in the PRC in the manner as presently conducted and as described in the Exchange Offer Material, and has obtained or are in the process of applying for the relevant Plantation Rights Certificates, its equivalents or other relevant approvals for their legal titles to the right to own the purchased tree plantations (as set forth in the Exchange Offer Material) and has or will have the right to log, transport, and sell the purchased tree plantations in accordance with the PRC laws and regulations.
- j) The events and transactions (the “CJV Conversion”) set forth in the Exchange Offer Material relating to the conversion of the corporate form of certain PRC Subsidiaries of the Company from cooperative joint venture enterprise into wholly foreign-owned enterprise, as listed in Exhibit G (the “Original CJVs”), have been duly effected in accordance with applicable laws and regulations, and the description of the CJV Conversion set forth therein is an accurate and fair summary of such transactions in all material respects.
- k) Each of the Company’s Subsidiaries in the PRC has been duly established as a wholly foreign owned enterprises (each, a “WFOE” and, collectively the “WFOEs”) or a PRC limited company invested by WFOE (together with the WFOEs, the “PRC Subsidiaries”) in compliance with applicable PRC laws and regulations.
- l) The ownership structure of the PRC Subsidiaries as described in the Exchange Offer Material is in compliance with any applicable laws and regulations in the PRC.
- m) Except for Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co, Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co. Ltd. whose registered capital shall be subscribed in instalments in accordance with their respective government approvals, the registered capital of each of the PRC Subsidiaries has been subscribed in full and all government approvals relating to the subscription thereof have been issued and are in full force and effect; the Company will pay or cause to be paid in full the unpaid registered capital of Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co., Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co. Ltd. in due course in accordance with PRC laws and regulations.
- n) The articles of association of each of the WFOEs comply with the requirements of applicable laws of the PRC, and are in full force and effect.
- o) Each of (i) the documents listed under “Material Contracts” in the Company’s annual information form dated March 31, 2009, (ii) the master agreements or other contracts entered into by the Subsidiaries of the Company relating to the purchase of the rights to the trees on particular plantation land with or without a preemptive right to lease such plantation land, (iii) the long-term lease agreements entered into by any of the Company’s Subsidiaries for tree plantations as disclosed in the Exchange Offer Material, (iv) the share purchase or other investment agreements entered into by the Company and any of its Subsidiaries, and (v) any other contracts or arrangements between any of either the Company or the Company’s Subsidiaries and an authorized intermediary regarding the sales of standing timber, has been duly authorized, executed and delivered by the Company or the relevant Subsidiaries of the Company, as the case may be, constitutes a valid and binding agreement of each of the parties thereto, is in full force

and effect and is enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction. The Company has no knowledge of the invalidity of or grounds for rescission, avoidance or repudiation of any such material contract and none of the Company or its Subsidiaries has received notice of any intention to terminate any such contract or agreement or repudiate or disclaim any such transaction. All descriptions of material contracts or documents in the Exchange Offer Material, to the extent such descriptions purport to describe or summarize such contracts or documents, are true and accurate in all material respects, fairly summarize the contents of such contracts or documents and do not omit any material information which affects the import of such descriptions.

- p) Each of the WFOEs has obtained all necessary foreign exchange registration certificates from the relevant local branches of the State Administration of Foreign Exchange and has passed foreign exchange annual inspections, except for those the absence of which would not result in a material adverse effect on the Condition of the Company. No other governmental registration, authorization or filing with any governmental authority is required in the PRC in respect of the ownership by the Company of its direct or indirect equity interest in any PRC Subsidiary or in respect of the CJV Conversion, except for those that have already been obtained or those the absence of which would not result in a material adverse effect on the Condition of the Company.
- q) Subject to compliance with the requisite procedures under the PRC laws and regulations, each PRC Subsidiary has full power and authority to effect dividend payments and remittances thereof outside the PRC in foreign currency free of deduction or withholding on account of income taxes and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC. No wholly-owned Subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's properties or assets to the Company or any other wholly-owned Subsidiary upon the requisite approval procedures for such transferring, except for Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co., Ltd. Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co. Ltd. whose registered capital has been partially paid up or has not been paid up, the dividend payments and remittances for which shall be made in proportion to the paid-up contribution of its registered capital, and except as otherwise described in the Exchange Offer Material.
- r) The authorized capital of the Company conforms to the description thereof contained in the Exchange Offer Material. None of the outstanding Common Shares were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its Subsidiaries other than those accurately described in the Exchange Offer Material. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Exchange Offer Material accurately and fairly describes such plans, arrangements, options and rights.

- s) Except for Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co., Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co., Ltd., each of the WFOEs has full power and authority to borrow shareholder loans from its foreign shareholder as contemplated and described in the Exchange Offer Material. Except for those disclosed in the Exchange Offer Material, no other licenses, consents, approvals, authorizations, permits, certificates or orders of or from, or filings, declarations or qualifications with or to, any governmental body, court, agency or official in the PRC are required for any WFOE to borrow shareholder loans. Each of the WFOEs will be able to repay such shareholder loans in, and remit to outside the PRC, United States dollars, except for the withholding tax required under the PRC Enterprise Income Tax Law, enacted on March 16, 2007 and effective on January 1, 2008 and its Implementation Rules issued on December 6, 2007 and effective on January 1, 2008, of the PRC and other exceptions, in each case, as disclosed in the Exchange Offer Material, free of deduction or withholding on account of income taxes and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC.
- t) The Company is, and immediately upon consummation of the transactions contemplated herein and in the Exchange Offer Material will be, Solvent. As used herein, the term “Solvent” means, with respect to an entity, on a particular date, that on such date (a) the book value of the assets of such entity is greater than or equal to the total amount of liabilities (including contingent liabilities) of such entity, (b) the value of the assets of the entity is greater than the amount that will be required to pay the probable liabilities of such entity on its debt as they become absolute and mature, (c) the entity is able to realize upon its assets and pay its debts and other liabilities (including contingent obligations) as they mature, and (d) the entity does not have unreasonably small capital. Except such as would not result in a material adverse effect on the Condition of the Company, no winding up or liquidation proceedings have been commenced against the Company or any of its Subsidiaries and no proceedings have been started or, to the best of the knowledge information and belief of the Company, threatened for the purpose of, and no judgment has been rendered, declaring the Company or any of its Subsidiaries bankrupt or in any insolvency proceeding, or for any arrangement or composition for the benefit of creditors, or for the appointment of a receiver, trustee, administrator or similar officer of any of the Company and its Subsidiaries, or any of their respective properties, revenues or assets.
- u) None of the Company, the Company’s Subsidiaries or any of the Company’s or its Subsidiaries’ properties, assets or revenues are entitled to any right of immunity in any jurisdiction on the grounds of sovereignty from any legal action, suit or proceedings, from set-off or counterclaim, from the jurisdiction of any court, from services of process, from attachment prior to or in aid of execution of judgment, or from other legal process or proceedings for the giving of any relief or for the enforcement of any judgment.
- v) Subject to compliance by the Dealer Manager with the representations and warranties of the Dealer Manager and the procedures set forth in the Exchange Offer Memorandum, it is not necessary in connection with the offer, sale and delivery of the New Securities in the manner contemplated by this Agreement and the Exchange Offer Memorandum to register the New Securities under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the “1939 Act”). The Exchange Offer is or will be made only to (i), in the United States, “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the Securities Act (“Rule 144A”) and (ii) outside the United States, persons other than “U.S. persons” in compliance with Regulation S under the Securities Act.

- w) The New Securities satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act.
- x) During the period of one year after the Closing Date, the Company will not, and will not permit any of its affiliates to, resell any of the New Securities which constitute "restricted securities" under Rule 144(a)(3) under the Securities Act that have been reacquired by any of them.
- y) The Company and the Subsidiary Guarantors agree that, in order to render the offered New Securities eligible for resale pursuant to Rule 144A under the Securities Act, while any of the New Securities remain outstanding, they will make available, upon request, to any holder of New Securities or prospective purchasers of New Securities the information specified in Rule 144A(d)(4) under the Securities Act, unless the Company and the Subsidiary Guarantors furnish information to the Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission thereunder (collectively, the "Exchange Act").
- z) The Exchange Offer and the Exchange Offer Material comply or will comply in all material respects with the applicable requirements of the Securities Act, and the Exchange Act and with all applicable rules or regulations of the Commission and any Other Agency, including applicable "blue sky" or similar securities laws; and none of the Exchange Offer Material (including, without limitation, any documents incorporated by reference in such Exchange Offer Material) contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they are made, not misleading; *provided, however*, that no representation is made with respect to any statements contained in, or any matter omitted from, the Exchange Offer Material in reliance upon and in conformity with information furnished or confirmed in writing by you to the Company expressly for use therein. The Company acknowledges that the only information furnished by or on behalf of the Dealer Manager is the name of the Dealer Manager on the cover page of the Exchange Offer Materials dated June 24, 2009 in connection with Exchange Offer.
- aa) The Exchange Offer, the issuance of the New Securities, the exchange of New Securities for Existing Securities pursuant to the Exchange Offer, the consummation of the other transactions contemplated by this Agreement, the Exchange Offer or the Exchange Offer Material, and the execution, delivery and performance of this Agreement and all related documents by the Company comply and will comply in all material respects with all applicable requirements of federal, state, local and foreign law, including, without limitation, any applicable regulations of the Commission and Other Agencies, and all applicable judgments, orders or decrees; and no consent, authorization, approval, order, exemption, registration, qualification or other action of, or filing with or notice to, the Commission or any Other Agency is required in connection with the execution, delivery and performance of this Agreement by the Company, the making or consummation by the Company of the Exchange Offer, the issuance of the New Securities, the exchange of New Securities for Existing Securities pursuant to the Exchange Offer or the consummation of the other transactions contemplated by this Agreement, the Exchange Offer or the Exchange Offer Material, except where the failure to obtain or make such consent, authorization, approval, order, exemption, registration, qualification or other action or filing or notification would not materially adversely affect the ability of the Company to execute, deliver and perform this Agreement or to commence and consummate the Exchange Offer in accordance with its terms.

- bb) The Exchange Offer, the issuance of the New Securities, the exchange of New Securities for Existing Securities pursuant to the Exchange Offer, the consummation of the other transactions contemplated by this Agreement, the Exchange Offer or the Exchange Offer Material, and the execution, delivery and performance of this Agreement by the Company, do not and will not (i) conflict with or result in a violation of any of the provisions of the certificate of incorporation or by-laws (or similar organizational documents) of the Company, (ii) conflict with or violate in any material respect any law, rule, regulation, order, judgment or decree applicable to the Company or by which any property or asset of the Company or any of its Subsidiaries is or may be bound or (iii) result in a breach of any of the material terms or provisions of, or constitute a default (with or without due notice and/or lapse of time) under, or give rise to or accelerate the repayment of, any loan or credit agreement, indenture, mortgage, note, or other agreement or instrument, or indebtedness or other payment or repayment obligation under such agreement or instrument, to which the Company or any of its Subsidiaries is a party or by which any of them or any of their respective properties or assets is or may be bound.
- cc) No stop order, restraining order or denial of an application for approval has been issued and no investigation, proceeding or litigation has been commenced or, to the best of the Company's knowledge, after due inquiry, contemplated before the Commission or any Other Agency with respect to the making or consummation of the Exchange Offer, the offer, issuance, delivery or exchange of the New Securities pursuant to the Exchange Offer or the consummation of the other transactions contemplated by this Agreement, the Exchange Offer or the Exchange Offer Material.
- dd) Since the respective dates as of which information is given in the Exchange Offer Material, and except as otherwise stated or contemplated therein, (i) there has been no material adverse change and no development involving a prospective material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business, (ii) there have been no transactions entered into by the Company or any of its Subsidiaries which are material to the Company and its Subsidiaries, taken as a whole, other than those entered into in the ordinary course of business; (iii) there has been no material change in the capital stock of the Company or any of its Subsidiaries; (iv) there has been no dividend or distribution of any kind declared, paid or made by the Company or any of its Subsidiaries on any class of their capital stock; and (v) neither the Company nor any of its Subsidiaries has sustained any material loss or interference with its business from fire, earthquake, flood, explosion or other calamity, whether or not covered by insurance.
- ee) No labour dispute with the employees of the Company or any of its Subsidiaries exists or, to the best of the knowledge, information and belief of the Company, is imminent, and the Company is not aware of any existing or imminent labour disturbance by the employees of any of its or any of its Subsidiaries' principal suppliers, manufacturers, customers or contractors, which, in either case, would result in any material adverse effect on the Condition of the Company.
- ff) The Company and its Subsidiaries have not, and to the best of the knowledge, information and belief of the Company, no director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its Subsidiaries has, taken any action, directly or indirectly, that would result in a violation by such persons of the anti-corruption legislation of Canada, the PRC, Hong Kong or any other jurisdiction, or the rules and regulations thereunder, and all related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency thereof, including, without limitation, (i) making an offer, payment or promise to pay or

- (ii) authorizing the payment of any money, other property, gift, promise to give, or the giving of anything of value to any official, employee or agent of any governmental agency, authority or instrumentality in Canada, the PRC, Hong Kong or any other jurisdiction where either the payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, the PRC, Hong Kong or any other relevant jurisdiction or to any political party or official thereof or any candidate for political office, where either the payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, the PRC, Hong Kong or any other relevant jurisdiction, except such as would not, individually or in the aggregate, have any material adverse effect on the Condition of the Company.
- gg) Neither the Company or any of its Subsidiaries nor, to the best of the knowledge, information and belief of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company or any of its Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the Exchange Offer, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.
- hh) The Company and its Subsidiaries (i) are in compliance with any and all applicable foreign, federal, provincial, state, territorial, and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants, dangerous goods or contaminants ("Environmental Laws"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Condition of the Company.
- ii) There is not at present on, at or under any of the real properties of the Company or any of its Subsidiaries any hazardous substances, toxic substances, wastes, pollutants, dangerous goods or contaminants ("Hazardous Substance") and there has not been the discharge, deposit, leak, emission, spill or other release of any Hazardous Substance on, at, under or from any real property of the Company or any of its Subsidiaries (including relating to the collection, removal and disposal of wastes), which has resulted in or may result in any material cost, damage or other liability, including the diminution in value of any property, or may have a material adverse effect on the Condition of the Company.
- jj) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Condition of the Company.
- kk) There is no action, suit or proceeding before or by the Commission or any Other Agency, which has been served upon the Company or any of its Subsidiaries that is now pending or, to the best knowledge of the Company, threatened, against or affecting the Company or any of its Subsidiaries, which is required to be disclosed in the Exchange Offer Material (except as

disclosed therein), or which is reasonably likely to result in any material adverse change in the Condition of the Company, or which is reasonably likely to materially and adversely affect the consummation of any of the transactions contemplated by this Agreement; all pending legal and governmental proceedings to which the Company or any of its Subsidiaries is a party or of which any of their property or assets is the subject which are not described in the Exchange Offer Material including ordinary routine litigation incidental to the business of the Company or any of its Subsidiaries are, considered in the aggregate, not material; and there are no contracts or other documents of the Company or any of its Subsidiaries which are required to be filed as exhibits to the Exchange Offer Material by the Exchange Act which have not been so filed.

- ll) The New Securities and the indenture pertaining thereto (the "Indenture") will be duly authorized and executed by, and will be the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms (except as enforcement thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium and other laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity), and will conform to the descriptions thereof in the Exchange Offer Material.
- mm) The accountants who have certified the consolidated financial statements and supporting schedules included or incorporated by reference in the Exchange Offer Material are independent public accountants with respect to the Company and its Subsidiaries within the meaning of the Securities Act and as required under Canadian securities laws and there has not been any disagreement (within the meaning of National Instrument 51-102 – Continuous Disclosure Obligations) since January 1, 2006 with the present or any former auditors of the Company.
- nn) The consolidated financial statements of the Company included or incorporated by reference in the Exchange Offer Material present fairly the financial position of the Company and its Subsidiaries as of the dates indicated and the results of their operations for the periods specified; except as otherwise stated therein, said financial statements have been prepared in conformity with Canadian generally accepted accounting principles ("GAAP") applied on a consistent basis; and the supporting schedules included or incorporated by reference in the Exchange Offer Material present fairly the information required to be included therein.
- oo) Except as disclosed in the financial statements referred to in the above clause nn) of this Section 9, and in the Exchange Offer Material, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company or any of its Subsidiaries with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, change in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Company or any of its Subsidiaries.
- pp) Except as disclosed in the Exchange Offer Material, none of the Company or any of its Subsidiaries has any contingent liabilities, in excess of the liabilities that are either reflected or reserved against in the financial statements referred to in the above clause nn) of this Section 9, which are material to the Condition of the Company.
- qq) Except as disclosed in the Exchange Offer Material, no material indebtedness (actual or contingent) and no material contract or arrangement is outstanding between the Company or any of its Subsidiaries and any director or executive officer of the Company or any of its Subsidiaries or any person connected with such director or executive officer (including his/her spouse or children, or any company or undertaking in which he/she holds a controlling interest). There are no material relationships or transactions between the Company or any of its Subsidiaries on the

one hand and its affiliates, officers and directors or their shareholders, customers or suppliers on the other hand which are not disclosed in the Exchange Offer Material.

- rr) The sections entitled “Management’s Discussion and Analysis – Overview of Business – Significant Accounting Policies and Interpretation” and “Management’s Discussion and Analysis - Critical Accounting Estimates” in the Exchange Offer Material accurately and fairly describes in all material respects (i) accounting policies which the Company believes are the most important in the portrayal of the financial condition and results of operations for the Company and its consolidated Subsidiaries and which require management’s most difficult, subjective or complex judgments (“critical accounting estimates”); and (ii) judgments and uncertainties affecting the application of critical accounting policies. The section entitled “Management’s Discussion and Analysis - Liquidity and Capital Resources” in the Exchange Offer Material accurately and fairly describes in all material respects (x) all material trends, demands, commitments, events, uncertainties and risks, and the potential effects thereof, that the Company believes would materially affect its liquidity and are reasonably likely to occur; and (y) all off-balance sheet arrangements, if any, that have or are reasonably likely to have a current or future effect on the financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources of the Company and the Subsidiaries taken as a whole. Except as disclosed in the Exchange Offer Material, there are no outstanding guarantees or other contingent obligations of the Company or any Subsidiary that could reasonably be expected to have a material adverse effect on the Condition of the Company.
- ss) The Company and each of its Subsidiaries maintains a system of internal controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management’s general or specific authorization; (ii) transactions are recorded as necessary to permit the financial statements to be fairly presented in accordance with the GAAP and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management’s general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to differences; (v) the Company and each of its Subsidiaries have made and kept books, records and accounts, which in reasonable details, accurately and fairly reflect in all material respects the transactions and dispositions of assets of such entity; (vi) material information relating to the Company and its Subsidiaries is made known to those within the Company responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required by applicable law, including Canadian securities laws; and (vii) all significant deficiencies and material weaknesses in the design or operation of such internal controls that could adversely affect the Company’s ability to disclose to the public information required to be disclosed by it in accordance with applicable law, including Canadian securities laws, and all fraud, whether or not material, that involves management or employees that have a significant role in the Company’s internal controls have been disclosed to the audit committee of the Company’s board of directors.
- tt) Except as referred to in and contemplated by the Exchange Offer Material, subsequent to the respective dates as of which information is given in such documents: (i) there has not been any material change in the assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Company and its Subsidiaries on a consolidated basis; (ii) there has not been any material change in the capital or long-term debt of the Company and its Subsidiaries on a consolidated basis; and (iii) there has not been any material change in the Condition of the Company.
- uu) The statements set forth in the Exchange Offer Material under the captions “Related Party Transactions” and “Management’s Discussion and Analysis of Financial Condition and Results of

Operations — Related Party Transactions” are true and accurate in all material respects and there are no other facts known or which could on reasonable enquiry have been known to the Company, the omission of which would make any such statements misleading in any material respect.

- vv) The Company and its Subsidiaries carry or are entitled to the benefits of insurance, with to the best of the knowledge, information and belief of the Company, financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect. The Company has no reason to believe that it or any of its Subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a material adverse change in the Condition of the Company.
- ww) There is no person, firm or corporation which has been engaged by the Company to act for the Company and which is entitled to any brokerage or finder’s fee in connection with this Agreement or any of the transactions contemplated hereunder, and in the event any such person, firm or corporation establishes a claim for any fee from the Dealer Manager in respect of the transactions contemplated hereunder, the Company covenants to indemnify and hold harmless the Dealer Manager with respect thereto and with respect to all costs reasonably incurred in the defense thereof.
- xx) Except as disclosed in the Exchange Offer Material, neither the Company nor any of its Subsidiaries is, or with the giving of notice or lapse of time or both would be, (A) in violation of any provision of law, statute, rule or regulation or its charter documents, by-laws, business license, business permit or other constitutional documents, or any judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their assets, properties or operations or (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or any of its Subsidiaries is subject (collectively, “Agreements and Instruments”) except, in each case, for such violations or defaults that would not result in a material adverse effect on the Condition of the Company; and the execution, delivery and performance of this Agreement and any other agreement or instrument entered into or issued or to be entered into or issued by the Company in connection with the transactions contemplated hereby or thereby or in the Exchange Offer Material and the consummation of the transactions contemplated herein and in the Exchange Offer Material and compliance by the Company with its obligations hereunder or thereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its Subsidiaries pursuant to, the Agreements and Instruments, nor will such action result in any violation of the provisions of the charter documents, by-laws, business license, business permit or other constitutional documents of the Company or any of its Subsidiaries or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their assets, properties or operations. As used herein, a “Repayment Event” means any event or condition which gives the holder of any note, debenture

or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its Subsidiaries.

- yy) Except as disclosed in the Exchange Offer Material, the Company and each of its Subsidiaries has, on a timely basis, filed all necessary tax returns and notices and has paid or made provision for all applicable taxes of whatever nature for all tax years to the date hereof to the extent such taxes have become due or have been alleged to be due; except as disclosed in the Exchange Offer Material, the Company is not aware of any material tax deficiencies or material interest or penalties accrued or accruing or alleged to be accrued or accruing thereon with respect to itself or any of its Subsidiaries which have not otherwise been provided for by the Company.
- zz) Except as disclosed in the Exchange Offer Material, no tax or duty (including any stamp or other issuance or transfer tax or duty and any tax or duty on capital gains or income (excluding any tax on capital gains or income imposed by the United States, any State thereof, or the District of Columbia) , whether chargeable on a withholding basis or otherwise) is payable by or on behalf of the Dealer Manager under the laws of Canada, Hong Kong, the PRC, the British Virgin Islands or the United States, or of any political subdivision, department or agency thereof, in connection with (A) the issuance of the New Securities, (B) the exchange by the Company of the New Securities to the Dealer Manager in the manner contemplated herein, (C) the exchange and delivery of the New Securities by such Dealer Manager in the manner contemplated in the Exchange Offer Material or (D) the consummation of any other transaction contemplated in this Agreement or the Indenture.
- aaa) All interest, principal, premium, if any, and other payments due under or made on the New Securities may under the current laws and regulations of Canada, Hong Kong, the British Virgin Islands and the PRC be paid to the holders of the New Securities, and all interest, principal, premium or other payment due under or made on the New Securities will not be subject to withholding or other similar taxes under the laws and regulations of Canada, Hong Kong, the British Virgin Islands or the PRC and are otherwise free and clear of any other tax, withholding or deduction in Canada, Hong Kong, the British Virgin Islands and the PRC without necessity of obtaining any consents, approvals, authorizations, orders, registrations, clearances or qualifications of or with any governmental agency or body having jurisdiction over the Company or any of its Subsidiaries or any of their respective properties in the Canada, Hong Kong, the British Virgin Islands or the PRC.
- bbb) It is not necessary under the laws of Canada or any political subdivision thereof or authority or agency therein in order to enable a subsequent purchaser of New Securities or an owner of any interest therein to enforce its rights under the New Securities or to enable the Dealer Manager to enforce its rights under any of this Agreement, the Indenture or the New Securities that it should, as a result solely of its holding of New Securities be licensed, qualified, or otherwise entitled to carry on business in Canada or any political subdivision thereof or authority or agency therein; each of this Agreement, the Indenture and the New Securities is in proper legal form under the laws of Canada and any political subdivision thereof or authority or agency therein for the enforcement thereof against the Company therein; and it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of any of this Agreement, the Indenture or the New Securities in Canada or any political subdivision thereof or agency therein that any of them be filed or recorded with any court, authority or agency in any court, authority or agency of Canada or any political subdivision thereof.
- ccc) Under the laws of the Province of Ontario, the courts of such province will recognize and give

effect to the choice of law provisions set forth in Sections 17 and 21 hereof and enforce judgments of any New York court (obtained against the Company to enforce this Agreement, provided that (a) the parties' choice of New York Law is bona fide and legal and there is no reason for avoiding the choice of law on the grounds of public policy under the laws of the Province of Ontario; and (b) in any such proceeding, and notwithstanding the parties' choice of law, the Ontario Court: (i) will not take judicial notice of the provisions of New York Law but will only apply such provisions if they are pleaded and proven to its satisfaction by expert testimony; (ii) will apply the laws of the Province of Ontario and the federal laws of Canada applicable therein (collectively, "Ontario Law") that under Ontario Law would be characterized as procedural and will not apply any New York Law that under Ontario Law would be characterized as procedural; (iii) will apply provisions of Ontario Law that have overriding effect; (iv) will not apply any New York Law if such application would be characterized under Ontario Law as a direct or indirect enforcement of a foreign revenue, expropriatory, penal or other public law or if its application would be contrary to public policy under Ontario Law; and (v) will not enforce the performance of any obligation that is illegal under the laws of any jurisdiction in which the obligation is to be performed hereof); under the laws of the PRC, the choice of law provision set forth in Section 21 hereof will be recognized by the courts of the PRC and any judgment obtained in any New York court arising out of or in relation to the obligations of the Company under this Agreement will be recognized in PRC courts subject to the applicable provisions of the Civil Procedure Law of the PRC relating to the enforceability of foreign judgments.

- ddd) The Company has the power to submit, and pursuant to Section 17 of this Agreement and the terms of the Indenture, has legally, validly, effectively and irrevocably submitted, to the jurisdiction of any New York State or United States federal court sitting in the Borough of Manhattan, The City of New York, and has the power to designate, appoint and empower, and pursuant to Section 16 of this Agreement and the terms of the Indenture, has legally, validly and effectively designated, appointed and empowered an agent for service of process in any suit or proceeding based on or arising under this Agreement, the Indenture or the New Securities, as the case may be, in any New York court.
- eee) Any statistical and market-related data included in the Exchange Offer Material are based on or derived from sources that the Company believes to be reliable and accurate, and, to the extent required or otherwise necessary, the Company has obtained the written consent or other consent in requisite form to the use of such data from such sources.
- fff) Neither the Company nor to its knowledge any affiliate, as such term is defined in Rule 501(b) under the Securities Act ("Affiliate"), of the Company has taken, nor will the Company or any Affiliate of the Company take, directly or indirectly, any action which is designed to or which has constituted or which would be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the exchange of the New Securities.
- ggg) Each of this Agreement, the Exchange Offer, the New Securities and the Existing Securities conforms in all material respects to the descriptions thereof contained in the Exchange Offer Material.
- hhh) The Company is not, and will not be upon consummation of the Exchange Offer, an "investment company" under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated by the Commission thereunder.
- iii) Neither the Company nor any of its Affiliates has, directly or indirectly, solicited any offer to

such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its Subsidiaries, taken as a whole.

- b) This Agreement has been duly authorized, executed and delivered by the Subsidiary Guarantor and is a valid and binding agreement of the Subsidiary Guarantor enforceable against the Subsidiary Guarantor in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- c) The execution and delivery of each of this Agreement and the Indenture by the Subsidiary Guarantor, the giving of the Subsidiary Guarantee, the exchange and issuance of the New Securities and the performance by the Subsidiary Guarantor of its obligations under this Agreement, the Indenture, the New Securities and the Subsidiary Guarantee do not: (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, stock exchange, securities regulator or other third party, except (x) such as have been obtained and (y) such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the New Securities; (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under (x) any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Subsidiary Guarantor, any of its subsidiaries or any of their respective properties is bound, (y) the charter documents or by-laws of the Subsidiary Guarantor or any of its subsidiaries, respectively, or (z) any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator, stock exchange or securities association applicable to the Subsidiary Guarantor or any of its subsidiaries; or (iii) give rise to any claim against the Subsidiary Guarantor, any of its subsidiaries, or any of their assets or give rise to or accelerate the repayment of any indebtedness or other payment or repayment obligation under any term or provision of any document or instrument referred to in sub-clause (ii)(x) or (ii)(y) of this paragraph.
- d) The Subsidiary Guarantee has been duly authorized and, when executed and delivered, will be a valid and binding obligation of the Subsidiary Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability.
- e) The Indenture has been duly authorized and, when executed and delivered by the Subsidiary Guarantor, shall be a valid and binding agreement of the Subsidiary Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability.
- f) The Subsidiary Guarantor is not, and after giving effect to the exchange and issuance of the New Securities will not be, required to register as an "investment company" as such term is defined in the Investment Company Act.
- g) Neither the Subsidiary Guarantor nor any Affiliate of the Subsidiary Guarantor has directly, or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will be integrated with the issuance of the New Securities (or any Subsidiary Guarantee) in a manner that would require the registration under the Securities Act of the Securities (or any Subsidiary Guarantee) or (ii) offered, solicited offers to buy or sold the New Securities (or any Subsidiary Guarantee) by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section

4(2) of the Securities Act.

- h) None of the Subsidiary Guarantor, its Affiliates or any person acting on its or their behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the New Securities (or any Subsidiary Guarantee) and the Company and its Affiliates and any person acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S.
 - i) Neither the Subsidiary Guarantor, nor any of its Affiliates, nor any person acting on its or their behalf (other than the Dealer Manager as to which no representation is made) has engaged or will engage, in connection with the Exchange Offer or the offering of the New Securities (or any Subsidiary Guarantee), in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act.
 - j) Neither the Subsidiary Guarantor, nor any of its Affiliates, nor any person acting on its or their behalf (other than the Dealer Manager as to which no representation is made) has taken or will take, directly or indirectly, any action designed to or which might reasonably be expected to cause or result in or which has constituted, stabilization or manipulation of the price of any security of the Company to facilitate the exchange of the New Securities.
 - k) The Subsidiary Guarantor is a “foreign issuer” within the meaning of Rule 902 under the Securities Act and reasonably believes there is no “substantial U.S. market interest” in the Subsidiary Guarantor’s “debt securities” as such terms are defined in Rule 902 under the Securities Act.
 - l) Each of the representations and warranties contained in this Agreement will continue to be true and correct at the commencement of, at all times during the continuance of and upon the consummation of the Exchange Offer.
10. Representations and Warranties of the Dealer Manager. The Dealer Manager represents and warrants to the Company and the Subsidiary Guarantors and agrees with the Company and the Subsidiary Guarantors that:
- a) This Agreement has been duly authorized and validly executed and delivered by the Dealer Manager.
 - b) The Dealer Manager understands that the New Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
 - c) The Dealer Manager has not solicited and will not solicit the holders of Existing Securities to exchange Existing Securities in the Exchange Offer, or otherwise solicit any offer to buy or offer to sell the New Securities, (i) in the United States except to persons it reasonably believes are “qualified institutional buyers” as such term is defined in Rule 144A and (ii) by means of any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act).
 - d) The Dealer Manager (i) has solicited, and will solicit, the holders of Existing Securities to exchange Existing Securities in the Exchange Offer, or otherwise solicit any offer to buy or offer to sell the New Securities, outside the United States only to non-U.S. persons engaged in an

offshore offering, as such terms are defined in, and pursuant to Regulation S of the Securities Act, and (ii) has not engaged in, and will not engage in, any directed selling efforts (as such term is defined in Regulation S of the Securities Act) with respect to any New Securities.

- e) The Dealer Manager will not use any written material in connection with the Exchange Offer other than the Exchange Offer Material.
11. Conditions to Obligations of the Dealer Manager. Your obligation to render services pursuant to this Agreement shall at all times be subject, in your discretion, to the following conditions:
- a) The Company at all times shall have performed in all material respects all of its obligations hereunder theretofore to be performed.
 - b) All representations and warranties of the Company and the Subsidiary Guarantors contained in this Agreement are now, at the commencement of, at all times during the continuance of, and upon the consummation of, the Exchange Offer, shall be, true and correct in all material respects.
 - c) On each of (i) the date hereof and (ii) the date on which New Securities are issued by the Company pursuant to the Exchange Offer (the "Closing Date"), you shall have received legal opinions addressed to you of Aird & Berlis LLP, Canadian counsel for the Company, and Linklaters, United States counsel for the Company, legal opinions addressed to the Company of Jingtian & Gongcheng, PRC counsel for the Company, and legal opinions addressed to you of Appleby, British Virgin Islands and Cayman Islands counsel for certain Subsidiary Guarantors and Linklaters, Hong Kong and United Kingdom counsel for certain Subsidiary Guarantors substantially in the form attached as Exhibits A-1, A-2, A-3, A-4, A-5, A-6 and A-7 respectively.
 - d) On each of (i) the date hereof and (ii) the Closing Date, you shall have received legal opinions addressed to you of Stikeman Elliott LLP, Canadian counsel for you, Davis Polk & Wardwell, United States counsel for you, and Commerce & Finance Law Offices, PRC counsel for you, in a form satisfactory to you, acting reasonably.
 - e) You shall have received a letter, satisfactory in form to you and your counsel, dated the commencement date of the Exchange Offer (and reaffirmed and updated upon the consummation thereof) and addressed to you, of Ernst & Young and BDO Limited, independent certified public accountants for the Company, containing statements and information of the type ordinarily included in accountants' comfort letters with respect to the financial statements and certain financial information contained in the Exchange Offer Material.
 - f) It shall not have become unlawful under any law or regulation, Federal, state or local, for you to render services pursuant to this Agreement, or to continue so to act, as the case may be.
 - g) You shall have received certificates dated the date hereof and the Closing Date, respectively, and executed by the Chief Executive Officer or the Chief Financial Officer of the Company, on behalf of the Company, without personal liability, which states that (i) the representations and warranties set forth in Section 9 hereof are true and accurate as if made on such date; and (ii) from April 1, 2009 to June 19, 2009 and July 22, 2009, respectively, there has been no material adverse change in the Company's financial position as stated in its financial statements for the period ended March 31, 2009 and the Company has undertaken acceptable procedures to provide comfort to you with respect to certain information included in the Exchange Offering Materials, such comfort to be set out in a certificate, in a form reasonably satisfactory to you.

- h) You shall have received a certificate, dated the Closing Date and executed by the Secretary of the Company, on behalf of the Company, without personal liability, to the effect that, to the best of his knowledge, information and belief: (i) the articles and by-laws of the Company attached to the certificate are full, true and correct copies and in effect on the date of such certificate; (ii) the resolutions of the board of directors of the Company relating to the Exchange Offer attached to the certificate are full, true and correct copies thereof and have not been modified or rescinded as of the date of such certificate and are all of the resolutions relating to the subject matter of the Exchange Offer; and (iii) such other matters as are reasonably requested by the Dealer Manager, in form and substance satisfactory to the Dealer Manager.
12. Indemnification. a) The Company and the Subsidiary Guarantors, jointly and severally, agree to hold harmless and indemnify you (including any affiliated companies) and any officer, director, member, partner, employee or agent of you or any of such affiliated companies and any entity or person controlling (within the meaning of Section 20(a) of the Exchange Act) you, including any affiliated companies (collectively, the "Indemnified Persons"), from and against any and all Losses whatsoever (including, but not limited to, any and all expenses incurred in investigating, preparing or defending against any litigation or proceeding, commenced or threatened, or any claims whatsoever whether or not resulting in any liability) (i) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Exchange Offer Material or in any other material used by the Company, or authorized by the Company for use in connection with the Exchange Offer or the transactions contemplated thereby, or arising out of or based upon the omission or alleged omission to state in any such document a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) arising out of or based upon the commencement of, or any withdrawal or termination by the Company of, or failure by the Company to make or consummate, the Exchange Offer or the transactions contemplated thereby or any other failure to comply with the terms and conditions specified in the Exchange Offer Material, (iii) arising out of the breach or alleged breach by the Company or the Subsidiary Guarantors of any representation, warranty or covenant set forth in this Agreement or (iv) arising out of, relating to or in connection with any other action taken or omitted to be taken by an Indemnified Person or (v) otherwise arising out of, relating to or in connection with the Exchange Offer, the other transactions described in the Exchange Offer Material or your services as Dealer Manager hereunder. The Company and the Subsidiary Guarantors shall not, however, be responsible for any Loss pursuant to clauses (iv) or (v) of the preceding sentence of this Section 12 to the extent of which it has been finally judicially determined to have resulted from the bad faith or gross negligence on the part of any Indemnified Person, other than any Loss arising out of or resulting from actions performed or omitted to be performed at the request of, with the consent of, or in conformity with actions taken or omitted to be taken by, the Company or the Subsidiary Guarantors.
- b) The Company, the Subsidiary Guarantors and you agree that if any indemnification sought by any Indemnified Person pursuant to this Section 12 is unavailable for any reason or insufficient to hold you harmless, then the Company, the Subsidiary Guarantors and you shall contribute to the Losses for which such indemnification is held unavailable or insufficient in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the Company and the Subsidiary Guarantors, on the one hand, and actually received by you, on the other hand, in connection with the transactions contemplated by this Agreement or, if such allocation is not permitted by applicable law, not only such relative benefits but also the relative faults of the Company and the Subsidiary Guarantors, on the one hand, and you, on the other hand, as well as any other equitable considerations, subject to the limitation that in any event the aggregate contribution by you to all Losses with respect to which contribution is available hereunder shall not exceed the fees actually received by you in connection with your engagement hereunder (excluding any amounts paid as reimbursement of expenses). It is hereby agreed that the relative

benefits to the Company and the Subsidiary Guarantors, on the one hand, and you, on the other hand, with respect to the Exchange Offer and the transactions contemplated thereby shall be deemed to be in the same proportion as (i) the total value paid or proposed to be paid to holders of Existing Securities pursuant to the Exchange Offer and the transactions contemplated thereby (whether or not the Exchange Offer or such transactions are consummated) bears to (ii) the fees actually received by you from the Company and the Subsidiary Guarantors in connection with your engagement hereunder (excluding any amounts paid as reimbursement of expenses). The relative fault of the Company and the Subsidiary Guarantors, on the one hand, and of you and other Indemnified Persons, on the other hand, (x) in the case of an untrue or alleged untrue statement of a material fact, shall be determined by reference to, among other things, whether such action or omission relates to information supplied by the Company and the Subsidiary Guarantors or by you or the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission and (y) in the case of any other action or omission, shall be determined by reference to, among other things, whether such action or omission was taken or omitted by the Company and the Subsidiary Guarantors or by you and the parties' relative intent, knowledge, access to information and opportunity to prevent such action or omission.

- c) The Company and the Subsidiary Guarantors also agree to reimburse each Indemnified Person for all expenses (including fees and disbursements of counsel) as they are incurred by such Indemnified Person in connection with investigating, preparing for, defending or providing evidence (including appearing as a witness) with respect to any action, claim, investigation, inquiry, arbitration or other proceeding referred to in this Section 12 or enforcing this Agreement, whether or not in connection with pending or threatened litigation in which any Indemnified Person is a party.
 - d) The Company and the Subsidiary Guarantors agree that neither of them will, without your prior written consent, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification may be sought hereunder (whether or not you, any other Indemnified Person, the Company or the Subsidiary Guarantors is an actual or potential party), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnified Person from all liability arising out of such claim, action or proceeding and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an Indemnified Person.
 - e) The foregoing rights to indemnity and contribution shall apply whether or not the Indemnified Person is a formal party to such litigation or proceeding and shall be in addition to any other right which you and the other Indemnified Persons may have against the Company and the Subsidiary Guarantors at common law or otherwise.
13. Reference to Dealer Manager. The Company and the Subsidiary Guarantors agree that any reference to you or your affiliates in any Exchange Offer Material, or any other release, publication or communication to any party outside the Company, is subject to your prior approval. If you resign or are terminated prior to the dissemination of any Exchange Offer Material or any other release or communication, no reference shall be made therein to you without your prior written permission.
14. Access to Information. In connection with your activities hereunder, the Company agrees to furnish you and your counsel with all information concerning the Company that you reasonably deem appropriate and agree to provide you with reasonable access to the Company's officers, directors, accountants, counsel, consultants and other appropriate agents and representatives, it being understood that you will be entitled to rely upon such information supplied by the Company and such

persons without assuming any responsibility for independent investigation or verification thereof.

15. Termination. This Agreement shall terminate upon the expiration, termination or withdrawal of the Exchange Offer or upon withdrawal by you as Dealer Manager pursuant to Section 4 hereof, it being understood that Sections 3, 5, 6, 9, 12, 15, 17, 20, 21, 22, 23 and 24 hereof shall survive any termination of this Agreement.

16. Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be given (and shall be deemed to have been given upon receipt) by delivery in person, by cable, by telecopy, by telegram, by telex or by registered or certified mail (postage prepaid, return receipt requested) to the applicable party at the addresses indicated below:

a) if to you:

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010-3629
Telecopy No.: (416) 352-0925
Attention: Ryan Lapointe

with a copy to:

Davis Polk & Wardwell
The Hong Kong Club Building
3A Chater Road
Hong Kong
Telecopy No.: (852) 2533-3388
Attention: William Barron

b) if to Company and the Subsidiary Guarantors:

Sino-Forest Corporation
90 Burnhamthorpe Road West
Suite 1208
Mississauga, Ontario
Canada, L5B 3C3
Telecopy No.: (852) 2877-0125
Attention: Mr. Allen T. Y. Chan

17. Submission to Jurisdiction; Appointment of Agent for Service; Waiver of Immunity. (a) Each of the Company and the Subsidiary Guarantors irrevocably submits to the nonexclusive jurisdiction of any New York State or United States Federal court sitting in the Borough of Manhattan, The City of New York (a "New York Court") over any suit, action or proceeding arising out of or relating to this Agreement or the Exchange Offer. Each of the Company and the Subsidiary Guarantors irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum.

(b) Each of the Company and the Subsidiary Guarantors hereby irrevocably appoints Law Debenture Corporate Services Inc., with offices at 400 Madison Avenue, 4th Floor, New York, NY 10017,

United States, as its agent for service of process in any suit, action or proceeding described in the preceding paragraph and agrees that service of process in any such suit, action or proceeding may be made upon it at the office of such agent. Each of the Company and the Subsidiary Guarantors waives, to the fullest extent permitted by law, any other requirements of or objections to personal jurisdiction with respect thereto. Each of the Company and the Subsidiary Guarantors represents and warrants that such agent has agreed to act as the Company's or such Subsidiary Guarantor's agent for service of process, as the case may be, and each of the Company and the Subsidiary Guarantors agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect.

- (c) To the extent that the Company, the Company's Subsidiaries or any of the Company's or its Subsidiaries' respective properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the competent jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any competent jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement and the transactions contemplated hereby, the Company and each of the Subsidiary Guarantors hereby irrevocably and unconditionally waives, and agrees not to plead or claim, and procures to so waive and not to please or claim, to the fullest extent permitted by law, any such immunity and consent to such relief and enforcement.

18. Absence of Fiduciary Relationship. The Company and the Subsidiary Guarantors acknowledge and agree that:

- a) You have been retained pursuant to this Agreement solely to act as Dealer Manager in connection with the Exchange Offer and that no fiduciary, advisory or agency relationship exists between you, on the one hand, and the Company and the Subsidiary Guarantors, on the other hand, has been created in respect of this Agreement, irrespective of whether you have advised or are advising the Company or the Subsidiary Guarantors on other matters;
- b) the Company and the Subsidiary Guarantors have been advised that you and your affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and the Subsidiary Guarantors and that you have no obligation pursuant to this Agreement to disclose such interests and transactions to the Company and the Subsidiary Guarantors by virtue of any fiduciary, advisory or agency relationship; and
- c) the Company and the Subsidiary Guarantors waive, to the fullest extent permitted by law, any claims they may have against you pursuant to this Agreement for breach of fiduciary duty or alleged breach of fiduciary duty and agree that you shall have no liability (whether direct or indirect) to the Company and the Subsidiary Guarantors in respect of such a fiduciary duty claim on behalf of or in right of the Company and the Subsidiary Guarantors, including stockholders, employees or creditors of the Company and the Subsidiary Guarantors.

19. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both

written and oral, among the parties, or any of them, with respect to the subject matter hereof.

20. Amendment. This Agreement may not be amended, waived or otherwise modified except in writing signed by each party to be bound thereby.
21. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.
22. Waiver of Jury Trial. THE COMPANY, THE SUBSIDIARY GUARANTORS AND THE DEALER MANAGER HEREBY AGREE ON THEIR OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF THE SECURITY HOLDERS, TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING, WITHOUT LIMITATION, THE EXCHANGE OFFER).
23. Counterparts; Severability. This Agreement may be executed in two or more separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.
24. Parties in Interest. This Agreement, including rights to indemnity and contribution hereunder, shall be binding upon and inure solely to the benefit of each party hereto, the Indemnified Persons and their respective successors, heirs and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Please indicate your willingness to act as Dealer Manager and your acceptance of the foregoing provisions by signing in the space provided below for that purpose and returning to us a copy of this Agreement so signed, whereupon this Agreement and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Sino-Forest Corporation

By: "*Chan Tak Yuen*" _____

Name:

Title:

The Subsidiary Guarantors listed in Schedule I

By: "*Chan Tak Yuen*" _____

Name: Chan Tak Yuen

Title: Director / Authorized Signatory

Accepted as of the date first above written:
CREDIT SUISSE SECURITIES (USA) LLC

By: "*David S. Alterman*" _____

Name: David S. Alterman

Title: Director

List of Subsidiary Guarantors

Set out below is a list of all of the Subsidiary Guarantors:

1. Sino-Panel Holdings Limited (BVI)
2. Sino-Panel (Asia) Inc. (BVI)
3. Sino-Panel (Gaoyao) Ltd. (BVI)
4. SFR (China) Inc. (BVI)
5. Sino-Wood Partners, Limited (HK)
6. Sino-Forest Resources Inc. (BVI)
7. Suri-Wood Inc. (BVI)
8. Sino-Plantation Limited (HK)
9. Sino-Wood (Guangxi) Limited (HK)
10. Sino-Wood (Jiangxi) Limited (HK)
11. Sino-Wood (Guangdong) Limited (HK)
12. Sino-Wood (Fujian) Limited (HK)
13. Sino-Forest Investments Limited (BVI)
14. Sino-Global Holdings Inc. (BVI)
15. Grandeur Winway Ltd. (BVI)
16. Sinowin Investments Ltd. (BVI)
17. Sinowood Limited (Cayman Islands)
18. Sino-Forest Bio-Science Limited (formerly known as: Sino-Two Limited) (BVI)
19. Express Point Holdings Limited (BVI)
20. Smart Sure Enterprises Limited (BVI)
21. Ace Supreme International Limited (BVI)
22. Glory Billion International Limited (BVI)
23. Amplemax Worldwide Limited (BVI)

24. Expert Bonus Investment Limited (BVI)
25. Sino-Panel (Yunnan) Limited (BVI)
26. Sino-Panel (Guangxi) Limited (BVI)
27. Sino-Panel (North East China) Limited (BVI)
28. Sino-Panel (Xiangxi) Limited (formerly known as: Rich Base Worldwide Limited) (BVI)
29. Sino-Panel (Hunan) Limited (formerly known as Comtech Universal Limited) (BVI)
30. Sino-Panel (Suzhou) Limited (formerly known as: Pacific Harvest Holdings Limited) (BVI)
31. Sino-Panel (Guangzhou) Limited (BVI)
32. Sino-Panel (North Sea) Limited (BVI)
33. Sino-Panel (Guizhou) Limited (BVI)
34. Sino-Panel (Huaihua) Limited (BVI)
35. Sino-Panel (Qinzhou) Limited (formerly known as Sino-Panel (Jiayu) Ltd.) (BVI)
36. Sino-Panel (Yongzhou) Limited (BVI)
37. Sino-Panel (Fujian) Limited (BVI)
38. Sino-Panel (Shaoyang) Limited (BVI)

Exhibit A-1

Form of Opinions of Company's Canadian Counsel

[Form of opinion to be delivered only on the date of this agreement]

1. The Corporation: (a) has been continued and is existing under the laws of Canada; and (b) has all requisite corporate power, capacity and authority to carry on its business and to own, lease and operate its property and assets, to exchange the 2004 Senior Notes and to offer, issue and deliver the Exchange Notes all as described in the Offer Memorandum and to execute, deliver and perform its obligations under the Dealer Manager Agreement.
2. All of the issued shares in the capital of the Corporation have been duly and validly authorized and issued as fully paid and non-assessable.
3. All necessary corporate action has been taken by the Corporation to exchange the 2004 Senior Notes in accordance with the Dealer Manager Agreement and to authorize, issue and deliver the Exchange Notes as contemplated in the Offer Memorandum. The Dealer Manager Agreement has been duly authorized, executed and delivered by the Corporation.
4. There is no provision under the laws of the Province of Ontario that would adversely affect the validity, legality, binding nature or enforceability of the Exchange Notes or the Dealer Manager Agreement against the Corporation.
5. To our knowledge, the Corporation does not have any material subsidiaries organized under the laws of Canada or a province or territory of Canada.
6. All necessary corporate action has been taken by the Corporation to authorize the delivery and distribution of the Offer Memorandum.
7. All necessary corporate action has been taken by the Corporation to authorize the execution and delivery of the Dealer Manager Agreement and the performance of the Corporation's obligations thereunder and the Dealer Manager Agreement has been duly executed and delivered by the Corporation.
8. The execution and delivery of the Dealer Manager Agreement and the performance of each of the Corporation's and the Subsidiary Guarantors' obligations under the Dealer Manager Agreement and the Exchange Notes and the exchange of the 2004 Senior Notes and the issuance and delivery of the Exchange Notes, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:
 - (a) any of the terms, conditions or provisions of the articles or by-laws of the Corporation, or any resolution of any of its directors (or committees of directors) or shareholders; or
 - (b) any laws of the Province of Ontario or the federal laws of Canada applicable therein; or
 - (c) the mortgages, hypothecs, notes, indentures, contracts, agreements and instruments (the "Contracts") governed by the laws of the Province of Ontario under which the Corporation or any Subsidiary Guarantor is bound and which are identified on the Officer's Certificate, except for such conflicts, breaches or defaults which would not:

- (i) individually or in the aggregate, have a material adverse effect on the general affairs, management, shareholders' equity, results of operations or position, financial or otherwise, of the Corporation; or
 - (ii) affect the validity of the exchange of the 2004 Senior Notes or the issue and delivery of the Exchange Notes or other transactions contemplated under the Dealer Manager Agreement.
- 9. To our knowledge, there are no legal or governmental proceedings pending or threatened to which the Corporation or its Subsidiaries is a party or to which any of their material properties or assets are subject.
- 10. No consent, approval, authorization, filing with or order of any court or governmental agency or body in the Province of Ontario is required in connection with the transactions contemplated in the Dealer Manager Agreement, except:
 - (a) with respect to the exchange of any Exchange Notes by any holders subject to the securities laws of the Province of Ontario, the filing, by or on behalf of the Corporation of a Report of Exempt Distribution on Form 45-106F1 with the Ontario Securities Commission, together with the appropriate fees, within 10 days after the date of such exchange; and
 - (b) the registration of a financing statement in prescribed form with the personal property security registry in the Province of Ontario in connection with the pledge by the Corporation of any of the Collateral (as such term is defined in the Offer Memorandum).
- 11.
 - (a) The statements made in the Offer Memorandum under the caption "Taxation – Canada" fairly present, subject to the qualifications and limitations set out therein, a general summary of the principal Canadian federal income tax considerations generally applicable to a U.S. Resident (as defined therein) who acquires Exchange Notes pursuant to the Offer Memorandum.
 - (b) The statements included in the Offer Memorandum under the captions "Description of the Exchange Notes," and "Transfer Restrictions", insofar as such statements relate to matters of the laws of the Province of Ontario law and the federal laws of Canada applicable therein, fairly summarize in all material respects such matters.
 - (c) The statements made in the Offer Memorandum under the captions "Enforcement of Civil Liabilities" and "Risk Factors", insofar as the matters of the laws of the Province of Ontario and the federal laws of Canada applicable therein are concerned, are true and accurate.
- 12. No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable by or on behalf of the Dealer Manager under the laws of Canada or the Province of Ontario in connection with (A) the execution and delivery of the Dealer Manager Agreement; (B) the exchange of the 2004 Senior Notes and the issuance and delivery by the Corporation of the Exchange Notes provided that (i) the Dealer Manager is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) who does not use or hold, and is not

deemed to use or hold, the Dealer Manager Agreement in connection with the carrying on of a business in Canada in any taxation year and (ii) in the case that the Dealer Manager carries on an insurance business in Canada and elsewhere, the Dealer Manager Agreement is not "designated insurance property" within the meaning of the *Income Tax Act* (Canada) in respect of the Dealer Manager.

13. The Corporation will not be required under the *Income Tax Act* (Canada) including the regulations promulgated thereunder or the tax legislation of the Province of Ontario (collectively, the "Canadian Tax Law") to withhold tax on: (i) any amount paid or credited by or on behalf of the Corporation in respect of the principal amount of, or any premium on, the Exchange Notes, or (ii) any amount paid or credited by or on behalf of the Corporation as, on account or in lieu of payment of, or in satisfaction of, interest payable on the Exchange Notes to any holder of the Exchange Notes who, for the purposes of the Canadian Tax Law, is neither resident nor deemed to be resident in Canada and who is dealing with the Corporation at arm's length at the time of such payment or crediting (a "Non-Resident Holder"). Under the Canadian Tax Law, no tax on income (including taxable capital gains) is or will be payable by a Non-Resident Holder merely as a result of the holding, sale, redemption, or other disposition of the Exchange Notes, or in respect of the payment or crediting by or on behalf of the Corporation of the principal amount outstanding under the Exchange Notes or any premium or interest on such amount, provided that, (i) the Non-Resident Holder does not use or hold, and is not deemed to use or hold, the Exchange Notes in connection with the carrying on of a business in Canada in any taxation year and (ii) in the case of a Non-Resident Holder that carries on an insurance business in Canada and elsewhere, the Exchange Notes are not "designated insurance property" within the meaning of the *Income Tax Act* (Canada) in respect of such Non-Resident Holder.
14. (a) In any proceeding brought before a court of competent jurisdiction in the Province of Ontario (an "Ontario Court") for the enforcement of the Dealer Manager Agreement or the Exchange Notes, an Ontario Court would apply the laws of the State of New York ("New York Law"), in accordance with the parties' choice of New York Law in the Dealer Manager Agreement or the Exchange Notes, to all issues which under the laws of the Province of Ontario are to be determined in accordance with the chosen law of the contract, provided that:
 - (i) the parties' choice of New York Law is bona fide and legal and there is no reason for avoiding the choice of law on the grounds of public policy; and
 - (ii) in any such proceeding, the Ontario Court:
 - (A) will not take judicial notice of the provisions of New York Law but will only apply such provisions if they are proven to its satisfaction by expert testimony;
 - (B) will apply the laws of the Province of Ontario and the federal laws of Canada applicable therein (collectively, "Ontario Law") that under Ontario Law would be characterized as procedural and will not apply any New York Law that under Ontario Law would be characterized as procedural;
 - (C) will apply provisions of Ontario Law that have overriding effect notwithstanding the parties' choice of law;

- (D) will not apply any New York Law that under Ontario Law would be characterized as a foreign revenue, expropriatory, or penal law or if its application would be contrary to public policy; and
 - (E) may not enforce the performance of any obligation that is illegal under the laws of any jurisdiction in which the obligation is to be performed.
- (b) In any proceedings brought in the Province of Ontario for the enforcement of a final and conclusive judgment of a State or Federal court located in the Borough of Manhattan, The City of New York, New York (each, a "New York Court"), an Ontario Court would recognize as valid the Corporation's non-exclusive submission to such New York Court by the Corporation's appointment of Law Debenture Corporate Services Inc. as its authorized agent for the purpose described in Section 17 of the Dealer Manager Agreement and in the Exchange Notes and any final and conclusive judgment for a certain sum of money of such New York Court would be enforced in the Province of Ontario, subject to the following defenses that the New York judgment:
- (i) was obtained by fraud or in any manner contrary to the principles of natural justice;
 - (ii) was a claim which under Ontario Law would be characterized as a foreign revenue or tax claim, as expropriatory or penal;
 - (iii) is contrary to public policy or contrary to any order made by the Attorney General of Canada under the *Foreign Extraterritorial Measures Act* (Canada) or by the Competition Tribunal under the *Competition Act* (Canada) in respect of certain judgments referred to therein;
 - (iv) was discharged or set aside by a New York Court; and
 - (v) is not subsisting and unsatisfied and impeachable as void or voidable under New York Law; and
- provided that:
- (i) any action to enforce a judgment of a New York Court is brought within any applicable limitation period;
 - (ii) the Ontario Court will render judgment only in Canadian dollars; and
 - (iii) the Ontario Court has discretion to stay or decline to hear an action in respect of the New York judgment if the New York judgment is under appeal, or there is another subsisting judgment in Ontario, New York or any other jurisdiction relating to the same cause of action as such New York judgment or the New York judgment is otherwise not final and conclusive.

Exhibit A-2

Form of Opinion of Company's U.S. Counsel

- 1.1 The Dealer Manager Agreement has been duly executed and delivered by each of the Issuer and the Subsidiary Guarantors.
- 1.2 [The New Securities and the Guarantees have been duly executed, authenticated, issued and delivered and constitute valid and legally binding obligations of the Issuer and the Subsidiary Guarantors, as the case may be, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.]¹
- 1.3 [The New Indenture has been duly executed and delivered by the Issuer and the Subsidiary Guarantors and, assuming due authorization, execution and delivery thereof by the Trustee, constitutes a valid and legally binding agreement of the Issuer and the Subsidiary Guarantors enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.]¹
- 1.4 [The Second Amendment Agreement, dated July 27, 2009, by and among the Issuer and Law Debenture Trust Company as security trustee (the "Second Amendment Agreement"), amending the Pledge Agreement, dated September 28, 2004, by and among the Issuer, the subsidiary guarantor pledgors named therein, and Law Debenture Trust Company as trustee (as amended on February 24, 2006) (the "Pledge Agreement"), has been duly executed and delivered by the Issuer and, assuming due authorization, execution and delivery thereof by Law Debenture Trust Company as the trustee and security trustee, and the Consent from the Majority Lenders, as defined in and pursuant to the syndicated term loan facility agreement dated February 24, 2006 between the Issuer and certain lenders named therein, to amend the Pledge Agreement will be obtained prior to the date of issuing the New Securities, constitutes a valid and legally binding agreement of the Issuer enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.]¹
- 1.5 Registration of the New Securities and the Guarantees under the United States Securities Act of 1933 (the "Securities Act"), and qualification of an indenture under the United States Trust Indenture Act of 1939, are not required for the offer and sale of the New Securities by the Issuer to the holders of the 2004 Senior Notes in the manner contemplated by the Dealer Manager Agreement, it being understood that we express no opinion as to any subsequent offer or resale of any New Securities or the Guarantees.
- 1.6 Neither the Issuer nor any of the Subsidiary Guarantors is, and after giving effect only to the transactions contemplated by the Dealer Manager Agreement, will not be, an investment company within the meaning of the United States Investment Company Act of 1940 and the rules and regulations thereunder.

¹ To be delivered at Closing

- 1.7 The statements under the captions “Description of Certain Differences Between the 2004 Senior Notes and the Exchange Notes”, “Description of the Exchange Notes,” “Taxation - Certain US Federal Income Tax Considerations”, and “The Exchange Offer” in the Memorandum, in each case insofar as those statements summarize provisions of documents governed by New York law or provisions of United States Federal tax law therein described, at its date [and the date of delivery of this opinion]¹, were fair and accurate summaries in all material respects.
- 1.8 All regulatory consents, authorizations, approvals and filings required to be obtained or made by the Issuer and the Subsidiary Guarantors on or prior to the date hereof under the federal laws of the United States and the laws of the State of New York for the execution and delivery of the Dealer Manager Agreement[, the New Securities, the Guarantees and the New Indenture]¹ and the performance of their respective obligations thereunder have been obtained or made; provided, however, that we express no opinion with respect to United States federal or State securities laws.
- 1.9 The execution and delivery by the Issuer and the Subsidiary Guarantors of the Dealer Manager Agreement[, the New Securities, the Guarantees and the New Indenture]¹ do not, and the performance by the Issuer and the Subsidiary Guarantors of their respective obligations under the Dealer Manager Agreement[, the New Securities, the Guarantees, the New Indenture and the Second Amendment Agreement]¹ will not, violate any existing federal law of the United States or law of the State of New York applicable to the Issuer and the Subsidiary Guarantors, including Section 14(e) of the United States Securities Exchange Act of 1934, as amended, and the rules thereunder, or result in a default under or breach of (i) the Indenture dated August 17, 2004, between the Issuer, the subsidiary guarantors named therein and Law Debenture Trust Company of New York as trustee thereunder (amended and supplemented as of January 25, 2006, February 24, 2006, November 22, 2006, October 8, 2007 and July 14, 2008), (ii) the Pledge Agreement or (iii) the Indenture dated July 23, 2008, between the Issuer, the subsidiary guarantors named therein and The Bank of New York Mellon as trustee thereunder; provided, however, that for purposes of this paragraph 4.9, we express no opinion with respect to United States federal or State securities laws (other than Section 14(e) of the United States Securities Exchange Act of 1934, as amended, and the rules thereunder), other anti-fraud laws, fraudulent transfer laws, the U.S. Employee Retirement Income Security Act of 1974 and related laws; and provided, further, that insofar as performance by the Issuer and the Subsidiary Guarantors of their respective obligations under the Dealer Manager Agreement[, the New Securities, the Guarantees and the New Indenture] is concerned, we express no opinion as to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors’ rights or as to the effect of general equity principles.
- 1.10 The Issuer and each Subsidiary Guarantor has, pursuant to Section 17 of the Dealer Manager Agreement [and Section [•] of the New Indenture]¹ validly submitted to the jurisdiction of the courts within the Borough of Manhattan in The City of New York specified therein with respect to the proceedings specified therein, and has, to the fullest extent permitted by applicable law, validly and irrevocably waived any objection to the laying of venue of such

proceedings in any such court, and has validly and irrevocably appointed Law Debenture Corporate Services Inc. as its authorised agent for the purpose described in such section, and service of process effected in the manner set forth in Section 17(b) of the Dealer Manager Agreement [and [•] of the New Indenture]¹ will be effective to confer valid personal jurisdiction over the Issuer and each Subsidiary Guarantor in such proceedings.

On the basis of the information that we gained in the performance of the work referred to above, considered in the light of our understanding of the applicable United States federal securities laws and the experience we have gained through our practice in this field, we confirm to you that nothing that has come to our attention in the course of our acting in our capacity as such counsel has caused us to believe that the Memorandum, at its date [and the date of delivery of this letter]¹, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

¹ To be provided at closing

Exhibit A-3

Form of Opinions of Company's PRC Counsel

1. Each of the wholly foreign owned enterprises listed in Schedule 1 (each a "WFOE"; collectively, the "WFOEs"), and each of the PRC limited companies invested by the relevant WFOEs listed in Schedule 2 (together with the WFOEs, the "PRC Subsidiaries") has been duly incorporated under the laws of the PRC as a wholly foreign owned enterprise or a PRC limited company with the status of a Chinese legal person, is validly existing under the laws of the PRC, has the corporate power and authority to own its property (including plantation land use rights) and to conduct business as described in the Exchange Offer Memorandum and constitutive documents of such PRC Subsidiary, including articles of association, approval certificates and business license, as the case may be, and is in good standing and duly qualified to transact business in each jurisdiction in which the conduct of its business, or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the PRC Subsidiaries, taken as a whole; the business operations of each PRC Subsidiary as described or contemplated in the Exchange Offer Memorandum are in compliance with, and do not violate or conflict with, any applicable laws and regulations or any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over it or over any of its properties or assets, and each of the business licenses of each of the PRC Subsidiaries is valid and in full force and effect and has not been revoked, withdrawn, suspended or cancelled, except as otherwise disclosed in the Exchange Offer Memorandum. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, the relevant PRC subsidiaries listed in Schedule 3 are non-material active PRC subsidiaries.
2. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, each of the entities listed in Schedule 4 (each a "BVI Subsidiary"; collectively, the "BVI Subsidiaries") has the right to conduct business in the PRC in the manner as presently conducted and as described in the Exchange Offer Memorandum, and has the right to own the purchased tree plantations (as set forth in Paragraph 15 herein) and as approved by the relevant forestry bureaus, has the right to log, transport, and sell the purchased tree plantations in accordance with the PRC laws and regulations.
3. Each of the entities listed in Schedule 5 is the owner of 100% of the registered capital of each of the PRC Subsidiaries, respectively, as set forth in the Exchange Offer Memorandum, free and clear of all liens, encumbrances, equities, claims, restrictions on transfer (other than as required under applicable PRC law) or other defect of title whatsoever; the ownership of such registered capital is valid and lawful under all applicable PRC laws, rules or regulation of any governmental or regulatory agency or body.
4. The registered capital of each of the PRC Subsidiaries has been subscribed in full and all government approvals relating to the subscription thereof have been issued and are in full force and effect, except for Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co., Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co., Ltd. whose registered capital has not been fully paid up as permitted by PRC law.

5. All descriptions in the Exchange Offer Memorandum of contracts and other material documents to which any PRC Subsidiary is a party or are governed by PRC law are true and accurate in all material respects, fairly summarize the contents of such contracts or documents and do not omit any material information which affects the import of such descriptions; to the best of our knowledge after reasonable investigation and inquiry, and as confirmed by the Company, except as otherwise disclosed in Paragraph 18 herein, there are no franchises, contracts, indentures, mortgages, loan agreements, notes, leases or other instruments other than those described or referred to in the Exchange Offer Memorandum, and the descriptions thereof or references thereto are correct in all material respects; each PRC Subsidiary has legal right and/or corporate power to enter into and to perform its obligations under the contracts and other documents set forth in the Exchange Offer Memorandum to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of such contracts and documents. Each of such contracts and documents has been duly authorized, executed and delivered by the relevant PRC Subsidiary and constitutes a valid and legally binding agreement of such PRC Subsidiary.
6. The ownership structure of the PRC Subsidiaries as set out in the Exchange Offer Memorandum is true and accurate and such ownership structure is in compliance with applicable laws and regulations. Except as disclosed in the Exchange Offer Memorandum, to the best of our knowledge after reasonable investigation and inquiry, and as confirmed by the Company, there is no other company in which any of the PRC Subsidiaries directly or indirectly owns or controls or proposes to own or control a majority interest (whether by way of shareholding, trust arrangement or otherwise), and none of the PRC Subsidiaries has entered into any agreement for the establishment of any company or undertaking in which any of the PRC Subsidiaries will, or agrees to own or control, a majority interest.
7. The events and transactions (the "CJV Conversion") set forth in the Exchange Offer Memorandum relating to the conversion of the corporate form of certain PRC Subsidiaries of the Company from cooperative joint venture into wholly foreign owned enterprise, as listed in Schedule 6 (the "Original CJVs"), have been duly effected in accordance with applicable laws and regulations, and the description of the CJV Conversion set forth therein is an accurate and fair summary of such transactions in all material respects.
8. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, none of the PRC Subsidiaries is in violation of or in default under (i) any provision of PRC law or regulation or the articles of association of the respective PRC Subsidiary, (ii) any agreement governed by PRC law by which any of the PRC Subsidiaries is bound or to which any of the properties or assets of the PRC Subsidiaries is subject or (iii) any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over any of the PRC Subsidiaries or over any of the properties or assets of the PRC Subsidiaries, except for such violations or defaults that would not have a material adverse effect on the PRC Subsidiaries as a whole or on any of the PRC Subsidiaries individually.

9. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, under the current business model as presently conducted, each of the BVI Subsidiaries is not in violation of or in default under (i) any provision of PRC law or regulation, (ii) any agreement governed by PRC law by which it is bound or to which any of its properties or assets is subject or (iii) any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over it or over any of its properties or assets, except for such violations or defaults that would not have a material adverse effect on the BVI Subsidiaries as a whole or on any of the BVI Subsidiaries individually.
10. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, each of the PRC Subsidiaries has paid all material PRC taxes which it is required to have paid, except for taxes payment of which is being contested in good faith by appropriate proceedings and for which reserves and tax provisions deemed by it to be adequate have been set aside or made on its books. For the relevant BVI Subsidiaries conducting authorized trading operations, the PRC taxes which are required to be paid by the relevant BVI Subsidiaries shall be withheld and paid by the respective authorized intermediaries as the withholding and paying agents in accordance with the relevant agreements, and as confirmed by the Company, adequate tax provisions have been made to meet such tax liabilities of the relevant BVI Subsidiaries.
11. The articles of association of each PRC Subsidiary comply with the requirements of applicable law of the PRC and are in full force and effect.
12. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any public, regulatory or governmental authority, agency, body or court of the PRC or any subdivision thereof (a "PRC Governmental Authority") is necessary or required in connection with the due authorization, execution and delivery of the Dealer Manager Agreement, for the exchange of the 2004 Senior Notes and the offering, issuance or delivery of the Exchange Notes (and the Subsidiary Guarantees) pursuant to the terms of thereof.
13. The carrying on of the authorized trading operations by the BVI Subsidiaries pursuant to the relevant purchase agreements and the authorized sales agreements between the relevant BVI Subsidiaries and the authorized intermediaries does not contravene any provision of applicable PRC law, rule or regulation in all material respects. Each of the sample purchase agreement and authorized sales agreement is valid and legally binding, in full force and effect, and enforceable in accordance with its terms and the relevant BVI Subsidiaries have and will have good and valid title to the after-tax profits generated by or derived from such operations.
14. According to the relevant Plantation Rights Certificates and relevant approvals provided by the Company, as of March 31, 2009, the relevant WFOEs and Original CJVs have the right to use approximately 62,800 hectares of plantation land. Since the Original CJVs have been approved to be converted into WFOEs and obtained their new business licenses, with respect

to approximately 20,500 hectares among the plantation land that is currently used by the Original CJVs or, in the case of Heyuan Jiahe Forestry Development Co., Ltd. which has been merged into Sino-Forest (Heyuan) Co., Ltd. and has been dissolved, the successor of one of the Original CJVs, they will need to negotiate with the original plantation land owners or holders to enter into new plantation land transfer agreements or lease agreements, go through the requisite legal formalities for the transfer of plantation land and obtain the Plantation Rights Certificates for those plantation lands in accordance with the relevant PRC laws and regulations.

15. According to the relevant purchased tree contracts entered into by the BVI Subsidiaries and the relevant PRC Subsidiaries as of March 31, 2009 and as confirmed by the relevant local forestry bureaus in their respective approvals or Plantations Rights Certificates, the BVI Subsidiaries and the relevant PRC Subsidiaries have the right to own approximately 336,900 hectares of the purchased trees plantations acquired by the BVI Subsidiaries and the relevant PRC Subsidiaries. According to the relevant purchased tree contracts entered into by the BVI Subsidiaries, the BVI Subsidiaries have the right, but not the obligation, to acquire plantation land use rights for the lands underlying the purchased trees acquired pursuant to the purchased tree contracts entered into by the BVI Subsidiaries as of the date hereof, subject to the execution of definitive agreements and requisite governmental approval and plantation rights registration procedures in accordance with the relevant PRC laws and regulations.
16. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no legal or governmental proceedings pending in the PRC to which, the Company, any of the BVI Subsidiaries or the PRC Subsidiaries is a party or to which any of their respective properties or assets is subject; there are no legal or governmental proceedings pending in the PRC which could, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Company, the BVI Subsidiaries and the PRC Subsidiaries taken as a whole or individually, the validity or enforceability of the Dealer Manager Agreement or the transactions contemplated therein and as disclosed in the Exchange Offer Memorandum; and no such proceedings are threatened.
17. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no outstanding guarantees or contingent payment obligations of each of the PRC Subsidiaries in respect of indebtedness of third parties except as described in the Exchange Offer Memorandum.
18. Each of the PRC Subsidiaries owns or has been granted all necessary rights to use all of the properties and assets owned or used by it or transferred, assigned or otherwise conveyed to it in connection with its formation or thereafter, to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, free and clear of all claims, liens, security interests or other encumbrances except for the mortgages relating to the relevant real property of Jiafeng Wood (Suzhou) Co., Ltd., and as otherwise described in the Exchange Offer Memorandum or those that are not material, individually or in the aggregate, to the business of the Company and the PRC Subsidiaries, taken as a whole or individually; except

as otherwise described in the Exchange Offer Memorandum and in this opinion, each of the PRC Subsidiaries, as the case may be, has the right to use all such plantation lands or has obtained the land use rights to conduct their respective business now being conducted, all such plantation land-use rights or land use rights are free and clear of all encumbrances and defects, and all such plantation land-use rights or land use rights are valid, binding and enforceable in accordance with their respective terms; and all real property and buildings held under lease, if any, by each of the PRC Subsidiaries are held by each of them under valid, binding and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such real property, buildings and equipment.

19. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, each of the PRC Subsidiaries (i) is in compliance in all material respects with all applicable laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) has received all material permits, licenses and approvals which are currently required under applicable Environmental Laws to conduct its business now being conducted, including to construct, own and operate its respective plant facilities, as described in the Exchange Offer Memorandum, and (iii) is in compliance with the PRC environmental laws and regulations in all material respects. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no pending or threatened judicial actions, suits, claims, liens or proceedings relating to environmental protection laws and regulations against any PRC Subsidiaries. The description of the PRC environmental laws, orders, rules and regulations in the Exchange Offer Memorandum are true and accurate in all material respects.
20. All descriptions in the Exchange Offer Memorandum of PRC laws or regulations are correct in all material respects. Other than as disclosed in the Exchange Offer Memorandum, there are no existing or announced laws, policies, regulatory, administrative or other government initiatives or measures regarding the commercial forestry plantations industry and wood products manufacturing industry which would have a material adverse effect on the Company.
21. The issue and delivery of the Exchange Notes (and the Subsidiary Guarantees applied to the non-PRC Subsidiaries in respect of their respective Capital Stock as described in the Exchange Offer Memorandum) and the execution and delivery by the Company of its obligations under the Dealer Manager Agreements and the consummation by the Company of the transactions contemplated therein and in the Exchange Offer Memorandum (a) will not contravene (i) any provision of PRC law or regulations, (ii) any articles of association, business license, business permit or other constitutional documents of any of the PRC Subsidiaries, (iii) to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, any agreement governed by PRC law by which any of the PRC Subsidiaries is bound or to which any of the properties or assets of the PRC Subsidiaries is subject, or (iv) to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, any material agreement governed by PRC law by which the

Company or each of the BVI Subsidiaries is bound or to which any of the properties or assets of the Company or each of the BVI Subsidiaries is subject or (b) will not result in the creation or imposition of any claim, lien, mortgage, security interest or other encumbrance on any property or assets of the PRC Subsidiaries or on any purchased tree plantations of the BVI Subsidiaries, except such as pursuant to the Dealer Manager Agreement.

22. Except as disclosed in the Exchange Offer Memorandum, no tax or duty (including any stamp or other issuance or transfer tax or duty and any tax or duty on capital gains or income, whether chargeable on a withholding basis or otherwise) is payable by or on behalf of holders of the Exchange Notes under any applicable laws and regulations of the PRC, or of any political subdivision, department or agency thereof in connection with (a) the exchange of the 2004 Senior Notes and the offering, issuance or delivery of the Exchange Notes by the Company (and the Subsidiary Guarantees by the Subsidiary Guarantors) to or for the account of the holders thereof in the manner contemplated in the Dealer Manager Agreement or the Exchange Offer Memorandum; (b) the exchange of the 2004 Senior Notes and the offer or delivery by the holders of the Exchange Notes to the subsequent holders thereof; (c) the execution and delivery of the Dealer Manager Agreement or any other document relating to the offering of the Exchange Notes (and the Subsidiary Guarantees); or (d) the consummation of the transactions contemplated in the Dealer Manager Agreement or the performance by the Company of its obligations thereunder or the transactions contemplated by the Exchange Offer Memorandum.
23. Except as disclosed in the Exchange Offer Memorandum, all licenses, consents, approvals, authorizations, permits, certificates or orders of or from, or filings, declarations or qualifications with or to, any governmental body, court, agency or official in the PRC as are currently required for (i) the PRC Subsidiaries' ownership and use of their properties and assets, the construction of their plant facilities and the conduct of their business in the manner as described in the Exchange Offer Memorandum, and (ii) the BVI Subsidiaries to own the purchased tree plantations and conduct business in the manner as described in the Exchange Offer Memorandum, and (iii) the performance by the Company of its obligations under the Dealer Manager Agreement have been obtained or made and are in full force and effect, except for those that are not material in the case of (i) and (ii), individually or in the aggregate, to the business, operations and financial conditions of the BVI Subsidiaries or the PRC Subsidiaries, taken as a whole or individually. To the best of our knowledge after reasonable investigation and inquiry and except as disclosed in this opinion, we have no reason to believe that any PRC Governmental Authority is considering modifying, suspending or revoking such PRC licenses, consents, authorizations, approvals, certificates and permits.
24. Each WFOE has full power and authority to effect dividend payments and remittances thereof outside the PRC in United States dollars, except for the withholding tax required under the Enterprise Income Tax Law of the PRC and other exceptions, in each case as disclosed in the Exchange Offer Memorandum, free of deduction or withholding on account of income tax and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the

PRC.

25. Under current PRC tax laws (including the Enterprise Income Tax Law of the PRC), regulations and rulings, holders of the Exchange Notes that are non-residents of the PRC are not subject to withholding tax, income tax or any other taxes or duties imposed by any of the PRC Government Authorities in respect of (a) any interest or principal payments or other distributions paid or made on the Exchange Notes, (b) gains made on sales of the Exchange Notes between non-residents of the PRC consummated outside the PRC, or (c) any dividend or other distribution paid or made on the Exchange Notes.
26. Except for Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co., Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co., Ltd. whose registered capital has not been fully paid up as permitted by PRC law, and for whom the dividend payments and remittances thereof shall be made in proportion to the paid-up contribution of their registered capital, no WFOE is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such WFOE's registered capital, or from repaying to the Company any loans or advances to such WFOE from the Company, except as otherwise described in the Exchange Offer Memorandum.
27. Except for Sino-Panel (China) Investments Limited, Sino-Panel (Fujian) Co., Ltd. Sino-Panel (Heilongjiang) Trading Co., Ltd. and Jiangxi Jiawei Panel Co., Ltd. whose registered capital has not been fully paid up as permitted by PRC law, each WFOE has full power and authority to borrow shareholder loans from the Company or any of its non-PRC Subsidiaries as contemplated and described in the Exchange Offer Memorandum. Except for those disclosed in the Exchange Offer Memorandum, no other licenses, consents, approvals, authorizations, permits, certificates or orders of or from, or filings, declarations or qualifications with or to, any governmental body, court, agency or official in the PRC are required for a WFOE to borrow shareholder loans. Each WFOE will be able to repay such shareholder loans in, and remit, United States dollars, except, for the withholding tax required under the Enterprise Income Tax Law of the PRC and other exceptions, in each case, as disclosed in the Exchange Offer Memorandum, free of deduction or withholding on account of income taxes and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC.
28. To the best of our knowledge after due investigation and inquiry, none of the PRC Subsidiaries nor other person has taken any action nor have any other steps been taken or legal proceedings been started or threatened against any of the PRC Subsidiaries for its winding up or dissolution, or for the withdrawal, revocation or cancellation of the business license of any of the PRC Subsidiaries; and no notice of appointment of a receiver of any of the PRC Subsidiaries or any of its assets has been issued and no declaration or order of insolvency has been or is threatened to be made.

29. The statements in the Exchange Offer Memorandum under the headings "Summary", "Government Regulation", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Corporate Structure" and "Business" insofar as such statements constitute summaries of the laws or regulations of the PRC or documents governed by PRC law as of the date hereof, fairly present the information called for with respect to such legal matters and documents and fairly summarize matters referred to therein.
30. To the best of our knowledge after due investigation and inquiry and as confirmed by the Company, no labor dispute, or disturbance involving the employees of any PRC Subsidiary in the PRC, exists or is imminent or threatened, except as would not, individually or in the aggregate, have a material adverse effect on the Company; each of the PRC Subsidiaries has complied in all material respects with all employment, labor and similar laws applicable to the PRC Subsidiaries and has made welfare contributions for its employees as required under PRC law.
31. Under PRC law, there is no restriction for the transfer of the Exchange Notes by the Company to or for the account of the holders of such Exchange Notes, and the subsequent purchasers thereof, assuming that such subsequent purchasers are not entities organized under the laws of, or residents of, the PRC.
32. Each of the PRC Subsidiaries owns or has valid licenses in full force and effect or otherwise has the legal right to use all material trademarks currently employed by it in connection with the business currently operated by it and, to the best of our knowledge after due inquiry and as confirmed by the Company, none of the PRC Subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in any material adverse effect.
33. The tax rates applicable to each of the PRC Subsidiaries disclosed in the Exchange Offer Memorandum is true and accurate in all material respects; the description of the tax laws and regulations applicable to the PRC Subsidiaries described in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Exchange Offer Memorandum is true and accurate under relevant PRC tax laws and regulations. There are no material PRC fees or taxes that are applicable to the Company and its subsidiaries as a consequence of completion of the offering of the Exchange Notes that have not been described in the Exchange Offer Memorandum.
34. The entry into, and performance or enforcement of the Dealer Manager Agreement in accordance with its terms will not subject the Dealer Manager or holders of the Exchange Notes to a requirement to be licensed or otherwise qualified to do business in the PRC, nor will such holders be deemed to be resident, domiciled, carrying on business through an establishment or place in the PRC or in breach of any PRC law by reason of entry into, performance or enforcement of the Dealer Manager Agreement or of or the consummation of the transactions contemplated in the Dealer Manager Agreement or the performance by the

Company of its obligations thereunder or the transactions contemplated by the Exchange Offer Memorandum.

35. Each of the WFOEs has complied with all the required registration with the relevant local branches of the State Administration of Foreign Exchange of the PRC, except for those the absence of which would not have a material adverse effect on such WFOEs, taken as a whole or individually.
36. We have generally reviewed and discussed with the Dealer Manager's representatives and with certain officers and employees of, and counsel and independent accountants for, the Company the information furnished, and the Company has confirmed such information to us. On the basis of such consideration, review and discussion with ordinary care and due diligence as a PRC legal counsel, but without independent checking or verification except as stated above, nothing has come to our attention that causes us to reasonably believe that the Exchange Offer Memorandum or any amendment or supplement thereto (except for the financial statements and schedules and other financial data included therein or omitted therefrom, as to which we need make no statement), at the date of the Exchange Offer Memorandum, at the date any such amended or supplemented Exchange Offer Memorandum was issued or at the date of the commencement of the Exchange Offer, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, in all material respects, not misleading.

Exhibit A-4

Form of Opinions of Company's BVI Counsel

[Form of opinion to be delivered only on the date of this agreement]

- (1) (a) Each of SFR (China) Inc., Sino-Forest Bio-Science Limited, Sino-Forest Resources Inc., Sino-Global Holdings Inc., Sino-Panel (Asia) Inc., Sino-Panel (Gaoyao) Limited, Sino-Panel Holdings Limited, Sino-Panel (North East China) Limited, Sinowin Investments Limited, Suri-Wood Inc., Dynamic Profit Holdings Limited; Sino-Capital Global Inc. and Sino-Forest Investments Limited was a company duly incorporated with limited liability under the International Business Companies Act (Cap. 291) and that on 1 January 2007, each such Company was deemed to be automatically re-registered under the British Virgin Islands Business Companies Act, 2004 (the "BVIBC Act"), is validly existing and in good standing under the laws of the British Virgin Islands. Each such Company is a separate legal entity and possess the capacity to sue and be sued in its own name.
- (b) Each of Grandeur Winway Limited, Sino-Panel [Hunan] Limited, Sino-Panel [Suzhou] Limited and Sino-Panel [Xiangxi] Limited was a company duly incorporated with limited liability under the International Business Companies Act (Cap.291) and that on 24 November 2006, 27 November 2006, 20 October 2006 and 27 November 2006, respectively, each such Company re-registered under the BVIBC Act, is validly existing and in good standing under the laws of the British Virgin Islands. Each such Company is a separate legal entity and possess the capacity to sue and be sued in its own name.
- (c) Each of Sino-Panel (Fujian) Limited, Sino-Panel (Guangxi) Limited, Sino-Panel (Guangzhou) Limited, Sino-Panel (Guizhou) Limited, Sino-Panel (Qinzhou) Limited, Sino-Panel (Shaoyang) Limited, Sino-Panel (Yunnan) Limited, Sino-Panel (Yongzhou) Limited, Sino-Panel (Huaihua) Limited, Sino-Panel (North Sea) Limited, Amplemax Worldwide Limited, Glory Billion International Limited, Smart Sure Enterprises Limited, Expert Bonus Investment Limited, Ace Supreme International Limited and Express Point Holdings Limited is a company limited by shares, duly incorporated under the BVIBC Act, validly existing and in good standing under the laws of the British Virgin Islands. Each Company is a separate legal entity and possesses the capacity to sue and be sued in its own name.

- (2) Each of the Companies has all requisite corporate power and authority to enter into, execute, deliver, and perform its obligations under the Subject Agreement and to take all action as may be necessary to complete the transactions contemplated thereby.
- (3) The execution, delivery and performance by each of the Companies of the Subject Agreement and the transactions contemplated thereby have been duly authorised by all necessary corporate action on the part of the relevant Company.
- (4) The obligations of each of the Companies as set out in the Subject Agreement constitute legal, valid and binding obligations of such Company, enforceable against such Company in accordance with its terms and would be so treated in courts of the British Virgin Islands.
- (5) No consent, licence or authorisation of or by any governmental authority of the British Virgin Islands is required to be obtained by any of the Companies in connection with its execution, delivery or performance of the Subject Agreement.
- (6) The execution, delivery and performance by the Companies of the Subject Agreement and the transactions contemplated thereby do not and will not violate, conflict with or constitute a default under (i) any requirement of any law or any regulation of the British Virgin Islands or (ii) the Constitutional Documents.
- (7) No stamp duties or similar documentary taxes imposed by or in the British Virgin Islands are payable in respect of the Subject Agreement and neither of the Companies will be required by any laws of the British Virgin Islands to make any deduction or withholding from any payment it may make under the Subject Agreement. There are no government controls or exchange controls in relation to the performance by the Companies of their obligations under the Subject Agreement.
- (8) There is no applicable usury or interest limitation law in the British Virgin Islands which would restrict the recovery of payments or the performance by any of the Companies of its obligations under the Subject Agreement.
- (9) Any monetary judgment in a court of the British Virgin Islands in respect of a claim brought in connection with any of the Subject Agreement is likely to be expressed in the currency in which

such claim is made, since such courts have power to grant a monetary judgment expressed otherwise than in the currency of the British Virgin Islands, but they may not necessarily do so.

- (10) It is not necessary in order to ensure the legality, validity, enforceability or admissibility in evidence in proceedings of the obligations of the Companies under the Subject Agreement that the Subject Agreement or any other document be notarised, filed, registered or recorded in the British Virgin Islands.

Based solely upon the Company Search, charges have been filed at the Registry of Corporate Affairs in the British Virgin Islands over assets of the Companies listed below. We have not conducted any investigation into the documents relating to the charges.

- (i) Dynamic Profit Holdings Limited;
 - (ii) SFR (China) Inc.;
 - (iii) Sino-Forest Resources Inc.;
 - (iv) Sino-Global Holdings Inc.;
 - (v) Sino-Panel (Asia) Inc.;
 - (vi) Sino-Panel Holdings Limited; and
 - (vii) Sino-Capital Global Inc.
- (11) The financial obligations of each of the Companies under the Subject Agreement rank at least pari passu in priority of payment with all other unsecured and unsubordinated indebtedness (whether actual or contingent) issued, created or assumed by the relevant Company other than indebtedness which is preferred by virtue of any provision of the British Virgin Islands law of general application.
- (12) The choice of the laws of the State of New York as the proper law to govern the Subject Agreement would be recognised, upheld and applied by the courts of the British Virgin Islands as

a valid choice of law and the proper law of the Subject Agreement in proceedings brought before them in relation to the Subject Agreement, except for those laws (i) which such courts consider to be procedural in nature; (ii) which are revenue or penal laws; or (iii) the application of which would be inconsistent with public policy, as that term is interpreted under British Virgin Islands law.

- (13) The submission by the Companies to the jurisdiction of the courts of New York pursuant to the Subject Agreement would be recognised by the courts of the British Virgin Islands as a legal, valid and binding submission to the jurisdiction of such courts, if such submission is accepted by such courts and is legal, valid and binding under the laws of the State of New York. The appointment by the Companies of an agent in New York to accept service of process in respect of proceedings before such courts is a valid and effective appointment, if such appointment is valid and binding under the laws of the State of New York and if no other procedural requirements are necessary in order to validate such appointment.
- (14) Any final and conclusive monetary judgment of a competent foreign court for a definite sum against any of the Companies based upon the Subject Agreement (other than a court of jurisdiction to which the Reciprocal Enforcement of Judgments Act (1922) or the Foreign Judgments (Reciprocal Enforcement) Act (1964) applies, and neither Act applies to the courts of New York may be the subject of enforcement proceedings in the courts of the British Virgin Islands under the common law doctrine of obligation by action on the debt evidenced by the judgment of such competent foreign court. A final opinion as to the availability of this remedy should be sought when the facts surrounding the foreign court's judgment are known, but, on general principles, we would expect such proceedings to be successful provided that:
- (i) the foreign court had jurisdiction in the matter and the relevant Company either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process;
 - (ii) the judgment given by the foreign court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations;
 - (iii) the judgment was not obtained by fraud;

- (iv) recognition or enforcement of the judgment would not be contrary to British Virgin Islands public policy; and
 - (v) the proceedings pursuant to which judgment was obtained were not contrary to natural justice.
- (15) The Companies are not entitled to immunity from suit or enforcement of a judgment on the ground of sovereignty or otherwise in the courts of the British Virgin Islands in respect of proceedings against them in relation to the Subject Agreement and the execution of the Subject Agreement and performance of their obligations under the Subject Agreement by the Companies constitute private and commercial acts.
- (16) Under the laws of the British Virgin Islands, the Dealer Manager will not be deemed to be resident, domiciled or carrying on any commercial activity in the British Virgin Islands or subject to any tax in the British Virgin Islands by reason only of its execution, delivery and performance of the Subject Agreement nor is it necessary for the execution, delivery, performance and enforcement of the Subject Agreement that the Dealer Manager be authorised or qualified to carry on business in the British Virgin Islands.
- (17) Service of process in the British Virgin Islands on the Companies may be effected by leaving at the registered office of the Companies the relevant document to be served. Based on the Company Search, the registered office of each Company is situated as follows:
- (a) in the case of Sino-Panel Guizhou) Limited, Sino-Panel (Guangzhou) Limited) Limited, Sino-Panel (Guangxi) Limited, Sino-Panel (Gaoyao) Limited, Sino-Panel (Fujian) Limited, Sino-Panel (Asia) Inc., Sino-Global Holdings Inc., Sino-Forest Resources Inc., Sino-Capital Global Inc., SFR (China) Inc., Sino-Panel (Huaihua) Limited, Sino-Panel [Hunan] Limited, Sino-Panel (North East China) Limited, Sino-Panel (Qinzhou) Limited, Sino-Panel (Shaoyang) Limited, Sino-Panel [Suzhou] Limited, Sino-Panel [Xiangxi] Limited, Sino-Panel (Yongzhou) Limited, Sino-Panel (Yunnan) Limited and Suri-Wood Inc., the registered office is located at the offices of Offshore Incorporation Limited, PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands;

- (b) in the case of Sino-Forest Investments Limited, Grandeur Winway Limited, Dynamic Profit Holdings Limited and Sinowin Investments Limited, the registered office is located at the offices of Commonwealth Trust Limited, PO Box 3321, Road Town, Tortola, British Virgin Islands;
 - (c) in the case of Sino-Panel Holdings Limited, the registered office is located at Harneys Corporate Services Limited, PO Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands;
 - (d) in the case of Sino-Forest Bio-Science Limited, the registered office is located at the offices of Trident Trust Company (BVI) Limited, Trident Chambers, PO Box 146, Road Town, Tortola, British Virgin Islands, and
 - (e) in the case of Amplemax Worldwide Limited, Glory Billion International Limited, Smart Sure Enterprises Limited, Expert Bonus Investments Limited, Ace Supreme International Limited and Express Point Holdings Limited, the registered office is located at the offices of Overseas Management Company Trust (BVI) Ltd, OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.
- (18) Based solely upon the Company Search, the Litigation Search and the Director's Certificates:
- (i) no court proceedings are pending against any of the Companies; and
 - (ii) no currently valid order or resolution for winding up of any of the Companies and no current notice of appointment of a receiver over any of the Companies or any of their assets appears, but it should be noted that failure to file notice of appointment of a receiver with the Registrar of Corporate Affairs does not invalidate the receivership but merely gives rise to penalties on the part of the receiver.
- (19) The statements, if any, included in the Exchange Offer Memorandum, insofar as such statements constitute summaries of the laws or regulations of the British Virgin Islands, fairly summarize in all material respects such matters.

Exhibit A-5

Form of Opinions of Company's Cayman Islands Counsel

[Form of opinion to be delivered only on the date of this agreement]

1. The Company is a limited liability company duly incorporated with limited liability and existing under the laws of the Cayman Islands. The Company possesses the capacity to sue and be sued in its own name and is in good standing under the laws of the Cayman Islands.
2. The Company has all requisite corporate power and authority to enter into, execute, deliver, and perform its obligations under the Subject Agreement and to take all action as may be necessary to complete the transactions contemplated thereby.
3. The execution, delivery and performance by the Company of the Subject Agreement and the transactions contemplated thereby have been duly authorised by all necessary corporate action on the part of the Company.
4. The Subject Agreement has been duly executed by the Company and each constitutes legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms.
5. Subject as otherwise provided in this opinion, no consent, licence or authorisation of, filing with, or other act by or in respect of, any governmental authority or court of the Cayman Islands is required to be obtained by the Company in connection with the execution, delivery or performance by the Company of the Subject Agreement or to ensure the legality, validity, admissibility into evidence or enforceability as to the Company, of the Subject Agreement.
6. The execution, delivery and performance by the Company of the Subject Agreement and the transactions contemplated thereby do not and will not violate, conflict with or constitute a default under (a) any requirement of any law or any regulation of the Cayman Islands or (b) the Constitutional Documents.
7. The transactions contemplated by the Subject Agreement are not subject to any currency deposit or reserve requirements in the Cayman Islands. There is no restriction or requirement of the Cayman Islands binding on the Company which limits the availability or transfer of foreign exchange (i.e. monies denominated in currencies other than Cayman Islands dollars) for the purposes of the performance by the Company of its obligations under the Subject Agreement.
8. The financial obligations of the Company under the Subject Agreement rank at least pari passu in priority of payment with all other unsecured and unsubordinated indebtedness (whether actual or contingent) issued, created or assumed by the Company other than indebtedness which is preferred by virtue of any provision of Cayman Islands law of general application.
9. The choice of the laws of the State of New York as the proper law to govern the Subject Agreement is a valid choice of law under Cayman Islands law and such choice of law would be recognised, upheld and applied by the courts of the Cayman Islands as the proper law of the Subject Agreement in proceedings brought before them in relation to the Subject Agreement, provided that (a) the point is specifically pleaded; (b) such choice of law is valid and binding under the laws of the State of New York and (c) recognition would not be contrary to public policy as that term is understood under Cayman Islands law.

10. The submission by the Company to the jurisdiction of the courts of New York, pursuant to the Subject Agreement is not contrary to Cayman Islands law and would be recognised by the courts of Cayman Islands as a legal, valid and binding submission to the jurisdiction of the courts of New York, if such submission is accepted by such courts and is legal, valid and binding under the laws of the State of New York.
11. A final and conclusive judgment *in personam* of a competent foreign court against the Company based upon the Subject Agreement under which a definite sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature of, in respect of a fine or other similar penalty), may be the subject of enforcement proceedings in the Grand Court of the Cayman Islands under the common law doctrine of obligation by action on the debt evidenced by the judgment of such competent foreign court. A final opinion as to the availability of this remedy should be sought when the facts surrounding the foreign court's judgment are known, but, on general principles, we would expect such proceedings to be successful provided that:
 - (a) the court which gave the judgment was competent to hear the action in accordance with private international law principles as applied in the Cayman Islands; and
 - (b) the judgment is not contrary to public policy in Cayman Islands, has not been obtained by fraud or in proceedings contrary to natural justice and is not based on an error in Cayman Islands law.
12. Neither the Company nor any of its assets or property enjoys, under Cayman Islands law, immunity on the grounds of sovereignty from any legal or other proceedings whatsoever or from enforcement, execution or attachment in respect of its obligations under the Subject Agreement.
13. Based solely upon the Litigation Search and the Officer's Certificate:
 - (a) no litigation, arbitration or administrative or other proceeding of or before the Grand Court of the Cayman Islands is pending against the Company; and
 - (b) no resolution of members has been passed to wind up or appoint a liquidator or receiver of the Company and no petition to wind up the Company or application to reorganise its affairs pursuant to a scheme of arrangement and no application for the appointment of a receiver has been filed with the Grand Court of the Cayman Islands.
14. There are, subject as otherwise provided in this opinion, no taxes, stamp or documentary taxes, duties or similar charges under the laws of the Cayman Islands now due, or which could in the future become due to any governmental authority of or in the Cayman Islands, in connection with the execution, delivery, performance or enforcement of the Subject Agreement or the transactions contemplated thereby, or in connection with the admissibility in evidence thereof and the Company is not required by any Cayman Islands law or regulation to make any deductions or withholdings in the Cayman Islands from any payment it may make thereunder.
15. The details of charges by Cayman Islands companies over their assets wherever situated, are capable of being entered on the register of mortgages and charges required to be kept by the Company at its registered office in the Cayman Islands pursuant to the Companies Law. Registration in such register is the only method of registration of charges over the assets of

Cayman Islands companies in the Cayman Islands except charges over real property in the Cayman Islands or ships or aircraft registered in the Cayman Islands. Failure by the Company to enter in such register the details of any charge as required by the Companies Law does not affect the validity or enforceability of a charge and there is no time limit within which registration of a charge must be effected. However, in the event that questions of priority fall to be determined by reference to Cayman Islands law, such entry may in our opinion assist in establishing the priority of such charge, as a matter of common law, over any subsequent mortgage or charge which is registered subsequently in regard to the same assets.

16. Under the laws of the Cayman Islands, neither the Dealer Manager will be deemed to be resident, domiciled or carrying on business in the Cayman Islands by reason only of their execution, delivery and performance of the Subject Agreement nor is it necessary for the execution, delivery, performance and enforcement of the Subject Agreement that the Dealer Manager be licensed or qualified to carry on business in the Cayman Islands.
17. The statements, if any, included in the Exchange Offer Memorandum, insofar as such statements constitute summaries of the laws or regulations of the Cayman Islands, fairly summarize in all material respects such matters.

Exhibit A-6

Form of Opinions of Company's Hong Kong Counsel

- (a) Each of the Hong Kong Subsidiary Guarantors is duly incorporated in Hong Kong under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and is validly existing as a limited liability company under the laws of Hong Kong.
- (b) Based solely on the memorandum and articles of association as revealed by the Company Search, the business registration certificate as revealed by the Business Registration Search and the Certificate of Directors, in respect of a particular Hong Kong Subsidiary Guarantor, that Hong Kong Subsidiary Guarantor has the corporate power and authority to own its real property/properties (if any), to hold shares in other companies and to carry on its business as a holding company.
- (c) The Company Search revealed no order or resolution for the winding-up of any of the Hong Kong Subsidiary Guarantors and no notice of appointment of a receiver; however, such search is not capable of revealing a winding-up order or resolution made, or an appointment of a receiver, immediately prior to the conduct of the Company Search.
- (d) The Official Receiver Search revealed that no petition for the winding-up of any of the Hong Kong Subsidiary Guarantors had been presented; however, a winding-up petition may be presented but not filed at the Official Receiver's Office immediately upon such presentation.
- (e) Other than the matters disclosed in the Cause Book Enquiry set out in Appendix A to this letter, the Cause Book Enquiry revealed (i) no proceeding before the High Court of Hong Kong against any of the Group Companies and (ii) no action before the District Court of Hong Kong against any of the Group Companies; however, such an enquiry is not capable of revealing any proceeding or action commenced immediately prior to the making of the Cause Book Enquiry. Based solely on the results of the Cause Book Enquiry and the HCA5439/1998 Consent Summons, the action in HCA5439/1998 has been discontinued pursuant to the HCA5439/1998 Consent Summons.
- (f) Based solely on the memorandum and articles of association revealed by the Company Search and the Certificates of Directors, in respect of a particular Hong Kong Subsidiary Guarantor, the issue of shares in the capital of that Hong Kong Subsidiary Guarantor has been duly authorised.
- (g) Based solely on the register of members of Sino-Wood Partners, Limited as at 15 May 2009, 2,999,999 Ordinary Shares and 129,927 Class B Shares in the capital of Sino-Wood Partners, Limited were held by Sino-Forest Corporation and 1 Ordinary Share in the capital of Sino-Wood Partners, Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 17 March 1994 in favour of Sino-Forest Corporation, the 1 share in the capital of Sino-Wood Partners, Limited held by Chan Tak Yuen was held by Chan Tak Yuen as nominee for Sino-Forest Corporation. Based solely on a special resolution of Sino-Wood Partners, Limited passed on 10 March 2003 revealed by the Company Search, such share had been designated and registered as an Ordinary Share.

- (h) Based solely on the register of members of Sino-Plantation Limited as at 15 May 2009, 9,999 shares in the capital of Sino-Plantation Limited were held by Sino-Wood Partners, Limited and 1 share in the capital of Sino-Plantation Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 26 October 2002 in favour of Sino-Wood Partners, Limited, the 1 share in the capital of Sino-Plantation Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Wood Partners, Limited.
- (i) Based solely on the register of members of Sino-Wood (Guangxi) Limited as at 15 May 2009, 1 share in the capital of Sino-Wood (Guangxi) Limited was held by Sino-Plantation Limited and 1 share in the capital of Sino-Wood (Guangxi) Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 13 December 2002 in favour of Sino-Plantation Limited, the 1 share in the capital of Sino-Wood (Guangxi) Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Plantation Limited.
- (j) Based solely on the register of members of Sino-Wood (Jiangxi) Limited as at 15 May 2009, 1 share in the capital of Sino-Wood (Jiangxi) Limited was held by Sino-Plantation Limited and 1 share in the capital of Sino-Wood (Jiangxi) Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 13 December 2002 in favour of Sino-Plantation Limited, the 1 share in the capital of Sino-Wood (Jiangxi) Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Plantation Limited.
- (k) Based solely on the register of members of Sino-Wood (Guangdong) Limited as at 15 May 2009, 1 share in the capital of Sino-Wood (Guangdong) Limited was held by Sino-Plantation Limited and 1 share in the capital of Sino-Wood (Guangdong) Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 4 October 2002 in favour of Sino-Plantation Limited, the 1 share in the capital of Sino-Wood (Guangdong) Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Plantation Limited.
- (l) Based solely on the register of members of Sino-Wood (Fujian) Limited as at 15 May 2009, 1 share in the capital of Sino-Wood (Fujian) Limited was held by Sino-Plantation Limited and 1 share in the capital of Sino-Wood (Fujian) Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 4 October 2002 in favour of Sino-Plantation Limited, the 1 share in the capital of Sino-Wood (Fujian) Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Plantation Limited.
- (m) Each of the Hong Kong Subsidiary Guarantors has the corporate power and authority, in compliance with its memorandum and articles of association, to execute, deliver and perform, and has taken all necessary corporate action to authorise the execution, delivery and performance by it of, [each of]the Dealer Manager Agreement[, the

Indenture and the Supplemental Indenture to which the relevant Hong Kong Subsidiary Guarantor will be a party]¹.

- (n) Under Hong Kong law, there is no governmental or regulatory consent, approval or authorisation required by any of the Hong Kong Subsidiary Guarantors for the relevant Hong Kong Subsidiary Guarantor's execution, delivery and performance of [each of]the Dealer Manager Agreement[, the Indenture and the Supplemental Indenture to which the relevant Hong Kong Subsidiary Guarantor will be a party]².
- (o) Under Hong Kong law, there is no registration, filing or similar formalities required to ensure the validity, binding effect and enforceability against any of the Hong Kong Subsidiary Guarantors of [each of]the Dealer Manager Agreement[, the Indenture and the Supplemental Indenture to which the relevant Hong Kong Subsidiary Guarantor will be a party]³, except as referred to in paragraph 6.
- (p) Under Hong Kong law, the choice of New York law as the governing law of the Dealer Manager Agreement[, the Indenture and the Supplemental Indenture]⁴ will be recognised by the Hong Kong courts.

¹ To be inserted at Closing subject to our review of executed copies of the Indenture and Supplemental Indenture.

² To be inserted at Closing subject to our review of executed copies of the Indenture and Supplemental Indenture.

³ To be inserted at Closing subject to our review of executed copies of the Indenture and Supplemental Indenture.

⁴ To be inserted at Closing subject to our review of executed copies of the Indenture and Supplemental Indenture.

Exhibit A-5

Form of Opinions of Company's United Kingdom Counsel

- 1.1 Clause 21.12 (*Indebtedness*) of the Barclays Facility Agreement as it relates to (i) the Issuer incurring Indebtedness under the Exchange Notes and (ii) the Subsidiary Guarantors issuing guarantees in respect of the Exchange Notes provided that the Fixed Charge Coverage Ratio would be not less than 3:1 upon incurrence of Indebtedness by the Issuer under the Exchange Notes and each guarantee in respect of the Exchange Notes granted by a Subsidiary Guarantor ranks pari passu with each Subsidiary Guarantee (as defined in the Barclays Facility Agreement and as defined in the Note Instrument) granted by that Subsidiary Guarantor; and
- 1.2 Clause 21.9 (*Negative pledge*) of the Barclays Facility Agreement as it relates to the ability of the Issuer and certain Subsidiary Guarantors to grant security over certain shares as set out in the Description of the Exchange Notes referred to in paragraph 3.2 above to secure the Exchange Notes provided that the Barclays Facility is equally and rateably secured by such security.

Exhibit B

List of WFOEs

1. Sino-Forest (Guangzhou) Co., Ltd. (嘉汉林业 (广州) 有限公司)
2. Sino-Forest (Heyuan) Co., Ltd. (嘉汉林业 (河源) 有限公司)
3. Sino-Forest (Anhui) Co., Ltd. (嘉汉林业 (安徽) 有限公司)
4. Sino-Forest (China) Investments Limited (嘉汉林业 (中国) 投资有限公司)
5. Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业 (广州) 商贸有限公司)
6. Sino-Forest (Suzhou) Trading Co., Ltd. (嘉汉林业 (苏州) 商贸有限公司)
7. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业 (苏州) 有限公司)
8. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
9. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
10. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)
11. Zhangzhou Jiamin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司)
12. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木 (苏州) 有限公司)
13. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情 (上海) 贸易有限公司)
14. Sino-Maple (Shanghai) Co., Ltd. (北美枫情 (上海) 商贸有限公司)
15. Sino-Panel (China) Investments Limited (嘉汉板业 (中国) 投资有限公司)
16. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业 (福建) 有限公司)
17. Guangdong Jiayao Wood Products Development Co., Ltd. (广东嘉耀木业发展有限公司)
18. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司)
19. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司)

20. Xiangxi Autonomous State Jiayi Forestry Development Co., Ltd.
(湘西自治州嘉熙林业发展有限公司)
21. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd. (湖南嘉裕木业 (洪江市) 有限公司)
22. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd.
(张家港保税区嘉盛国际贸易有限公司)
23. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)
24. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业 (耿马) 有限公司)
25. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业 (广西) 发展有限公司)
26. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业 (鹿寨) 有限公司)
27. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业 (三江) 有限公司)
28. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业 (北海) 发展有限公司)
29. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业 (芷江) 有限公司)
30. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业 (江华) 有限公司)
31. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业 (沅陵) 有限公司)
32. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业 (广州) 商贸有限公司)
33. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
34. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
35. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
36. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
37. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司)

Exhibit C

List of PRC Limited Companies invested by WFOE

1. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
2. Beihai Changqing Wooden Co., Ltd. (北海常青木业有限公司)

List of non-Material PRC Subsidiaries

1. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
2. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
3. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业 (三江) 有限公司)
4. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
5. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业 (广州) 商贸有限公司)
6. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业 (广西) 发展有限公司)
7. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业 (芷江) 有限公司)
8. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业 (沅陵) 有限公司)
9. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业 (江华) 有限公司)
10. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
11. Beihai Changqing Wooden Co., Ltd. (北海常青木业有限公司)
12. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业 (福建) 有限公司)
13. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
14. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司)

Exhibit E

List of the BVI Subsidiaries

1. Suri-Wood Inc.
2. Express Point Holdings Ltd.
3. Smart Sure Enterprises Ltd.
4. Ace Supreme International Ltd.
5. Glory Billion International Ltd.
6. Amplemax Worldwide Ltd.
7. Expert Bonus Investment Ltd.
8. Sino-Panel (Yunan) Limited

Exhibit F

List of Shareholders of PRC Subsidiaries

1. Sino-Wood (Jiangxi) Limited
2. Sino-Wood (Guangdong) Limited
3. Sino-Wood (Fujian) Limited
4. Sino-Forest Investments Limited
5. Grandeur Winway Ltd.
6. Sinowin Investments Ltd.
7. Sino-Forest Bio-Science Limited
8. Sino-Panel (Asia) Inc.
9. Sino-Panel (Gaoyao) Ltd.
10. SFR (China) Inc.
11. Sino-Panel (Guangxi) Ltd.
12. Sino-Panel (North Sea) Ltd.
13. Sino-Panel (Suzhou) Ltd.
14. Sino-Panel (Yunnan) Ltd.
15. Sino-Panel (Hunan) Ltd.
16. Sino-Panel (Xiangxi) Ltd.
17. Sino-Panel (North East China) Ltd.
18. Sino-Panel (Guangzhou) Ltd.
19. Sino-Panel (Huaihua) Ltd.
20. Sino-Panel (Yongzhou) Ltd.
21. Sino-Forest (China) Investments Limited (嘉汉林业 (中国) 投资有限公司)
22. Sino-Panel (China) Investments Limited (嘉汉板业 (中国) 投资有限公司)
23. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木 (苏州) 有限公司)

24. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业 (苏州) 有限公司)

Exhibit G

List of Original CJVs

1. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
2. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
3. Heyuan Jiahe Forestry Development Co., Ltd. (河源嘉河林业发展有限公司)
4. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)

*** After conversion from a CJV to a WFOE, Heyuan Jiahe has been merged with Sino-Forest (Heyuan) Co., Ltd., and dissolved.**

List of Subsidiaries

1. Sino-Forest (Guangzhou) Co., Ltd. (嘉汉林业 (广州) 有限公司)
2. Sino-Forest (Heyuan) Co., Ltd. (嘉汉林业 (河源) 有限公司)
3. Sino-Forest (Anhui) Co., Ltd. (嘉汉林业 (安徽) 有限公司)
4. Sino-Forest (China) Investments Limited (嘉汉林业 (中国) 投资有限公司)
5. Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业 (广州) 商贸有限公司)
6. Sino-Forest (Suzhou) Trading Co., Ltd. (嘉汉林业 (苏州) 商贸有限公司)
7. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业 (苏州) 有限公司)
8. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
9. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
10. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)
11. Zhangzhou Jiamin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司)
12. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木 (苏州) 有限公司)
13. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情 (上海) 贸易有限公司)
14. Sino-Maple (Shanghai) Co., Ltd. (北美枫情 (上海) 商贸有限公司)
15. Sino-Panel (China) Investments Limited (嘉汉板业 (中国) 投资有限公司)
16. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业 (福建) 有限公司)
17. Guangdong Jiayao Wood Products Development Co., Ltd. (广东嘉耀木业发展有限公司)
18. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司)
19. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司)
20. Xiangxi Autonomous State Jiayi Forestry Development Co., Ltd.
(湘西自治州嘉益林业发展有限公司)
21. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd. (湖南嘉裕木业 (洪江市) 有限公司)
22. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd.
(张家港保税区嘉森国际贸易有限公司)
23. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)

24. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业 (耿马) 有限公司)
25. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业 (广西) 发展有限公司)
26. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业 (鹿寨) 有限公司)
27. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业 (三江) 有限公司)
28. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业 (北海) 发展有限公司)
29. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业 (芷江) 有限公司)
30. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业 (江华) 有限公司)
31. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业 (沅陵) 有限公司)
32. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业 (广州) 商贸有限公司)
33. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
34. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
35. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
36. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
37. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司)
38. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
39. Beihai Changqing Wooden Co., Ltd. (北海常青木业有限公司)
40. Dynamic Profit Holdings Limited
41. Grandeur Winway Limited
42. SFR (China) Inc.
43. Sino-Capital Global Inc.
44. Sino-Forest Investments Limited
45. Sino-Forest Bio-Science Limited
46. Sino-Forest Resources Inc.
47. Sino-Global Holdings Inc.
48. Sino-Panel (Asia) Inc.
49. Sino-Panel (Fujian) Limited
50. Sino-Panel (Gaoyao) Ltd.
51. Sino-Panel (Guangxi) Limited
52. Sino-Panel (Guangzhou) Limited

53. Sino-Panel (Guizhou) Limited
54. Sino-Panel Holdings Limited
55. Sino-Panel (Huaihua) Limited
56. Sino-Panel (Hunan) Limited
57. Sino-Panel (North-East China) Limited
58. Sino-Panel (North Sea) Limited
59. Sino-Panel (Qinzhou) Limited
60. Sino-Panel (Shaoyang) Limited
61. Sino-Panel (Suzhou) Limited
62. Sino-Panel (Xiangxi) Limited
63. Sino-Panel (Yongzhou) Limited
64. Sino-Panel (Yunnan) Limited
65. Sinowin Investments Limited
66. Suri-Wood Inc.
67. Amplemax Worldwide Limited
68. Glory Billion International Limited
69. Smart Sure Enterprises Limited
70. Expert Bonus Investment Limited
71. Ace Supreme International Limited
72. Express Point Holdings Limited
73. Sino-Wood (Jiangxi) Limited
74. Sino-Wood (Guangdong) Limited
75. Sino-Wood (Fujian) Limited
76. Sino-Wood Partners, Limited
77. Sino-Plantation Limited
78. Sino-Wood (Guangxi) Limited
79. Sinowood Limited

EXECUTION COPY

SOLICITATION AGENT AGREEMENT

June 24, 2009

CREDIT SUISSE SECURITIES (USA) LLC
Eleven Madison Avenue
New York, NY 10010-3629

Ladies and Gentlemen:

1. The Consent Solicitation. Sino-Forest Corporation, a Canadian Business Corporation Act corporation (the "**Company**"), is soliciting (the "**Solicitation**") consents (the "**Consents**") from the holders of its outstanding 9.125% Guaranteed Senior Notes due 2011 (the "**Securities**") to certain amendments to the indenture dated August 17, 2004 (the "**Indenture**") between the Company and Law Debenture Trust Company of New York as trustee (the "**Trustee**") pursuant to which the Securities were issued. The Solicitation will be on the terms and subject to the conditions set forth in the Consent Solicitation Statement (the "**Statement**") and Consent Letter (the "**Consent Letter**") attached hereto as Exhibits A and B, respectively.

2. Appointment as Solicitation Agent. The Company hereby appoints you as Solicitation Agent (the "**Solicitation Agent**") and authorizes you to act as such in connection with the Solicitation. On the terms and subject to the conditions contained herein, you agree, in accordance with your customary practice, to perform those services in connection with the Solicitation as are customarily performed by investment banks in their capacity as solicitation agents in connection with consent solicitations of a like nature, including, but not limited to, using reasonable efforts to solicit delivery of Consents pursuant to the Solicitation and communicating generally regarding the Solicitation with brokers, dealers, commercial banks and trust companies and other holders of Notes. In such capacity, you shall act as an independent contractor, and your duties arising out of your engagement pursuant to this Agreement shall be owed solely to the Company.

The Company further authorizes you to communicate with Global Bondholder Services Corporation, in its capacity as tabulation agent (the "**Tabulation Agent**") and in its capacity as information agent (the "**Information Agent**"), with respect to matters relating to the Solicitation. The Company has instructed the Tabulation Agent to advise you at least daily as to the Consents which have been delivered pursuant to the Solicitation and as to such other matters in connection with the Solicitation as you may request.

3. No Liability for Acts of Dealers, Banks and Trust Companies. Neither you nor any of your affiliates shall have any liability to the Company or any other person for any losses, claims, damages, liabilities and expenses (each a "Loss" and collectively, the "Losses") arising from any act or omission on the part of any broker or dealer in securities (a "Dealer"), bank or trust company, or any other person, and neither you nor any of your affiliates shall be liable for any Losses arising from your own acts or omissions in performing your obligations as Solicitation Agent or otherwise in connection with the Solicitation, except to the extent of any such Losses which are finally judicially determined to have resulted from your bad faith, willful misconduct or gross negligence. In soliciting or obtaining delivery of Consents, no Dealer, bank or trust company is to be deemed to be acting as your agent or the agent of the Company or any of its affiliates, and you, as Solicitation Agent, are not to be deemed the agent of any Dealer, bank or trust company or the agent or fiduciary of the Company or any of its affiliates, equity holders, creditors or of any other person. In soliciting or obtaining Consents, you shall not be and shall not be deemed for any purpose to act as a partner or joint venturer of or a member of a syndicate or group with the Company or any of its affiliates in connection with the Solicitation, any payment for Consent, or otherwise, and neither the Company nor any of its affiliates shall be deemed to act as your agent. The Company shall have sole authority for the acceptance or rejection of any and all Consents.

4. The Consent Solicitation Material. The Company agrees to furnish you, at its expense, with as many copies as you may reasonably request of (i) the Statement, (ii) the Consent Letter and (iii) all statements and other documents filed or to be filed, if any, by the Company with the U.S. Securities and Exchange Commission (the "Commission") or with any other federal, state, local or foreign governmental or regulatory authorities or any court (each an "Other Agency"), and, collectively, (the "Other Agencies") and other documents (including press releases, advertisements and other communications, whether prior to or after the execution of this Agreement), materials or filings relating to the Solicitation and any amendments or supplements to any such statements, documents, material or filings (the definitive forms of all of the foregoing materials are hereinafter collectively referred to as the "Consent Solicitation Material") to be used by the Company in connection with the Solicitation, and you are authorized to use copies of the Consent Solicitation Material in connection with the Solicitation. The Consent Solicitation Material has been or will be prepared and approved by, and is the sole responsibility of, the Company.

You hereby agree, as Solicitation Agent, that you will not disseminate any written material for or in connection with the solicitation and delivery of Consents pursuant to the Solicitation other than the Consent Solicitation Material, and you agree that you will not make any statements in connection with such solicitation, other than the statements that are set forth in the Consent Solicitation Material or as otherwise authorized by the Company in writing.

The Company agrees that none of the Consent Solicitation Material will be used or filed with the Commission or any Other Agency without first obtaining your prior approval, which approval shall not be unreasonably withheld. In the event that the Company (i) uses or permits the use of any Consent Solicitation Material in connection with the Solicitation or files any such material with the Commission or any Other Agency

without your prior approval, or (ii) shall have breached in any material respect (to the extent not otherwise so qualified) any of the representations or warranties, or failed to perform in any material respect (to the extent not otherwise so qualified) its obligations, under this Agreement, then you shall be entitled to withdraw as Solicitation Agent in connection with the Solicitation without any liability or penalty to you or any Indemnified Person (as hereinafter defined) for such withdrawal, and you shall remain entitled to the indemnification provided in Section 12 hereof and to receive the payment of all fees and expenses payable under this Agreement which have accrued to the date of such withdrawal or would otherwise be due to you on such date. If you withdraw as Solicitation Agent, the fees accrued and reimbursement for your expenses through the date of such withdrawal shall be paid to you as soon as practicable after such date.

5. Expenses of Solicitation Agent and Others. The Company agrees to pay directly, or reimburse you, as the case may be, for (i) all expenses reasonably incurred by you relating to the preparation, printing, filing, mailing and publishing of all Consent Solicitation Material, (ii) all out-of-pocket fees and expenses of the Tabulation Agent and of the Information Agent referred to in the Statement and all fees and expenses of the Trustee, in connection with the execution of the Supplemental Indenture (as defined in the Statement), (iii) all advertising charges in connection with the Solicitation, including those of any public relations firm or other person or entity rendering services in connection therewith, (iv) all fees, if any, payable to Dealers (including you), and banks and trust companies as reimbursement for their customary mailing and handling expenses incurred in forwarding the Consent Solicitation Material to their customers and (v) all other reasonable fees and expenses incurred by you in connection with the Solicitation or otherwise in connection with the performance of your services hereunder (including 50% of reasonable fees and disbursements of your legal counsel; *provided that* in the event that the concurrent exchange offer of the Company is not consummated, the Company will reimburse you for 100% of these fees and expenses). All payments to be made by the Company pursuant to this Section 5 shall be made promptly against delivery to the Company of statements therefor. The Company shall be liable for the foregoing payments whether or not the Solicitation is commenced, withdrawn, terminated or canceled for any reason or whether or not you withdraw pursuant to Section 4 hereof.

6. Securityholder Lists. The Company will cause you to be provided with cards or lists or other records in such form as you may reasonably request showing the names and addresses of, and the principal amount of Securities held by, the holders of Securities as of each date you may request and will cause you to be advised from day to day during the period of the Solicitation as to any transfers of record of the Securities.

7. Sufficient Funds. The Company represents and warrants to you that it has or, at the time the Company becomes obligated to pay for Consents under the Solicitation, will have, sufficient funds to enable the Company to pay, and the Company hereby agrees with you that it will pay promptly, in accordance with the terms and conditions of the Solicitation and Section 5 hereof and applicable law, the consideration (and related costs) for Consents which the Company has offered, and which the Company may be required, to pay under the Solicitation, and the fees and expenses payable hereunder.

8. Additional Representations and Warranties of the Company. The Company represents and warrants to you that:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of Canada with corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as described in the Consent Solicitation Material and the Company is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its businesses or the ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or to be in good standing, considering all such cases in the aggregate, would not have a material adverse effect on the business, properties, financial position or results of operations of the Company and its subsidiaries taken as a whole.

(b) The Company has full corporate power and authority to take and has duly taken all necessary corporate action to authorize (i) the Solicitation and the other transactions contemplated by this Agreement or the Consent Solicitation Material (including any related borrowings by the Company or any of its subsidiaries or affiliates), (ii) the payment by the Company for Consents pursuant to the Solicitation and (iii) the execution, delivery and performance of this Agreement and the Supplemental Indenture and all related agreements by the Company, and this Agreement and all related documents have been duly authorized, executed and delivered on behalf of the Company and this Agreement is a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except that the enforceability hereof may be limited by (x) bankruptcy, insolvency, reorganization, moratorium and other laws now or hereafter in effect relating to creditors' rights generally and (y) general principles of equity. When executed and delivered, the Supplemental Indenture will conform to the description thereof contained in the Statement, and the Supplemental Indenture will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except that the enforceability thereof may be limited by (x) bankruptcy, insolvency, reorganization, moratorium and other laws now or hereafter in effect relating to creditors' rights generally and (y) general principles of equity.

(c) The Consent Solicitation Material does not contain and will not contain, as of the date of payment of the Consent Payments, any untrue statement of a material fact, and does not omit, as of the date of payment of the Consent Payments, and will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading; provided, however, that no representation is made with respect to any statements contained in, or any matter omitted from, any Consent Solicitation Material in reliance upon and in conformity with information furnished or confirmed in writing by you to the Company expressly for use therein. The Company acknowledges that the only such information furnished by or on behalf of the Solicitation Agent is the name

of the Solicitation Agent on the cover page of the Consent Solicitation Material. The financial statements incorporated by reference in the Consent Solicitation Material present fairly in all material respects the financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations for the periods specified; except as otherwise stated therein, said financial statements have been prepared in conformity with Canadian generally accepted accounting principles applied on a consistent basis.

(d) The Solicitation and the Consent Solicitation Material comply or will comply in all material respects with the applicable requirements of the Securities Act, and the U.S. Securities Exchange Act of 1934 as amended, and the rules and regulations promulgated by the Commission thereunder (the "Exchange Act"). In connection with the Solicitation, the Company has complied, and will continue to comply, in all material respects with the applicable provisions of the Exchange Act.

(e) The Company will prepare and file, as required, any and all necessary amendments or supplements to any of the Consent Solicitation Material, and will promptly furnish to you copies of each such amendment and supplement within a reasonable period of time prior to the filing thereof.

(f) The Solicitation, the other transactions contemplated by this Agreement or the Consent Solicitation Material, the payment by the Company for Consents pursuant to the Solicitation and the execution, delivery and performance of this Agreement, the Supplemental Indenture and all related documents by the Company, comply and will comply in all material respects with all applicable requirements of federal, state, local and foreign law, including, without limitation, any applicable regulations of the Commission and Other Agencies, and all applicable judgments, orders or decrees; and no consent, authorization, approval, order, exemption, registration, qualification or other action of, or filing with or notice to, the Commission or any Other Agency is required in connection with the execution, delivery and performance of this Agreement by the Company, the Supplemental Indenture or any related agreement by the Company, the making or consummation by the Company of the Solicitation, or the consummation of the other transactions contemplated by this Agreement or the Consent Solicitation Material except where the failure to obtain or make such consent, authorization, approval, order, exemption, registration, qualification or other action or filing or notification would not materially adversely affect the ability of the Company to execute, deliver and perform this Agreement, the Supplemental Indenture and such related agreements and to commence and consummate the Solicitation and such other transactions in accordance with their respective terms.

(g) The Solicitation, the other transactions contemplated by this Agreement or the Consent Solicitation Material, the payment by the Company for consents pursuant to the Solicitation and the execution, delivery and performance of this Agreement, the Supplemental Indenture and all related agreements by the Company do not and will not (i) conflict with or result in a violation of any of the

provisions of the certificate of incorporation or by-laws (or similar organizational documents) of the Company, or any of its subsidiaries, (ii) conflict with or violate in any material respect any law, rule, regulation, order, judgment or decree applicable to the Company or any of its subsidiaries or by which any property or asset of the Company or any of its subsidiaries is or may be bound or (iii) result in a breach of any of the material terms or provisions of, or constitute a default (with or without due notice; lapse of time or both) under, or give rise to or accelerate the repayment of, the Indenture or any loan, credit agreement, indenture, mortgage, note or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which any of them or any of their respective properties or assets is or may be bound.

(h) No stop order, restraining order or denial of an application for approval has been issued and no investigation, proceeding or litigation has been commenced or, to the best of the Company's knowledge, after due inquiry, contemplated before the Commission or any Other Agency with respect to the making or consummation of the Solicitation, or the consummation of other transactions contemplated by this Agreement or the Consent Solicitation Material.

(i) Since the date of the latest financial statements of the Company; there has been no material adverse change and no development or event that would reasonably be expected to result in a material adverse change, in the condition (financial or otherwise) or in the earnings, business affairs or business prospects of the Company and its subsidiaries, taken as a whole, whether or not arising in the ordinary course.

(j) Each of the representations and warranties set forth in this Agreement will be true and correct on and as of the date on which the Solicitation is commenced and on and as of the date on which any Consent Solicitation Material is first distributed to holders of the Securities and through the last date on which any Consents are paid for pursuant to the Solicitation.

9. Opinions of the Company's Counsel. The Company shall deliver to you opinions addressed to you and dated the date hereof of Aird & Berlis LLP, Canadian counsel of the Company, and Linklaters LLP, U.S. counsel to the Company, with respect to the matters set forth in Exhibits C-1 and C-2, respectively.

10. Notification of Certain Events. The Company shall advise you promptly of (i) the occurrence of any event which could reasonably be expected to cause the Company to withdraw, rescind, modify or terminate the Solicitation or the other transactions contemplated by this Agreement or the Consent Solicitation Material or would permit the Company to exercise any right not to pay for any Consents delivered pursuant to the Solicitation, (ii) the occurrence of any event, or the discovery of any fact, the occurrence or existence of which the Company believes would require the making of any change in any of the Consent Solicitation Material then being used or would cause any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect, (iii) any proposal or requirement to make, amend or supplement any

Consent Solicitation Material, (iv) to the extent permitted by applicable law, the issuance by the Commission or any Other Agency of any stop order or the taking of any other action concerning the Solicitation or the other transactions contemplated by this Agreement or the Consent Solicitation Material (and, if in writing, will furnish you with a copy thereof), (v) any material developments in connection with the Solicitation or the other transactions contemplated by this Agreement or the Consent Solicitation Material, including without limitation, the commencement of any lawsuit concerning the Solicitation, and (vi) any other information relating to the Solicitation, the Consent Solicitation Material, this Agreement which you may from time to time reasonably request.

11. Indemnification. (a) The Company agrees to hold harmless and indemnify you (including any affiliated companies) and each officer, director, member, partner, employee or agent of yours or any of such affiliated companies and any entity or person controlling (within the meaning of Section 20(a) of the Exchange Act) you, including any affiliated companies (collectively, the "Indemnified Persons"), from and against any and all Losses whatsoever (including, but not limited to, any and all expenses incurred in investigating, preparing or defending against any litigation or proceeding, commenced or threatened, or any claims whatsoever whether or not resulting in any liability) (i) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Consent Solicitation Material or in any other material used by the Company, or authorized by the Company for use in connection with the Solicitation or the transactions contemplated by this Agreement or the Consent Solicitation Material, or arising out of or based upon the omission or alleged omission to state in any such document a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (other than statements or omissions made in reliance upon information pertaining to you furnished by you in writing to the Company expressly for use therein), (ii) arising out of or based upon any withdrawal by the Company of, or failure by the Company to make or consummate, the Solicitation or the transactions contemplated by this Agreement or the Consent Solicitation Material or any other failure to comply with the terms and conditions specified in the Consent Solicitation Material, (iii) arising out of the breach or alleged breach by the Company of any representation, warranty or covenant set forth in this Agreement, (iv) arising out of, relating to or in connection with any other action taken or omitted to be taken by an Indemnified Person arising out of, relating to or in connection with the Solicitation, the other transactions described in the Consent Solicitation Material or your services as Solicitation Agent hereunder or (v) otherwise arising out of, relating to or in connection with the Solicitation, the other transactions described in the Consent Solicitation Material or your services as Solicitation Agent hereunder. The Company shall not, however, be responsible for any Loss pursuant to clauses (iv) or (v) of the preceding sentence of this Section 11 to the extent of which it has been finally judicially determined to have resulted from the bad faith or gross negligence on the part of any Indemnified Person, other than any Loss arising out of or resulting from actions performed at the request of, with the consent of, or in conformity with actions taken or omitted to be taken by, the Company.

(b) The Company and you agree that if any indemnification sought by any Indemnified Person pursuant to this Section 11 is unavailable for any reason (other than for the reason that such indemnification is unavailable due to the exception to clauses (a)(iv) and (a)(v) in Section 11 relating to any Loss which has been finally judicially determined to have resulted primarily from the bad faith or gross negligence on the part of the Indemnified Person) or insufficient to hold you harmless, then the Company and you shall contribute to the Losses for which such indemnification is held unavailable or insufficient in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the Company, on the one hand, and actually received by you, on the other hand, in connection with the transactions contemplated by this Agreement or, if such allocation is not permitted by applicable law, not only such relative benefits but also the relative faults of the Company, on the one hand, and you, on the other hand, as well as any other equitable considerations, subject to the limitation that in any event the aggregate contribution by you to all Losses with respect to which contribution is available hereunder shall not exceed the fees actually received by you in connection with your engagement hereunder. It is hereby agreed that the relative benefits to the Company, on the one hand, and you, on the other hand, with respect to the Solicitation and the transactions contemplated thereby shall be deemed to be in the same proportion as (i) the total principal amount of Securities outstanding at the time of payment of the Consent Fee bears to (ii) the fees actually received by you from the Company in connection with your engagement hereunder.

(c) The foregoing rights to indemnity and contribution shall be in addition to any other right which you and the other Indemnified Persons may have against the Company at common law or otherwise. If any litigation or proceeding is brought against any Indemnified Person in respect of which indemnification may be sought against the Company pursuant to this Section 11, such Indemnified Person shall promptly notify the Company in writing of the commencement of such litigation or proceeding, but the failure so to notify the Company shall relieve the Company from any liability which it may have hereunder only if, and to the extent that, such failure results in the forfeiture by the Company of substantial rights and defenses, and will not in any event relieve the Company from any other obligation or liability that it may have to any Indemnified Person other than under this Agreement. In case any such litigation or proceeding shall be brought against any Indemnified Person and such Indemnified Person shall notify the Company in writing of the commencement of such litigation or proceeding, the Company shall be entitled to participate in such litigation or proceeding, and, after written notice from the Company to such Indemnified Person, to assume the defense of such litigation or proceeding with counsel of its choice at its expense; provided, however, that such counsel shall be satisfactory to the Indemnified Person in the exercise of its reasonable judgment. Notwithstanding the election of the Company to assume the defense of such litigation or proceeding, such Indemnified Person shall have the right to employ separate counsel and to participate in the defense of such litigation or proceeding, and the Company shall bear the reasonable fees, costs and expenses of such separate counsel and shall pay such fees, costs and expenses at least quarterly (provided that with respect to any single litigation or proceeding or with respect to several litigations or proceedings involving substantially similar legal claims, the Company shall not be required to bear the fees, costs and expenses of more than one such counsel for all Indemnified Persons

except where such Indemnified Persons require local counsel, in which case the Company shall also be required to bear the fees, costs and expenses of such local counsel) if (i) in the reasonable judgment of such Indemnified Person the use of counsel chosen by the Company to represent such Indemnified Person would present such counsel with a conflict of interest, (ii) the defendants in, or targets of, any such litigation or proceeding include both an Indemnified Person and the Company, and such Indemnified Person shall have reasonably concluded that there may be legal defenses available to it or to other Indemnified Persons which are different from or additional to those available to the Company (in which case the Company shall not have the right to direct the defense of such action on behalf of the Indemnified Person), (iii) the Company shall not have employed counsel satisfactory to such Indemnified Person, in the exercise of the Indemnified Person's reasonable judgment, to represent such Indemnified Person within a reasonable time after notice of the institution of such litigation or proceeding or (iv) the Company shall authorize in writing such Indemnified Person to employ separate counsel at the expense of the Company. In any action or proceeding the defense of which the Company assumes, the Indemnified Person shall have the right to participate in such litigation and retain its own counsel at such Indemnified Person's own expense. The Company and you agree to notify the other promptly of the assertion of any claim against it, any of its officers or directors or any entity or person who controls it within the meaning of Section 20(a) of the Exchange Act in connection with the Solicitation. The foregoing indemnification commitments shall apply whether or not the Indemnified Person is a formal party to such litigation or proceeding.

(d) The Company also agrees to reimburse each Indemnified Person for all reasonable expenses (including reasonable fees and disbursements of counsel) as they are incurred by such Indemnified Person in connection with investigating, preparing for, defending or providing evidence (including appearing as a witness) with respect to any action, claim, investigation, inquiry, arbitration or other proceeding referred to in this Section 11 or enforcing this Agreement, whether or not in connection with pending or threatened litigation in which any Indemnified Person is a party.

(e) The Company agrees that it will not, without your prior written consent, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification may be sought hereunder (whether or not you, any other Indemnified Person or the Company is an actual or potential party), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnified Person from all liability arising out of such claim, action or proceeding and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of any Indemnified Party.

12. Conditions to Obligations of the Solicitation Agent. Your obligations hereunder shall at all times be subject to the conditions that (a) all representations and warranties of the Company contained herein are now, and at all times during the period of the Solicitation shall be, true and correct in all material respects (to the extent not otherwise so qualified) and (b) the Company at all times shall have performed in all material respects all of its obligations hereunder theretofore to be performed.

13. Termination. This Agreement shall terminate upon the expiration, termination or withdrawal of the Solicitation or upon withdrawal by you as Solicitation Agent pursuant to Section 4 hereof, it being understood that Sections 3, 5, 8, 11, 13, 15, 18, 19, 20, 21 and 22 hereof shall survive any termination of this Agreement.

14. Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be given (and shall be deemed to have been given upon receipt) by delivery in person, by cable, by telecopy, by telegram, by telex or by registered or certified mail (postage prepaid, return receipt requested) to the applicable party at the addresses indicated below:

(a)

if to you:

CREDIT SUISSE SECURITIES (USA) LLC
 Eleven Madison Avenue
 New York, NY 10010-3629
 Telecopy No.: (212) 325-4296
 Attention: LCD-IBD Group

with a copy to:
 Davis Polk & Wardwell
 The Hong Kong Club Building, 18th Floor
 3A Chater Road
 Central, Hong Kong, SAR

Telecopy No.: (852) 2533-3388
 Attention: William F. Barron

(b)

if to the Company:

Sino-Forest Corporation
 Suite 1208, 90 Burnhamthorpe Road West
 Mississauga, Ontario
 Canada, L5B 3C3

Telecopy No.: (852) 2877-0125
 Attention: Mr. Allen T. Y. Chan

with a copy to:
 Linklaters
 Alexandra House, 10th Floor
 19 Chater Road
 Central, Hong Kong, SAR

Telecopy No.: (852) 2842-4199
 Attention: Hyung Ahn

15. Submission to Jurisdiction; Appointment of Agent for Service; Waiver of Immunity. (a) The Company irrevocably submits to the nonexclusive jurisdiction of any New York State or United States Federal court sitting in the Borough of Manhattan, The City of New York (a "New York Court") over any suit, action or proceeding arising out of or relating to this Agreement or the Solicitation. The Company irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum.

(b) The Company hereby irrevocably appoints Law Debenture Corporate Services Inc., with offices at 400 Madison Avenue, 4th Floor, New York, NY 10017, United States, as its agent for service of process in any suit, action or proceeding described in the preceding paragraph and agrees that service of process in any such suit, action or proceeding may be made upon it at the office of such agent. The Company waives, to the fullest extent permitted by law, any other requirements of or objections to personal jurisdiction with respect thereto. The Company represents and warrants that such agent has agreed to act as the Company's agent for service of process, as the case may be, and the Company agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect.

(c) To the extent that the Company or any of the Company's properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the competent jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any competent jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement and the transactions contemplated hereby, the Company and hereby irrevocably and unconditionally waives, and agrees not to plead or claim, and procures to so waive and not to plead or claim, to the fullest extent permitted by law, any such immunity and consent to such relief and enforcement.

16. Absence of Fiduciary Relationship. Company acknowledges and agrees that:

(a) you have been retained pursuant to this Agreement solely to act as Solicitation Agent in connection with the Solicitation and that no fiduciary, advisory or agency relationship exists between you, on the one hand, and Company, on the other hand, has been created in respect of this Agreement, irrespective of whether you have advised or are advising Company on other matters (including, without limitation, pursuant to the Engagement Letter);

(b) Company has been advised that you and your affiliates are engaged in a broad range of transactions which may involve interests that differ from those of Company and that you have no obligation pursuant to this Agreement to disclose such interests and transactions to Company by virtue of any fiduciary, advisory or agency relationship; and

(c) Company waives, to the fullest extent permitted by law, any claims it may have against you pursuant to this Agreement for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that you shall have no liability (whether direct or indirect) to Company in respect of such a fiduciary duty claim on behalf of or in right of Company, including stockholders, employees or creditors of Company.

17. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof.

18. Amendment. This Agreement may not be amended, waived or otherwise modified except in writing signed by each of the Company and the Solicitation Agent. Any such amendment will bind all parties in interest, including all Indemnified Persons, without notice to or consent from any such parties in interest.

19. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

20. Waiver of Jury Trial. THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS SECURITY HOLDERS) AND THE SOLICITATION AGENT EACH HEREBY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING THE SOLICITATION).

21. Counterparts; Severability. This Agreement may be executed in two or more separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

22. Parties in Interest. This Agreement, including rights to indemnity and contribution hereunder, shall be binding upon and inure solely to the benefit of each party hereto, the Indemnified Persons and their respective successors, heirs and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

23. Assignment. This Agreement shall not be assignable, in whole or in part, directly or indirectly, by either the Company or the Solicitation Agent without the prior written consent of the other, and any attempt to assign any rights or obligations arising under this Agreement without such consent shall be void.

Please indicate your willingness to act as Solicitation Agent and your acceptance of the foregoing provisions by signing in the space provided below for that purpose and returning to us a copy of this Agreement so signed, whereupon this Agreement and your acceptance shall constitute a binding agreement between us.

Very truly yours,

SINO-FOREST CORPORATION

By: "Chan Tak Yuen"
Name: Chan Tak Yuen
Title: Director/ Authorized Signatory

Accepted as of the
date first above written:

CREDIT SUISSE SECURITIES (USA)
LLC

By: "David S. Alterman"
Name: David S. Alterman
Title: Director

Exhibit A

Consent Solicitation Statement

CONSENT SOLICITATION STATEMENT



Sino-Forest Corporation

Solicitation of Consents to Amend the Indenture
 Relating to the Company's US\$300 million 9.125% Guaranteed Senior Notes due 2011
 (CUSIP NOS. 82934HAA9; C83912AA0)

Consent Payment: US\$10.00 per US\$1,000 Principal Amount

Sino-Forest Corporation (the "Company") is soliciting consents (the "Consents") from all holders of record as of June 23, 2009 (the "Noteholders") of its US\$300 million 9.125% Guaranteed Senior Notes due 2011 ("2004 Senior Notes"), upon the terms and subject to the conditions set forth in this consent solicitation statement (the "Consent Solicitation Statement") and the accompanying Letter of Consent, to certain proposed amendments (the "Proposed Amendments") to the indenture (the "Indenture") governing 2004 Senior Notes including, without limitation, amendments to modify certain restrictive covenants, modify other related provisions and make certain other modifications as described in "The Proposed Amendments", which we refer to as the "Consent Solicitations."

If the Proposed Amendments are approved and a supplemental indenture (the "Supplemental Indenture") implementing such Proposed Amendments is validly executed and properly delivered, the Company will pay, or procure to be paid, a cash payment of US\$10.00 for each US\$1,000 of 2004 Senior Notes (the "Consent Payment") to Noteholders of record on June 23, 2009 (the "Record Date") who have properly delivered valid Consents with respect to 2004 Senior Notes on or prior to the Expiration Date (as defined below), such cash payment to be made on July 27, 2009 (the "Settlement Date"). If the Proposed Amendments are not approved, or a Supplemental Indenture implementing such Proposed Amendments is not duly executed and properly delivered, no Consent Payment will be paid to any of the Noteholders, irrespective of whether or not such Noteholder has delivered a valid Consent.

In order to receive the Consent Payment, you must deliver your Consent by 5:00 p.m., New York City time, on July 8, 2009, unless such date and time is extended by us (such date and time, as it may be extended, the "Expiration Date"). Consents may not be revoked at any time once delivered.

Subject to applicable law, the Company may, in its discretion, amend (subject as provided herein), terminate or withdraw this Consent Solicitation at any time prior to the Expiration Date. The Company shall notify the Noteholders of such amendment, termination or withdrawal as set out below. In the event the Company has not received the requisite number of Consents on or before the Expiration Date, as explained herein, the Proposed Amendments will be deemed withdrawn. As described in this document, an acceptance by a Noteholder of this Consent Solicitation is irrevocable. The Proposed Amendments, which are the subject of this Consent Solicitation, will become effective upon due execution and delivery by the Company, the Subsidiary Guarantors and the Trustee of a Supplemental Indenture implementing the Proposed Amendments, which is expected to occur on the Execution Date (as defined below).

None of the Company, the Information and Tabulation Agent (as defined below), the Trustee under the Indenture or the Solicitation Agent (as defined below) makes any recommendation as to whether Noteholders should consent to the Proposed Amendments.

The Solicitation Agent for the Consent Solicitation is:

Credit Suisse

The date of this Consent Solicitation Statement is June 24, 2009.

IMPORTANT DATES

Please take note of the following important dates and times in connection with the Consent Solicitations. These dates assume no extension of the Expiration Date.

Date	Calendar Date and Time	Event
Record Date	5:00 p.m., New York City time, June 23, 2009.	The date by which all persons in whose names 2004 Senior Notes must have been registered, in their capacity as beneficial owners, in order to be a recipient of the Consent Solicitation Statement. As of the Record Date, all of the 2004 Senior Notes were held through the Depository Trust Company ("DTC") by participants in DTC ("DTC Participants").
Expiration Date	5:00 p.m., New York City time, July 8, 2009.	The last day for holders to deliver their Consent.
Execution Date	The thirteenth business day after the Expiration Date (expected to be July 27, 2009).	The day for the execution of the Supplemental Indenture if the Requisite Consents (as defined herein) have been received and certain conditions contained herein have been satisfied.
Settlement Date	The thirteenth business day after the Expiration Date (expected to be July 27, 2009).	Subject to the Company receiving the Requisite Consents (as defined herein) on or before the Expiration Date and to certain conditions described herein, delivery of the Consent Payment to such Noteholders who have properly delivered their valid Consent prior to the Expiration Date.

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IMPORTANT NOTICE

This document does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Company or any other entity. The distribution of this document and the making of this Consent Solicitation may nonetheless be restricted by law in certain jurisdictions. Persons into whose possession this document comes are required by the Company, the Solicitation Agent, the Information Agent and the Trustee to inform themselves about, and to observe, any such restrictions. None of the Solicitation Agent, the Information Agent nor the Trustee will incur any liability for their own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

The Consent Solicitations have not been approved or recommended by any U.S. federal, state or foreign jurisdiction or regulatory authority. Furthermore, those authorities have not been requested to confirm the accuracy or adequacy of this Consent Solicitation Statement. Any representation to the contrary is a criminal offense.

You should rely only on the information contained in this Consent Solicitation Statement or to which we have referred you. We have not authorized any person (including any dealer, salesman or broker) to provide you with different information. None of the Solicitation Agent, the Information Agent, the Trustee or their respective affiliates has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility nor liability is accepted by the Solicitation Agent, the Information Agent, the Trustee or any of their respective affiliates as to the accuracy or completeness of the information contained in this document or any other information provided by it in connection with this Consent Solicitation. None of the Solicitation Agent, the Information Agent, the Trustee or their respective affiliates accepts any responsibility for this document, makes any representation regarding this document or this Consent Solicitation or owes any duty to any Noteholder. The Solicitation Agent, the Information Agent and their respective affiliates are the agents of the Company and owe no duty to any Noteholder. The information in this Consent Solicitation Statement may only be accurate on the date hereof. You should not assume that the information contained in this Consent Solicitation Statement is accurate as of any other date.

None of the Company, the Solicitation Agent, the Information Agent or the Trustee nor any of their respective affiliates makes any representation to any Noteholder as to whether or not to deliver a Consent. Noteholders must make their own independent decisions as to whether to deliver a Consent.

The Solicitation Agent is acting as adviser to the Company and its affiliates in relation to this Consent Solicitation and to no one else and will not regard any other person as its customer or be responsible to anyone other than the Company and its affiliates for providing the protections afforded to customers of the Solicitation Agent or for providing advice in relation to this Consent Solicitation. The Solicitation Agent and its associates may have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, 2004 Senior Notes.

This Consent Solicitation Statement contains important information which should be read before any decision is made with respect to this Consent Solicitation. Recipients of this Consent Solicitation Statement and the accompanying materials should not construe the contents hereof or thereof as legal, business or tax advice. Each recipient should consult its own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning the Consent Solicitation.

This Consent Solicitation is not being made to, and no Consents are being solicited from, Noteholders in any jurisdiction in which it is unlawful to make such Consent Solicitation or grant such Consents. However, the Company may, in its sole discretion, take such actions as it may deem necessary to solicit Consents in any jurisdiction and may extend this Consent Solicitation to, and solicit Consents from, persons in any such jurisdiction. In any jurisdiction in which the federal and state securities laws require this Consent Solicitation to be made by a licensed broker or dealer, this Consent Solicitation will be deemed to be made on behalf of the Company by the Solicitation Agent or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

UNDER NO CIRCUMSTANCES SHOULD ANY PERSON TENDER OR DELIVER 2004 SENIOR NOTES IN CONNECTION WITH THIS CONSENT SOLICITATION AT ANY TIME.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements set forth or incorporated by reference in this Consent Solicitation Statement contain “forward-looking statements,” as that term is defined by the U.S. federal securities laws. The words “expect,” “intend,” “estimate,” “project,” “anticipate,” “believe,” “should,” “plan,” “will” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Although forward-looking statements reflect management’s good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Any forward-looking statements made in or incorporated by reference into this Consent Solicitation Statement speak only as of the date of this document. The Company undertakes no obligation to publicly update or revise any forward-looking statements after the date of this Consent Solicitation Statement, whether as a result of new information, future events or otherwise. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the impact of general economic conditions in the regions in which the Company does business, general industry conditions including competition and the conditions of the global financial markets and potential changes in regulations applicable to the forestry industry in China.

CONCURRENT EXCHANGE OFFER

Concurrently with the Consent Solicitations, we are also offering to certain holders (i) in the United States, that are “qualified institutional buyers,” as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and (ii) outside the United States, that are persons other than “U.S. persons,” as defined in Regulation S under the Securities Act, upon the terms and subject to the conditions set forth in a separate offering memorandum and the related Letter of Transmittal, to exchange any and all of their outstanding 2004 Senior Notes for a like principal amount of newly issued Sino-Forest 10.25% Guaranteed Senior Notes due 2014, which we refer to as the “exchange offer.” The Consent Solicitations are not conditioned upon the consummation of such exchange offer and such exchange offer is not conditioned upon the consummation of the Consent Solicitations.

SUMMARY

This summary highlights selected information from this Consent Solicitation Statement. It does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Consent Solicitation Statement. You should read the entire Consent Solicitation Statement carefully.

Unless the context otherwise requires, references in this Consent Solicitation Statement to "Sino-Forest," "us," "we," "our" or the "Company" refer to Sino-Forest Corporation, or to Sino-Forest Corporation and its consolidated subsidiaries, as the context requires.

The Consent Solicitations

The Consent Solicitations . . .	<p>Upon the terms and subject to the conditions set forth in this Consent Solicitation Statement, we are soliciting Consents from all Noteholders of 2004 Senior Notes to the Proposed Amendments described under "The Proposed Amendments." Each Noteholder that validly delivers its Consent prior to the Expiration Date will be entitled to the Consent Payment.</p> <p>The Consent Payment will not be due and payable until the Settlement Date and then will be due and payable only if we have received and accepted the Requisite Consents.</p>
Consent Payment	<p>For each US\$1,000 principal amount of 2004 Senior Notes with respect to which Consents are delivered prior to the Expiration Date and which are accepted in the Consent Solicitations, the Company will make a Consent Payment of US\$10.00 in cash.</p>
Expiration Date	<p>To receive the Consent Payment, Noteholders must validly deliver their Consents by 5:00 p.m., New York City time, on July 8, 2009, unless extended or terminated by us with respect to the Consent Solicitations.</p>
Information	<p>Any questions or requests for assistance, or for additional copies of this Consent Solicitation Statement, the Letter of Consent or related documents, may be directed to the Information Agent at the telephone numbers provided on the back of this Consent Solicitation Statement. You also may contact the Solicitation Agent (as defined below) at the telephone numbers set forth below on the back of this Consent Solicitation Statement. Beneficial owners may contact their custodian bank, depository, broker, trust company or other nominee for assistance concerning the Consent Solicitations.</p>
Conditions	<p>Consummation of the Consent Solicitations is conditioned upon the satisfaction or waiver of the conditions described under "The Consent Solicitations—Conditions to the Consent Solicitations."</p>
Settlement Date	<p>The thirteenth business day after the Expiration Date (expected to be July 27, 2009).</p>
Procedures for Consenting . .	<p>Consents must be delivered to the Information and Tabulation Agent prior to 5:00 p.m., New York City time, on the Expiration Date. DTC is expected to grant an omnibus proxy authorizing the DTC Participants as of the Record Date to deliver a Consent. Only registered owners of 2004 Senior Notes as of the Record Date or their duly designated proxies, including, for the purposes of this Consent Solicitation, DTC Participants, are eligible to consent to the Proposed Amendments and receive the Consent Payment. Therefore, a beneficial owner of an interest in 2004 Senior Notes held in the account of a DTC Participant who wishes a Consent to be delivered must properly instruct such DTC Participant to cause a Consent to be given timely in respect of such Proposed Amendments.</p>

	See "The Consent Solicitations—Procedures for Consenting."
Information and Tabulation Agent	Global Bondholder Services Corporation is serving as Information and Tabulation Agent in connection with the Consent Solicitations. Global Bondholder Services Corporation's contact information appears on the back cover of this Consent Solicitation Statement.
Solicitation Agent	Credit Suisse Securities (USA) LLC is serving as the Solicitation Agent in connection with the Consent Solicitations. The Solicitation Agent's contact information appears on the back cover of this Consent Solicitation Statement.
U.S. Federal Income Tax Consequences	For a discussion of certain United States federal income tax considerations of the Consent Solicitations (including a discussion of United States federal income tax consequences to non-United States holders), see "Certain United States Federal Income Tax Consequences."
Requisite Consents	<p>Consents from Noteholders of a majority in aggregate principal amount of the outstanding 2004 Senior Notes must be received on or prior to the Expiration Date in order to amend the Indenture.</p> <p>Our obligation to make the Consent Payments is conditioned upon, among other things, receipt of valid Consents sufficient to effect the Proposed Amendments to the Indenture with respect to 2004 Senior Notes, although we may, at our option, waive this or any other condition with respect to the Consent Solicitation. For information about other conditions to our obligation to make the Consent Payments, see "The Consent Solicitations—Conditions to the Consent Solicitations."</p>
Effectiveness of Proposed Amendments	If we have received and accepted the Requisite Consents with respect to 2004 Senior Notes, we will then execute a Supplemental Indenture to effect the Proposed Amendments with respect to 2004 Senior Notes. In the event that we do not receive or accept the Requisite Consents with respect to 2004 Senior Notes for any reason, the Indenture will remain in effect in its current form. See "The Proposed Amendments."
Effect of Proposed Amendments	<p>If the Requisite Consents with respect to 2004 Senior Notes are received and the Proposed Amendments become effective, then certain restrictive covenants in the Indenture will be modified and certain related provisions and certain other provisions of the Indenture will be eliminated or modified.</p> <p>If the Proposed Amendments to the Indenture are adopted, the Proposed Amendments will apply to your 2004 Senior Notes. Thereafter, your 2004 Senior Notes will be governed by the Indenture as amended by the Proposed Amendments, which will have less restrictive terms and afford more limited protections to you as a Noteholder compared to those currently in the Indenture. See "The Proposed Amendments."</p> <p>Sino-Forest retains the right to repurchase or otherwise acquire from time to time any 2004 Senior Notes that are outstanding after the consummation or termination of the Consent Solicitations.</p>

THE PROPOSED AMENDMENTS

Attached to this Consent Solicitation Statement are the provisions of the Indenture that would be amended by the Proposed Amendments for which Consents are being sought pursuant to this Consent Solicitation Statement. Holders of 2004 Senior Notes should carefully consider the factors set forth below and on the attached as well as the other information set forth in this Consent Solicitation Statement prior to giving Consent to the Proposed Amendments. The attachment is qualified in its entirety by reference to the relevant terms of the Indenture as currently in effect.

General

Regardless of whether the Proposed Amendments become operative, 2004 Senior Notes will continue to be outstanding in accordance with all other terms of the 2004 Senior Notes and the Indenture. The changes included in the Proposed Amendments will not alter our obligation to pay the principal or interest on 2004 Senior Notes, the Subsidiary Guarantors' obligations under the Indenture or the stated interest rate or maturity date provisions of the 2004 Senior Notes.

If the Requisite Consents are received, it is currently expected that the Proposed Amendments will be adopted by execution and delivery of the Supplemental Indenture by the signatories thereto (subject to the Company's right to terminate the Consent Solicitations prior to execution of the Supplemental Indenture as described herein). Upon the execution and delivery of the Supplemental Indenture, we will pay the applicable Consent Payment to all Noteholders who have validly delivered their Consents in accordance with the procedures described in this Consent Solicitation Statement on or prior to the Expiration Date.

Reason for the Proposed Amendments

The reason for the Proposed Amendments is to modify certain restrictive covenants of the 2004 Senior Notes to which we are subject.

The Proposed Amendment

Appendix I attached to this Consent Solicitation Statement sets forth the relevant provisions of the Indenture reflecting the Proposed Amendments to such sections of the Indenture, with additions shown as underlined text and deletions shown as strikethrough text.

THE CONSENT SOLICITATIONS

Terms of the Consent Solicitations

We are soliciting Consents to certain Proposed Amendments to the Indenture from all holders of 2004 Senior Notes. For a description of the Proposed Amendments, see "The Proposed Amendments." Our obligation to make the Consent Payments is conditioned on, among other things, receipt of valid Consents on or prior to the Expiration Date to effect the Proposed Amendments with respect to 2004 Senior Notes from holders of a majority in principal amount of all outstanding 2004 Senior Notes under the Indenture (the "Requisite Consents").

We will pay an amount in cash equal to the Consent Payment to a Noteholder only if the Noteholder has delivered a valid Consent prior to the Expiration Date. The Expiration Date for the Consent Solicitations (that is, the time by which Noteholders must have delivered a valid Consent) will be 5:00 p.m., New York City time, on July 8, 2009, unless extended by us with respect to the Consent Solicitations.

If the Requisite Consents are received and accepted with respect to 2004 Senior Notes, then we, the Subsidiary Guarantors and the Trustee will execute a Supplemental Indenture setting forth the Proposed Amendments in respect of 2004 Senior Notes. If the Proposed Amendments are adopted, your 2004 Senior Notes will be subject to the Indenture as modified by the Supplemental Indenture. If the Proposed Amendments become effective with respect to your 2004 Senior Notes, the covenants and some other terms of your 2004 Senior Notes will be less restrictive and will afford limited protection to you as a Noteholder compared to the covenants and other provisions currently contained in the Indenture.

Conditions to the Consent Solicitations

Notwithstanding any other provision of the Consent Solicitations, we will not be obligated to make the Consent Payments unless the following conditions are satisfied or waived by us:

- (a) the receipt of the Requisite Consents described above under "Terms of the Consent Solicitations"; and
- (b) the following statements being true:
 - (1) in our reasonable judgment, no action, proceeding or investigation (whether formal or informal) or event has occurred, been proposed, is threatened (including a default under an agreement, indenture or other instrument or obligation to which we are a party or by which we are bound), or is pending and no statute, rule, regulation, judgment, order, stay, decree or injunction has been sought, proposed, introduced, promulgated, enacted, entered, enforced or deemed applicable to the Consent Solicitations or the Proposed Amendments by or before any government, court or governmental regulatory or administrative agency, authority, commission or tribunal, domestic or foreign, which either:
 - challenges the Consent Solicitations or the Proposed Amendments or might, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or might otherwise adversely affect in any material manner, the Consent Solicitations or the Proposed Amendments, or assessing or seeking any damages as a result thereof; or
 - in our reasonable judgment, could materially affect the business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects of the Company and its subsidiaries, taken as a whole, or materially impair the contemplated benefits to the Company of the Consent Solicitations or the Proposed Amendments, or might be material to Noteholders in deciding whether to give their Consents;
- (c) none of the following having occurred:
 - any general suspension of or general limitation on prices for, or trading in, securities on any United States, Canadian or Hong Kong national securities exchange or in the over-the-counter market (whether or not mandatory),

- any material adverse change in the prices of 2004 Senior Notes,
 - a material impairment in the general trading market for debt securities,
 - a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States, Canada or Hong Kong (whether or not mandatory),
 - a commencement or escalation of a war, armed hostilities, terrorist act or other national or international crisis directly or indirectly relating to the United States, Canada or Hong Kong,
 - any limitation by any governmental authority or agency on, or other event having a reasonable likelihood of affecting the extension of credit by banks or other lending institutions in the United States, Canada or Hong Kong (whether or not mandatory),
 - any material adverse change in United States, Canadian or Hong Kong securities or financial markets generally, or
 - in the case of any of the foregoing existing at the time of the commencement of the Consent Solicitations, a material acceleration or worsening thereof; and
- (d) The Trustee having executed and delivered a supplemental indenture with respect to 2004 Senior Notes relating to the Proposed Amendments and has not objected in any respect to, or taken any action that could in our reasonable judgment adversely affect the consummation of the Consent Solicitations or our ability to effect the Proposed Amendments, nor has such trustee taken any action that challenges the validity or effectiveness of the procedures used by us in soliciting Consents (including the form thereof).

The conditions described above are solely for our benefit and may be asserted only by us regardless of the circumstances giving rise to any such condition, including any action or inaction by us, and may be waived by us, in whole or in part, at any time and from time to time before the Expiration Date or, if any of the conditions required to be satisfied on or before the Expiration Date have not been satisfied on or before the Expiration Date, in our sole discretion. If any of the foregoing conditions have not been met, we may (but will not be obligated to), at any time before the Expiration Date and subject to applicable law, (a) terminate the Consent Solicitation, (b) extend the Consent Solicitation, on the same or amended terms, and thereby delay acceptance of any delivered Consents or (c) waive the unsatisfied condition or conditions with respect to the Consent Solicitation.

Subject to applicable law, we expressly reserve the right, in our sole discretion, to terminate the Consent Solicitations at any time.

Expiration Date; Extensions; Amendments

The term "Expiration Date" means 5:00 p.m., New York City time, on July 8, 2009, unless extended by us, in which case the Expiration Date shall be such date and time to which the Expiration Date is extended. We, in our sole discretion, may extend the Expiration Date for any purpose, including in order to permit the satisfaction or waiver of any or all conditions to the Consent Solicitations. To extend the Expiration Date, we will notify the Information and Tabulation Agent and will make a public announcement thereof before 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Such announcement will state that we are extending the Expiration Date for a specified period or on a daily basis.

We expressly reserve the right, subject to applicable law, to:

- delay accepting any Consents, to extend the Consent Solicitations or to terminate the Consent Solicitations; and
- amend, supplement, modify or waive at any time, or from time to time, the terms of the Consent Solicitations in any respect, including waiver of any conditions to consummation of the Consent Solicitations.

If we exercise any such right, we will give written notice thereof to the Information and Tabulation Agent and will make a public announcement thereof as promptly as practicable. Without limiting the manner in which

we may choose to make a public announcement of any extension, amendment or termination of one or both of the Consent Solicitations, we will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release to Business Wire or the Dow Jones News Service.

The minimum period during which the Consent Solicitation will remain open following material changes in its or in the information concerning the Consent Solicitation will depend upon the facts and circumstances of such change, including the relative materiality of the changes. If the terms of the Consent Solicitation are amended in a manner that we determine to constitute a material change, we will promptly disclose any such amendment in a manner reasonably calculated to inform Noteholders of such amendment, and we will extend the Consent Solicitation for a time period in accordance with applicable law that it deems appropriate, depending upon the significance of the amendment and the manner of disclosure to Noteholders, if such Consent Solicitation would otherwise expire during such time period.

Procedures for Consenting

The following summarizes the procedures to be followed by all Noteholders for consenting.

Only Holders (*i.e.*, persons in whose name 2004 Senior Notes are registered as of the Record Date or their duly designated proxies) may execute and deliver a Consent. DTC is expected to grant an omnibus proxy with respect to the Proposed Amendments authorizing DTC Participants to deliver a Consent. Accordingly, for the purposes of this Consent Solicitation, the term "Holder" shall be deemed to mean DTC Participants who hold 2004 Senior Notes through DTC as of the Record Date. In order to cause a Consent to be given with respect to 2004 Senior Notes held through DTC, such DTC Participant must complete and sign the Letter of Consent or a facsimile thereof, and mail or deliver it to the Information and Tabulation Agent at its address or facsimile set forth on the back cover page of this Consent Solicitation Statement pursuant to the procedures set forth herein and therein.

A beneficial owner of an interest in 2004 Senior Notes held through a DTC Participant must properly instruct such DTC Participant sufficiently in advance of the Expiration Date to cause a Consent to be given by such DTC Participant with respect to such Proposed Amendments.

Giving a Consent will not affect a Holder's right to sell or transfer the 2004 Senior Notes. All Consents with respect to the Amendments received by the Information and Tabulation Agent (and not revoked) prior to 5:00 p.m., New York City time, on the Expiration Date will be effective notwithstanding a record transfer of such 2004 Senior Notes, subsequent to the Record Date.

HOLDERS WHO WISH TO CONSENT SHOULD MAIL, HAND DELIVER, SEND BY OVERNIGHT COURIER OR FACSIMILE (CONFIRMED BY PHYSICAL DELIVERY) THEIR PROPERLY COMPLETED AND DULY EXECUTED CONSENT LETTERS TO THE INFORMATION AND TABULATION AGENT AT THE ADDRESS OR FACSIMILE NUMBER SET FORTH ON THE BACK COVER PAGE HEREOF AND ON THE LETTER OF CONSENT IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH HEREIN AND THEREIN. CONSENTS SHOULD BE DELIVERED TO THE INFORMATION AND TABULATION AGENT, NOT TO THE COMPANY, THE TRUSTEE OR THE SOLICITATION AGENT. HOWEVER, THE COMPANY RESERVES THE RIGHT TO ACCEPT ANY CONSENT RECEIVED BY THE COMPANY, THE TRUSTEE OR THE SOLICITATION AGENT.

HOLDERS SHOULD NOT TENDER OR DELIVER THEIR 2004 SENIOR NOTES AT ANY TIME.

All Consents that are properly completed, signed and delivered to the Information and Tabulation Agent prior to 5:00 p.m., New York City time, on the Expiration Date will be given effect in accordance with the specifications thereof. Noteholders who desire to Consent to the Proposed Amendments to the Indenture should complete, sign and date the Letter of Consent included herewith or a facsimile thereof and mail, deliver, send by overnight courier or facsimile (confirmed by physical delivery) the signed Letter of Consent to the Information and Tabulation Agent at the address or facsimile number listed on the back cover page of this Consent Solicitation Statement and on the Letter of Consent, all in accordance with the instructions contained herein and therein.

Consents by a Holder who is a DTC Participant must be executed in exactly the same manner as such Holder's name is registered with DTC. If a Consent is signed by a trustee, partner, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person must so indicate when signing and must submit with the Letter of Consent appropriate evidence of authority to execute the Consent. In addition, if a Consent relates to less than the amount of 2004 Senior Notes which such Holder holds through DTC, the Holder must list the 2004 Senior Notes which such Holder holds through DTC, to which the Consent relates. **If no 2004 Senior Notes are specified, but the Letter of Consent is otherwise properly completed and signed, the Holder will be deemed to have given its Consent to the Proposed Amendments to the Indenture with respect to all 2004 Senior Notes which such Holder holds through DTC.**

The registered ownership of a 2004 Senior Note as of the Record Date shall be proved by Citibank, N.A., as registrar of the 2004 Senior Notes. The ownership of 2004 Senior Notes held through DTC by DTC Participants shall be established by DTC security position listings provided by DTC as of the Record Date. All questions as to the validity, form and eligibility (including time of receipt) regarding the Consents will be determined by the Company in its sole discretion, which determination will be conclusive and binding subject only to such final review as may be prescribed by the Information and Tabulation Agent concerning proof of execution and ownership. The Company reserves the right to reject any or all Consents that are not in proper form or the acceptance of which could, in the opinion of the Company or its counsel, be unlawful. The Company also reserves the right, subject to such final review as the Information and Tabulation Agent prescribes for the proof of execution and ownership, to waive any defects or irregularities in connection with deliveries of particular Consents. Unless waived, any defects or irregularities in connection with deliveries of Consents must be cured within such time as the Company determines. None of the Company or any of its affiliates, the Solicitation Agent, the Information and Tabulation Agent, the Trustee or any other person shall be under any duty to give any notification of any such defects or irregularities or waiver, nor shall any of them incur any liability for failure to give such notification. Deliveries of Consents will not be deemed to have been made until any irregularities or defects therein have been cured or waived. The Company's interpretations of the terms and conditions to the Consent Solicitation shall be conclusive and binding.

Effectiveness of Proposed Amendments

Any delivery of a Consent prior to the Expiration Date will constitute a binding agreement between the Noteholder and us and a Consent to the Proposed Amendments, upon the terms and subject to the conditions of the Consent Solicitation and the Letter of Consent. If we receive the Requisite Consents with respect to 2004 Senior Notes by the Expiration Date, the Proposed Amendments to the Indenture will become effective with respect to 2004 Senior Notes promptly after that date, subject to the terms and conditions described herein.

Guarantee of Signature

Signatures on a Letter of Consent must be guaranteed by a recognized participant (a "Medallion Signature Guarantor") in the Securities Transfer Agents' Medallion Program or the Stock Exchange Medallion Program, unless such Letter of Consent is delivered (a) by the registered holder of 2004 Senior Notes to which such Letter of Consent relates who has signed the Letter of Consent, or (b) for the account of a firm that is a member of a registered national securities exchange or the Financial Industry Regulatory Authority, Inc. or is a commercial bank or trust company having an office in the United States (each, an "Eligible Institution").

Other Matters

Notwithstanding any other provision of the Consent Solicitations, payment of the Consent Payment will occur only after timely receipt by the Information and Tabulation Agent of a valid Consent with respect to the Proposed Amendments prior to the Expiration Date. The delivery of a Consent pursuant to the Consent Solicitation by one of the procedures set forth above will constitute an agreement between the consenting Noteholder and us in accordance with the terms and subject to the conditions of the Consent Solicitation.

Alternative, conditional or contingent Consents will not be considered valid. We reserve the absolute right to reject any or all Consents that are not in proper form or the acceptance of which would, in our opinion, be

unlawful. We also reserve the right, subject to applicable law, to waive any defects, irregularities or conditions as to particular Consents. A waiver of any defect or irregularity with respect to particular Consents shall not constitute a waiver of the same or any other defect or irregularity with respect to the delivery of any other Consents. Our interpretations of the terms and conditions of the Consent Solicitations will be final and binding. Any defect or irregularity in connection with the delivery of Consents must be cured within such time as we determine, unless waived by us. Consents shall not be deemed to have been delivered until all defects and irregularities have been waived by us or cured. None of us, the Trustee, the Solicitation Agent, the Information and Tabulation Agent or any other person will be under any duty to give notice of any defects or irregularities in the delivery of Consents or will incur any liability to holders for failure to give any such notice.

Acceptance of Consents

Assuming the conditions to the Consent Solicitations are satisfied or waived, we will pay the Consent Payments on the Settlement Date, or as soon as practicable after that date, in exchange for the Consents that are validly delivered and accepted in the Consent Solicitations.

We expressly reserve the right, in our sole discretion, but subject to applicable law, to (a) delay acceptance of Consents or (b) terminate one or both of the Consent Solicitations at any time.

We will be deemed to have accepted validly delivered Consents (or defectively delivered Consents with respect to which we have waived such defect) if, as and when we give oral (promptly confirmed in writing) or written notice thereof to the Information and Tabulation Agent. Subject to the terms and conditions of the Consent Solicitations, payment of the Consent Payment will be made by the Information and Tabulation Agent on the Settlement Date upon receipt of such notice and holders will receive their deposited 2004 Senior Notes from the Information and Tabulation Agent. The Information and Tabulation Agent will act as agent for participating Noteholders for the purpose of transmitting Consent Payments to such Noteholders.

If, for any reason, acceptance of Consents is delayed or we are unable to accept the Consents then, without prejudice to our rights hereunder, but subject to applicable law, the deposited 2004 Senior Notes may be retained by the Information and Tabulation Agent on behalf of us.

If any Consents are not accepted for any reason pursuant to the terms and conditions of the Consent Solicitation, the 2004 Senior Notes will be returned without expense to the Noteholder promptly after the Expiration Date or the termination of the Consent Solicitation.

U.S. Federal Backup Withholding

U.S. federal income tax backup withholding may be required unless you (1) provide a completed IRS Form W-9 and indicate either (a) your correct taxpayer identification number, or (b) an adequate basis for an exemption, or (2) provide an applicable completed Form W-8. See "Certain United States Federal Income Tax Consequences—Backup Withholding and Information Reporting" below.

Canadian Federal Income Tax Considerations

For a discussion of Canadian Federal income tax considerations of the Consent Solicitations to United States holders, see "Certain Tax Consequences—Canadian Taxation".

Tabulation Agent

Global Bondholder Services Corporation has been appointed the Tabulation Agent for the Consent Solicitations and will receive customary compensation for its services. Letters of Consent and all correspondence in connection with the Consent Solicitations should be sent or delivered by each Noteholder, or a beneficial owner's custodian bank, depository, broker, trust company or other nominee, to the Tabulation Agent at the addresses and telephone numbers set forth on the back cover page of this Consent Solicitation Statement. We will pay the Tabulation Agent reasonable and customary fees for its services and will reimburse it for its reasonable, out-of-pocket expenses in connection therewith.

Information Agent

Global Bondholder Services Corporation has been appointed as the Information Agent for the Consent Solicitations and will receive customary compensation for its services. Questions concerning consent procedures and requests for additional copies of this Consent Solicitation Statement or the Letter of Consent should be directed to the Information Agent at the address and telephone numbers set forth on the back cover page of this Consent Solicitation Statement.

Solicitation Agent

We have retained Credit Suisse Securities (USA), LLC to act as the Solicitation Agent, in connection with the Consent Solicitations and will pay the Solicitation Agent for soliciting Consents in the Consent Solicitations a customary fee. We will also reimburse the Solicitation Agent for its reasonable out-of-pocket expenses. The obligations of the Solicitation Agent to perform such function are subject to certain conditions. We have agreed to indemnify the Solicitation Agent against certain liabilities, including liabilities under applicable federal securities laws in connection with their services. Questions regarding the terms of the Consent Solicitations may be directed to the Solicitation Agent at the addresses and telephone numbers set forth on the back cover page of this Consent Solicitation Statement.

From time to time, the Solicitation Agent has provided, and may provide in the future, investment banking and other services for Sino-Forest and its affiliates. The Solicitation Agent, in the ordinary course of its business, may make markets in Sino-Forest's debt securities. As a result, from time to time, the Solicitation Agent may own certain of Sino-Forest's debt securities and may tender 2004 Senior Notes in the Consent Solicitations.

Other Fees and Expenses

The expenses of soliciting Consents will be borne by Sino-Forest. The principal solicitation is being made by mail; however, additional solicitations may be made by fax, telephone or in person by the Solicitation Agent and the Information Agent, as well as by officers and other employees of Sino-Forest and its affiliates.

Noteholders participating in the Consent Solicitations will not be required to pay any fee or commission to the Solicitation Agent. However, if a Noteholder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, such Noteholder may be required to pay brokerage fees or commissions.

CERTAIN TAX CONSEQUENCES

Certain U.S. Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS EXCHANGE OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

* * * * *

The following is a summary of certain material U.S. federal income tax consequences of the Consent Solicitation, the Proposed Amendments and the receipt of the Consent Payment by U.S. Holders (as defined below) that hold the 2004 Senior Notes as capital assets and that receive the Consent Payment. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, of the Consent Solicitation, the Proposed Amendments and the receipt of the Consent Payment by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as certain financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the modified 2004 Senior Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of 2004 Senior Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds 2004 Senior Notes will depend on the status of the partner and the activities of the partnership. Prospective participants that are partnerships should consult their tax advisors concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of 2004 Senior Notes by the partnership.

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, (the "Code") its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PARTICIPANTS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PARTICIPATING IN THE CONSENT SOLICITATION, INCLUDING, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Consequences to U.S. Holders Participating in the Consent Solicitation

The tax treatment to a U.S. Holder that participates in the Consent Solicitation will depend on (i) whether adoption of the Proposed Amendments results in a modification of the terms of the 2004 Senior Notes that is treated as "significant" within the meaning of the Treasury regulations promulgated under Section 1001 of the Code (the "Regulations") and, if the modification is significant, (ii) whether the Consent Solicitation qualifies as a recapitalization for U.S. federal income tax purposes.

Under the Regulations, the modification of a debt instrument is a "significant" modification which will create a taxable exchange for U.S. federal income tax purposes if, based on all the facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are "economically significant." The Regulations provide that a change in the yield of a debt instrument is a significant modification if the yield of the modified instrument varies from the yield on the unmodified instrument (determined as of the date of the modification) by more than the greater of 25 basis points or 5 percent of the annual yield of the unmodified instrument. In calculating the yield of the modified instrument the issue price of the debt instrument is reduced by any payments made to the U.S. Holder as consideration for the modification. Because of the increase in yield resulting from the Consent Payment, it is expected that the Consent Solicitation will be a significant modification to the 2004 Senior Notes for U.S. Holders that receive the Consent Payment.

However, the Consent Solicitation may qualify as a recapitalization for U.S. federal income tax purposes. Whether the Consent Solicitation constitutes a recapitalization will depend, in part, on whether the modified 2004 Senior Notes ("Post-Consent Payment Notes") constitute "securities" for U.S. federal income tax purposes. Whether a debt instrument constitutes a security depends on a variety of factors, including the term of the instrument. A debt instrument with a term of two years that represents a continuation of the creditor's investment in substantially the same form generally qualifies as a security. As the Post-Consent Payment Note will have a term of greater than two years and will represent a continuation of the creditor's investment in substantially the same form the Post-Consent Payment Note should constitute a security for U.S. federal income tax purposes, and the exchange should therefore qualify as a recapitalization.

Provided that the Consent Solicitation is treated as a recapitalization, a U.S. Holder should not recognize any gain or loss upon the exchange. In that case, a U.S. Holder's tax basis in Post-Consent Payment Notes will generally be the same as the U.S. Holder's tax basis in the original 2004 Senior Notes. A U.S. Holder's holding period in the Post-Consent Payment Note will include the holding period in the original 2004 Senior Note with respect to which the Post-Consent Payment Notes were distributed.

The following discussion assumes that the Consent Solicitation qualifies as a recapitalization. However, there can be no assurance that the IRS will agree that the Consent Solicitation qualifies as a recapitalization. If the Consent Solicitation does not qualify as a recapitalization for U.S. federal income tax purposes, then participation in the Consent Solicitation would be a taxable transaction for U.S. federal income tax purposes.

U.S. holders are urged to consult their own tax advisors regarding the application of the recapitalization rules.

Treatment of Consent Payment to U.S. Holders

The treatment of the Consent Payment is unclear. The Consent Payment would likely be treated as received in connection with the recapitalization. In this case, a U.S. Holder generally would recognize gain, but not loss, equal to the lesser of (i) the excess of (a) the sum of the issue price of the Post-Consent Payment Note and the Consent Payment received over (b) the U.S. Holder's adjusted tax basis in the original 2004 Senior Notes immediately prior to the deemed exchange and (ii) the amount of the Consent Payment. This gain would generally be treated as capital gain for the U.S. Holders (except to the extent of accrued market discount not previously included in the U.S. Holder's income).

Alternatively, the Consent Payment could be treated as a fee paid to a U.S. Holder in consideration of the U.S. Holder's consent to the Proposed Amendments, in which case a U.S. Holder would recognize ordinary income in the amount of the Consent Payment received.

U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences, including the source of the income, of the receipt of the Consent Payment.

Post-Consent Payment Notes

Payments of Interest

Interest paid on a Post-Consent Payment Note will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest paid by the Issuer on the Post-Consent Payment Notes and original issue discount ("OID"), if any, accrued with respect to the Post-Consent Payment Notes (as described below under "Original Issue Discount") constitutes income from sources outside the United States. Prospective participants should consult their tax advisors concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Post-Consent Payment Notes.

Original Issue Discount

General The Post-Consent Payment Notes will be considered to be issued with OID if the issue price is 99.5 per. cent. or less of the principal amount. If the Post-Consent Payment Notes are "publicly traded", then the issue price of a Post-Consent Payment Note will be the fair market value of the Post-Consent Payment Note on the first date on which a substantial amount of the original 2004 Senior Notes are exchanged for Post-Consent Payment Notes. If the Post-Consent Payment Notes are not "publicly traded" but the original 2004 Senior Notes are "publicly traded" then the issue price of a Post-Consent Payment Note will be the fair market value of the original 2004 Senior Notes on the first date on which a substantial amount of the original 2004 Senior Notes are exchanged for Post-Consent Payment Notes. If neither the original 2004 Senior Notes nor the Post-Consent Payment Notes are "publicly traded" then the issue price of a Post-Consent Payment Note will be its stated redemption price at maturity. For this purpose a note will be treated as publicly traded if at any time during the 60-day period ending 30 days after the issue date, the note either (i) appears on a system of general circulation that provides a reasonable basis to determine fair market value by disseminating either (a) recent price quotations of one or more identified brokers, dealers or traders, or (b) actual prices of recent sales transactions, or (ii) price quotations are readily available from dealers brokers or traders. If the issue price is greater than 99.5 per. cent. on this basis, the OID will be treated as zero.

If the Post-Consent Payment Notes were to be considered to be issued with OID, a U.S. Holder must include a portion of the OID in gross income as interest in each taxable year or portion thereof in which the U.S. Holder holds the Post-Consent Payment Notes even if the U.S. Holder has not received a cash payment in respect of the OID. The amount of a Post-Consent Payment Note's OID is the excess of the Post-Consent Payment Note's principal amount over its issue price.

U.S. Holders of Post-Consent Payment Notes must include OID in income calculated using a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Post-Consent Payment Notes. The amount of OID includible in income by a U.S. Holder of a Post-Consent Payment Note is the sum of the daily portions of OID with respect to the Post-Consent Payment Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Post-Consent Payment Note ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Post-Consent Payment Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Post-Consent Payment Note as long as (i) no accrual period is longer than one year; and (ii) each scheduled payment of interest or principal on the Post-Consent Payment Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Post-Consent Payment Note's adjusted issue price at the beginning of the accrual period and the Post-Consent Payment Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of interest on the Post-Consent Payment Note allocable to the accrual period. The "adjusted issue price" of a Post-Consent Payment Note at the beginning of

any accrual period is the issue price of the Post-Consent Payment Note increased by the amount of accrued OID for each prior accrual period.

Acquisition Premium. A U.S. Holder whose tax basis in a Post-Consent Payment Note on the Settlement Date is less than or equal to the Post-Consent Payment Note's principal amount but is in excess of its adjusted issue price (this excess being "acquisition premium") and that does not make the election described below under "Election to Treat All Interest as Original Issue Discount" is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's initial tax basis in the Post-Consent Payment Note over the Post-Consent Payment Note's adjusted issue price, and the denominator of which is the excess of the Post-Consent Payment Note's principal amount over the Post-Consent Payment Note's adjusted issue price.

Market Discount. A Post-Consent Payment Note generally will be treated as acquired at a market discount (a "Market Discount Note") if the Post-Consent Payment Note's issue price exceeds the U.S. Holder's tax basis in the Post-Consent Payment Note on the Settlement Date by at least 0.25 per cent. of the Post-Consent Payment Note's issue price multiplied by the number of complete years from the date acquired by the U.S. Holder to the Post-Consent Payment Note's maturity. If this excess is not sufficient to cause the Post-Consent Payment Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount".

Any accrued market discount in respect of the original 2004 Senior Notes should not be currently includible in income on the Settlement Date. Instead, this accrued market discount should carry over to the Post-Consent Payment Notes received in the exchange. However, the matter is not entirely clear in the absence of specific Treasury regulations implementing this rule. Any market discount on a Post-Consent Payment Note in excess of the accrued market discount carried over from the exchanged original 2004 Senior Note should accrue over the remaining term of the Post-Consent Payment Note.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Post-Consent Payment Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Post-Consent Payment Note. This election applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year for which the election is made. This election may not be revoked without the consent of the Internal Revenue Service (the "IRS"). A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Post-Consent Payment Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount on a Market Discount Note will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Post-Consent Payment Note with respect to which it is made and is irrevocable.

Election to Treat All Interest as Original Issue Discount. A U.S. Holder may elect to include in gross income all interest that accrues on a Post-Consent Payment Note using the constant-yield method described above under "Original Issue Discount—General", with certain modifications. For purposes of this election, interest includes interest, OID, market discount and *de minimis* market discount, as adjusted by any amortisable bond premium (described below under the "Amortisable Bond Premium") or acquisition premium. This election generally applies only to the Post-Consent Payment Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant yield method to all interest on a Post-Consent Payment Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election described above under "Market Discount" to include market discount in income currently over the life of all debt instruments held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Amortisable Bond Premium

A U.S. Holder whose adjusted tax basis in a Post-Consent Payment Note on the Settlement Date is greater than its principal amount may elect to treat the excess as "amortisable bond premium", in which case the amount of interest on the Post-Consent Payment Note required to be included in the U.S. Holder's income each year will be reduced by the amount of amortisable bond premium allocable (based on the Post-Consent Payment Note's yield to maturity) to that year. The amount of amortisable bond premium for each taxable year is the sum of the daily portions of bond premium with respect to the Post-Consent Payment Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Post-Consent Payment Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the bond premium allocable to that accrual period. Accrual periods with respect to a Post-Consent Payment Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Post-Consent Payment Note as long as (i) no accrual period is longer than one year; and (ii) each scheduled payment of interest or principal on the Post-Consent Payment Note occurs on either the final or first day of an accrual period. The amount of bond premium allocable to an accrual period equals the excess of (a) the sum of the payments of interest on the Post-Consent Payment Note allocable to the accrual period over (b) the product of the Post-Consent Payment Note's adjusted acquisition price at the beginning of the accrual period and the Post-Consent Payment Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period). The "adjusted acquisition price" of a Post-Consent Payment Note at the beginning of any accrual period will be the U.S. Holder's original tax basis of the Post-Consent Payment Note, decreased by the amount of bond premium for each prior accrual period. Any election to amortise bond premium applies to all bonds (other than bonds the interest on which is excludible from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the U.S. Internal Revenue Service.

Backup Withholding and Information Reporting

Payments of principal and interest and accrued OID on, and the proceeds of sale or other disposition (including exchange) of the Post-Consent Payment Notes, as well as, the Consent Payment, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Certain Canadian Federal Income Tax Considerations

The following is a general summary of the principal Canadian federal income tax considerations generally applicable to a US Resident who delivers a Consent pursuant to the Consent Solicitation and receives a Consent Payment.

In this summary, the term "US Resident" means a Noteholder who for the purposes of the *Income Tax Act* (Canada) (the "Tax Act") and at all relevant times:

- (i) is not, has not been, and will not be, or be deemed to be, resident in Canada at any time while holding the 2004 Senior Notes;
- (ii) deals at arm's length with us and is not affiliated with us;
- (iii) holds the 2004 Senior Notes as capital property;
- (iv) has never used or held, does not use or hold, and will never use or hold the 2004 Senior Notes in carrying on a business in Canada; and
- (v) is not an insurer who carries on an insurance business in Canada and elsewhere.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the "Regulations"), all specific proposals to amend the Tax Act and the Regulations announced by or on behalf of the Minister of Finance (Canada) prior to the date of this offering memorandum and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA").

This summary is not exhaustive of all potential Canadian tax consequences to a US Resident and does not otherwise take into account or anticipate any prospective or retrospective changes in the law or in administrative or assessing practices and policies, whether by judicial, governmental, administrative or legislative decision or action, nor does it take into account any tax legislation or considerations of any Canadian province, Canadian territory or non-Canadian jurisdiction which may be different from those described in this summary.

The payment or crediting of a Consent Payment by the Company to a US Resident will not be subject to Canadian non-resident withholding tax. No other tax on income (including capital gains) will be payable under the Tax Act by a US Resident as a consequence of delivering a Consent to the Proposed Amendments.

CERTAIN DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the provincial securities commissions or similar authorities in Canada, are specifically incorporated by reference in and form an integral part of this Consent Solicitation Statement:

- (a) the annual information form of the Company dated March 31, 2009 for the year ended December 31, 2008;
- (b) the Company's audited consolidated financial statements for the years ended December 31, 2008 and 2007, together with the notes thereto and the auditors' report thereon; and
- (c) the Company's unaudited interim consolidated financial statements for the financial periods ended March 31, 2009 and 2008, together with the notes thereto.

All annual information forms, current annual financial statements, interim financial statements and certain other documents (excluding any documents or other materials used in connection with the concurrent exchange offer) which are filed by the Company with a securities commission or any other similar authority in Canada after the date of this Consent Solicitation Statement and prior to the Expiration Date shall be deemed to be incorporated by reference into this Consent Solicitation Statement.

APPENDIX I

THE PROPOSED AMENDMENTS

This Appendix sets forth the substance of the Proposed Amendments to the Indenture. Capitalized terms not otherwise defined in this Appendix I have the meanings assigned thereto in the Indenture (as modified as of the date hereof).

Repurchase of Notes Upon a Change of Control Triggering Event

The Company ~~may~~must commence, within 30 days of the occurrence of a Change of Control Triggering Event, and consummate an Offer to Purchase for all Notes then outstanding (a "Change of Control Offer"), at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the Payment Date; ~~provided that if the Company does not commence a Change of Control Offer within 30 days of the occurrence of a Change of Control Triggering Event or so consummate an Offer to Purchase, it will be an Event of Default.~~

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit or require the Company to repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. Holders may not be entitled to require the Company to purchase their Notes in certain circumstances involving a significant change in the composition of Board of Directors, including in connection with a proxy contest where the Board of Directors does not approve a dissident slate of directors but approves them as continuing directors, even if the Board of Directors initially opposed the directors.

If a Change of Control Offer is made, there can be no assurance that the Company will have available funds sufficient to pay the purchase price for all the Notes that might be tendered by the Holders seeking to accept the Change of Control Offer. In the event that the Company purchases Notes pursuant to a Change of Control Offer, the Company expects that it would seek third party financing to the extent it does not have available funds to purchase the Notes. However, there can be no assurance that the Company would be able to obtain such financing.

In order to repurchase the Notes in an Offer to Purchase, the Company will, unless consents are obtained, be required to repay all Indebtedness then outstanding which by its terms would prohibit such Note repurchase, either prior to or concurrently with such Note repurchase.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company or Surviving Person, as a whole but not in part, at any time, upon giving not less than 30 nor more than 60 days notice to the Holders (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption (the "Tax Redemption Date") if, as a result of:

- (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or
- (2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment, or order by a court of competent jurisdiction),

which change, amendment, application or interpretation (a) in the case of the Company, Surviving Person and any initial Subsidiary Guarantor becomes effective on or after the Original Issue Date and (b) in the case of any successor to a Subsidiary Guarantor or a future Subsidiary Guarantor becomes effective after such Subsidiary Guarantor assumes the obligations under the Indenture or becomes a Subsidiary Guarantor, with respect to any payment due or to become due under the Notes or the Indenture, the Company, Surviving Person or a Subsidiary Guarantor, as the case may be, is, or on the next interest payment date would be, required to withhold or deduct any tax, duty, assessment or other governmental charge imposed levied, collected, withheld or assessed by a Relevant Jurisdiction and to pay Additional Amounts, and in each case, such requirement to withhold or deduct cannot be avoided by the taking of reasonable measures by the Company, Surviving Person or a Subsidiary Guarantor; *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, Surviving Person or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the publication and mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company or Surviving Person will deliver to the Trustee (a) a certificate signed by a duly authorized officer stating that the Company or Surviving Person is entitled to effect the redemption under the Indenture and setting forth a statement of facts showing that the conditions precedent to the right of redemption have occurred and (b) an Opinion of Counsel or tax consultant of recognized standing to the effect that based on such statement of facts the circumstances referred to in the prior paragraph exist. The Trustee shall accept such opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be cancelled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness and Disqualified or Preferred Stock

- (a) The Company will not incur any Indebtedness or Disqualified Stock, *provided*, that the Company may incur Indebtedness if, after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Fixed Charge Coverage Ratio would be not less than ~~2.75 to 1.0~~ on or prior to December 31, 2005, ~~2.85 to 1.0~~ on or prior to December 31, 2006, and ~~3.0 to 1.0~~ thereafter 2.5 to 1.0. The Company will not permit any Restricted Subsidiary to incur any Indebtedness (including Acquired Indebtedness), Disqualified Stock or Preferred Stock (other than Disqualified Stock or Preferred Stock of Restricted Subsidiaries held by the Company or a Subsidiary Guarantor, so long as it is so held).

Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary may incur each and all of the following ("Permitted Indebtedness"):

- (1) Indebtedness under the Notes (excluding any Additional Notes and any Permitted Pari Passu Secured Indebtedness of the Company) and each Subsidiary Guarantee;
- (2) any Pari Passu Subsidiary Guarantees by Subsidiary Guarantors;
- (3) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clauses (4) and (5); (4) Indebtedness of the Company or any Restricted Subsidiary owed to the Company or any Wholly-Owned Restricted Subsidiary; provided that (x) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Wholly-Owned Restricted Subsidiary) shall be deemed, in each case, to constitute an incurrence of such Indebtedness not permitted by this clause (4) and (y) if the Company or any Subsidiary Guarantor is the obligor on such Indebtedness, such Indebtedness must expressly be subordinated in right of payment to the Notes, in the case of the Company, or the Subsidiary Guarantee of such Subsidiary Guarantor, in the case of a Subsidiary Guarantor;
- (5) Indebtedness of the Company or any Restricted Subsidiary (i) with a maturity of less than one year used by the Company or such Restricted Subsidiary for working capital, and (ii) with respect to letters of credit or similar instruments issued in the ordinary course of business in connection with trading activities of the Company or any Restricted Subsidiary, repaid within 120 Business Days following incurrence of such Indebtedness, and not supporting any other Indebtedness; *provided* that the aggregate principal amount of Indebtedness permitted by this clause (5) which at any time outstanding does not exceed US\$100 million (or the Dollar Equivalent thereof) an amount equal to 10.0% of Total Assets of the Company, but in any case not in excess of US\$400.0 million, less any amount of such Indebtedness permanently repaid as provided under the covenant under the caption "— Limitation on Asset Sales;";
- (6) Indebtedness issued in exchange for, or the net proceeds of which are used to refinance or refund, then outstanding Indebtedness Incurred under the immediately preceding paragraph or clauses (1) or (2) of this covenant and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); provided that (a)

Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is pari passu with, or subordinated in right of payment to, the Notes or a Subsidiary Guarantee shall only be permitted under this clause (6) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is pari passu with the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made pari passu with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Subsidiary Guarantee at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Subsidiary Guarantee, (b) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (c) such new in no event may Indebtedness be incurred by of the Company or by any of its Restricted Subsidiaries who is the obligor on the Indebtedness to be refinanced or refunded, and any Subsidiary Guarantor be refinanced pursuant to this Clause by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor;

- (7) the Incurrence by the Company or any Restricted Subsidiaries of Indebtedness under Commodity Agreements, Interest Rate Agreements and Currency Agreements entered into in the ordinary course of business and designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation;
- ~~(8) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 90 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement; and~~
- ~~(9) (i) Guarantees by the Company or any Subsidiary Guarantor of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant, or (ii) Guarantees by any Restricted Subsidiary of Indebtedness of another Restricted Subsidiary that was permitted to be Incurred under clause (5), (7) or (8) above.~~
- (b) For purposes of determining compliance with this "Limitation on Indebtedness and Disqualified or Preferred Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first paragraph of part (a), the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness.
- (c) The Company will not incur, and will not permit any Subsidiary Guarantor to incur, any Indebtedness if such Indebtedness is subordinate in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also subordinate in right of payment to the Notes or the applicable Subsidiary Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Payments"):

- (1) declare or pay any dividend or make any distribution on or with respect to the Company's or any of its Restricted Subsidiaries' Capital Stock (other than dividends or distributions payable solely in shares of the Company's or any of its Restricted Subsidiaries' Capital Stock (other than Disqualified Stock or Preferred

Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Wholly-Owned Restricted Subsidiary; (2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock, but excluding any Indebtedness of the Company or any Restricted Subsidiary that is not subordinated in right of payment to the Notes or any Subsidiary Guarantee that is convertible into Capital Stock of the Company) held by any Persons other than the Company or any Wholly-Owned Restricted Subsidiary;

- (3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any of the Subsidiary Guarantees (excluding any intercompany Indebtedness between or among the Company and any of its Wholly-Owned Restricted Subsidiaries); or
- (4) make any Investment, other than a Permitted Investment, in any Person;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

- (A) a Default shall have occurred and be continuing;
- (B) the Company could not Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of part (a) of the covenant under the caption “— Limitation on Indebtedness and Disqualified or Preferred Stock;” or
- (C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after the Original Issue Date, shall exceed the sum of
 - (1) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter immediately following the Original Issue Date and ending on the last day of the Company’s most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile in a timely manner) are available and have been provided to the Trustee at the time of such Restricted Payment; *plus*
 - (2) 100% of the aggregate Net Cash Proceeds received by the Company after the Original Issue Date as a capital contribution or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Restricted Subsidiary of the Company, including any such Net Cash Proceeds received upon (x) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (y) the exercise by a Person who is not a Restricted Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; *plus*
 - (3) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Original Issue Date in any Person resulting from (a) payments of interest on Indebtedness, dividends or repayments of loans or advances, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), or (b) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Person; *plus*
 - (4) US\$~~20~~350.0 million (or the Dollar Equivalent thereof).

The foregoing provision shall not be violated by reason of:

- (1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;
- (2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any of the Subsidiary Guarantors that is subordinated in right of payment to the Notes or to any Subsidiary Guarantee with the Net Cash Proceeds of, or in exchange for, Indebtedness Incurred under clause (6)(y) of the second paragraph of part (a) of the covenant under the caption “— Limitation on Indebtedness and Disqualified or Preferred Stock;”
- (3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a capital contribution or a substantially concurrent sale (other than to a Restricted Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C)(2) of the preceding paragraph;
- (4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any of the Subsidiary Guarantors that is subordinated in right of payment to the Notes or to any Subsidiary Guarantee in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent offering of, shares of the Capital Stock (other than Disqualified Stock) of the Company or any of the Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C)(2) of the preceding paragraph;
- (5) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held, directly or indirectly, through Restricted Subsidiaries by the Company; or
- (6) ~~repurchase of any Class B shares of Sino Wood Partners, Limited, in accordance with agreements as in effect on the Original Issue Date; or~~ (7) — payments or distributions to holders of any class or series of Disqualified Stock outstanding on the Original Issue Date in accordance with the terms of such class or series on the Original Issue Date;

provided that, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment permitted pursuant to clauses (1), (5), ~~(6)~~ and (7) of the preceding paragraph shall be included in calculating whether the conditions of clause (C) of the first paragraph of this “Limitation on Restricted Payments” covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors’ determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of international standing if the Fair Market Value exceeds US\$510.0 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in an amount in excess of US\$510.0 million (or the Dollar Equivalent thereof), the Company will deliver to the Trustee an Officers’ Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this covenant under the caption “— Limitation on Restricted Payments” were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

- (1) to the Company or a Wholly-Owned Restricted Subsidiary;
- (2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly-Owned Restricted Subsidiary; and
- (3) for the sale of shares of all the Capital Stock of a Restricted Subsidiary if permitted under, and made in accordance with, the "Limitation on Asset Sales" covenant; and
- (4) the issuance and sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); provided that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the "Limitation on Asset Sales" covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness ("Guaranteed Indebtedness") of the Company or any other Restricted Subsidiary, unless (1) (a) such Restricted Subsidiary, simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full or (2) such Guarantee and such Guaranteed Indebtedness are permitted by clauses (a) (3), (4) ~~or (5) or (9)(ii)~~ (other than, in the case of clause 9(ii), a Guarantee by a Restricted Subsidiary organized under the laws of the PRC of the Indebtedness of a non-PRC Restricted Subsidiary) under the caption "Limitation on Indebtedness and Disqualified or Preferred Stock."

If the Guaranteed Indebtedness (A) ranks pari passu in right of payment with the Notes or any Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall rank pari passu in right of payment with, or subordinated to, the Subsidiary Guarantee or (B) is subordinated in right of payment to the Notes or any Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Subsidiary Guarantee.

Limitation on Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 5% or more of any class of Capital Stock of the Company or (y) with any Affiliate of the Company or any Restricted Subsidiary (each an "Affiliate Transaction"), unless:

- (1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or the relevant Restricted Subsidiary with an unrelated Person; and
- (2) the Company delivers to the Trustee:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$1.5 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

- (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$510.0 million (or the Dollar Equivalent thereof), an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing.

The foregoing limitation does not limit, and shall not apply to:

- (1) the payment of reasonable and customary regular fees to directors of the Company who are not employees of the Company;
- (2) transactions between or among the Company and any of its Wholly-Owned Restricted Subsidiaries or between or among Wholly-Owned Restricted Subsidiaries;
- (3) issuances or sales of Capital Stock (other than Disqualified Stock) of the Company or options, warrants or other rights to acquire such Capital Stock;
- (4) transactions or payments pursuant to any employee, officer or director compensation or benefit plans or similar arrangements (including consultancy agreements pursuant to which officers and directors are compensated) entered into in the ordinary course; and
- (5) any Restricted Payment of the type described in clauses (1), (2) or (3) of the first paragraph of the covenant described above under the caption "— Limitation on Restricted Payments" if permitted by that covenant.

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to (i) transactions between or among the Company and any of its Restricted Subsidiaries that is not a Wholly-Owned Restricted Subsidiary to the extent entered into in the ordinary course of business, (ii) Investments (other than Permitted Investments) not prohibited by the "Limitation on Restricted Payments" covenant, (iii) transactions pursuant to agreements in effect on the Original Issue Date and described in this Exchange Offer Memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original agreement in effect on the Original Issue Date; provided that, in the case of a (iii) (a) such transaction is entered into in the ordinary course of business and (b) none of the minority shareholders or minority partners of or such Restricted Subsidiary that is a PRC CJV, the PRC CJV Partner of such PRC CJV is not a Person described in clauses (x) or (y) of the first paragraph of this covenant (other than by reason of such PRC CJV Partner minority shareholder or minority partner being an officer or director of the PRC CJV such Restricted Subsidiary).

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

- (1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;
- (2) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of;
- (3) in the case of an Asset Sale that constitutes an Asset Disposition, the Company could Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of part (a) of the covenant under the caption "— Limitation on Indebtedness and Disqualified or Preferred Stock" after giving *pro forma* effect to such Asset Disposition; and
- (4) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; provided that in case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets (i) the Company delivers to the Trustee an Officer's Certificate stating that (a) the Company's chief executive officer or chief financial officer has approved such Asset Sale, (b) such Asset Sale is on fair and reasonable terms on an arm's length basis, and (c) the Fair Market Value of the Replacement Assets, together with any cash consideration is no less than the Fair Market Value of the assets subject to such Asset Sale, and (ii) with respect to any such Asset Sale involving an aggregate consideration with a Fair Market Value in excess of US\$25.0 million (or the Dollar Equivalent thereof), the

Company shall deliver to the Trustee an opinion as to the fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing. For purposes of this provision, each of the following will be deemed to be cash:

- (a) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary, assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and
- (b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are contemporaneously, subject to ordinary settlement periods, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds to:

- (1) permanently repay Senior Indebtedness of the Company or any Restricted Subsidiary (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary; or
- (2) make an Investment in properties and assets that replace the properties and assets that were the subject to such Asset Sale or in properties or assets that will be used in the Permitted Businesses ("Replacement Assets").

Pending the final application of any Net Cash Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Cash Proceeds in any manner that is not prohibited by the Indenture.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "Excess Proceeds." Excess proceeds of less than US\$515.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When the aggregate amount of Excess Proceeds exceeds US\$515.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company ~~may~~must make an Offer to Purchase to all Holders (and, with respect to Indebtedness of the Company, that ranks equally with the Notes, containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets, to the holders of such Indebtedness, including any Permitted Pari Passu Indebtedness) to purchase the maximum principal amount of Notes (and any such other pari passu Indebtedness) that may be purchased out of the Excess Proceeds. The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash; ~~provided that if the Company does not make such an Offer to Purchase, it will be an Event of Default.~~

Notwithstanding the foregoing, the Company will not, and will not permit any Restricted Subsidiary to sell, transfer or otherwise dispose of any shares of Capital Stock of Sino-Forest (China) Investments Limited or of any Restricted Subsidiary that owns directly or indirectly any shares of Capital Stock of Sino-Forest (China) Investments Limited.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (and any other pari passu Indebtedness) tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the Notes (and such other pari passu Indebtedness) to be purchased on a pro rata basis. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Provision of Financial Statements and Reports

~~So long as any of the Notes remains outstanding, the Company will provide to the Trustee and each Holder or will provide to the Trustee for forwarding to each Holder, without cost to such Holder, (i) as soon as available~~The Company will file with the Trustee and provide the holders of the Notes with the documents required to be sent to the Company's shareholders pursuant to applicable securities laws in the Provinces of Canada in which the Company is a reporting issuer and within the time prescribed by such applicable securities laws. In the event the Company is no longer subject to such applicable securities laws, it will continue to provide the Trustee and the holders of the Notes (i) within 90 days after the end

of each fiscal year (and, in any event, within 120 days after the close of such fiscal year), annual reports in the English language, including financial statements (containing a consolidated balance sheet and consolidated statements of income, retained earnings and cash flows as of the end of and for such fiscal year and the immediately preceding fiscal year) with a report thereon by an internationally recognized independent firm of chartered accountants, (ii) as soon as available (and, in any event, copies of its annual audited report and annual consolidated financial statements, (ii) within 60 days after the close of each of the first three fiscal quarters of each fiscal year) interim reports in the English language, including financial statements (containing a condensed consolidated balance sheet and condensed consolidated statements of income, retained earnings and cash flows as of the end of and for each interim period covered thereby and for the comparable period of the immediately preceding fiscal year), interim unaudited consolidated financial statements which shall, at a minimum, contain such information required to be provided in quarterly reports under the applicable securities laws of the Province of Ontario, and (iii) an Officer's Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation.

In addition, the Company will provide the Trustee and the holders of the Notes (i) within 120 days after the end of each fiscal year, copies of annual non-consolidated financial statements of each Initial Non-Guarantor Subsidiary and (ii) within 60 days after the end of each of the first three quarters of each fiscal year, interim non-consolidated financial statements of such Initial Non-Guarantor Subsidiary.

Each of the foregoing reports or financial statements will be prepared in accordance with Canadian generally accepted accounting principles other than for reports prepared for financial periods commencing on or after January 1, 2011, which will be prepared in accordance with international financial reporting standards as such standards may be applicable to the Company or an Initial Non-Guarantor Subsidiary, as the case may be.

The foregoing reporting obligations shall terminate with respect to any Initial Non-Guarantor Subsidiary that becomes a Subsidiary Guarantor pursuant to the terms of the Indenture.

In addition, the Company and each Subsidiary Guarantor has agreed that, for as long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Company or such Subsidiary Guarantor is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company or such Subsidiary Guarantor, as the case may be, shall supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the Securities Act.

Events of Default

The following events will be defined as "Events of Default" in the Indenture:

- (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 days;
- (c) default in the performance or breach of the provisions of the covenants described under "— Consolidation, Merger and Sale of Assets," "— Limitation on Indebtedness and Disqualified or Preferred Stock," "— Limitation on Restricted Payments," "— Limitation on Liens," the failure by the Company to make or consummate an Offer to Purchase in the manner described under the captions "— Repurchase of Notes upon a Change of Control Triggering Event" or "— Limitation on Asset Sales," or the failure by the Company to create, or cause its Restricted Subsidiaries to create a First Priority Lien on the Collateral (subject to any Permitted Liens) in accordance or otherwise comply with the covenant described under the caption "— Security To Be Granted;"
- (d) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;

- (e) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$510.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (A) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (B) the failure to make a principal payment when due;
- (f) any final judgment or order for the payment of money in excess of US\$510.0 million (or the Dollar Equivalent thereof) in the aggregate for all such final judgments or orders shall be rendered against the Company or any Restricted Subsidiary and shall not be paid or discharged for a period of 60 days during which a stay of enforcement of such final judgment or order shall not be in effect;
- (g) a court having jurisdiction in the premises enters a decree or order for (A) relief in respect of the Company or any Restricted Subsidiary in an involuntary case or proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (including any proceeding under any corporate law seeking an arrangement of, or stay of proceedings to enforce, some or all of its debts), (B) appointment of a receiver, liquidator, assignee, custodian, monitor, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Restricted Subsidiary or (C) the winding up or liquidation of the affairs of the Company or any Restricted Subsidiary and, in each case, such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;
- (h) the Company or any Restricted Subsidiary (A) commences a voluntary case or proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case or proceeding under any such law, (B) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, monitor, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Restricted Subsidiary or (C) effects any general assignment for the benefit of creditors;
- (i) any Subsidiary Guarantor repudiates its obligations under its Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect;
- (j) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the Security Documents or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect;
- (k) after October 8, 2004, the Company or any Subsidiary Guarantor Pledgor repudiates its obligations under any Security Document or, other than in accordance with the Indenture and the Security Documents, any Security Document ceases to be or is not in full force and effect or the Trustee ceases to have a first priority security interest in the Collateral (subject to any Permitted Liens); or
- (l) (i) the occurrence and continuation of an "Event of Default" (as such term is defined in the Facility Agreement) under the Facility Agreement that has caused the Finance Parties thereunder to declare Indebtedness under the Syndicated Term Loan to be due and payable prior to its Stated Maturity and/or (ii) any of the Finance Parties, or any agents acting on behalf of such Finance Parties, take any enforcement action in respect of the Collateral.

If an Event of Default (other than an Event of Default specified in clause (g) or (h) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes, then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. In the event of a declaration of acceleration because an Event of Default set forth in clause (e) above has occurred and is continuing, such declaration of acceleration shall be automatically rescinded and annulled if the event of default triggering such Event of Default pursuant to clause (e) shall be remedied or cured by the Company or the relevant Restricted Subsidiary or waived by the holders of the relevant Indebtedness within 60 days after the

declaration of acceleration with respect thereto. If an Event of Default specified in clause (g) or (h) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee, may waive all past defaults and rescind and annul a declaration of acceleration and its consequences if (x) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived and (y) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction. For information as to the waiver of defaults, see “— Amendments and Waiver.”

If an Event of Default occurs and is continuing, the Trustee may, and shall upon request of Holders of at least 25% in aggregate principal amount of outstanding Notes, foreclose on the Collateral in accordance with the terms of the Security Documents and take such further action on behalf of the Holders of the Notes with respect to the Collateral as the Trustee deems appropriate. See “— Security To Be Granted.”

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. A Holder may not pursue any remedy with respect to the Indenture or the Notes unless:

- (1) the Holder gives the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer the Trustee indemnity reasonably satisfactory to the Trustee against any costs, liability or expense;
- (4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

Officers of the Company must certify, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under the Indenture and that the Company has fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee of any default or defaults in the performance of any covenants or agreements under the Indenture.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 365th day after the deposit referred to below, and the provisions of the Indenture and the Security Documents will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

- (A) the Company has deposited with the Trustee, in trust, money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide

money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes,

- (B) the Company has delivered to the Trustee (1) either (x) an Opinion of Counsel to the effect that, as a result of a change occurring after the Original Issue Date in applicable U.S. federal income tax law, Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of the Company's exercise of its option under this "Defeasance" provision and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred or (y) a ruling directed to the Trustee received from the U.S. Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel and (2) an Opinion of Counsel to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 365 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law, and
- (C) immediately after giving effect to such deposit on a *pro forma* basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 365th day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound.

In the case of either discharge or defeasance of the Notes, the Subsidiary Guarantees will terminate.

Defeasance of Certain Covenants

The Indenture further will provide that the provisions of the Indenture will no longer be in effect with respect to clauses (3), (4), ~~(5)(x)~~ and ~~(5)(x)(7)~~ under the first paragraph and clauses (3), (4), ~~(5)(x)~~ and (6) under the second paragraph under "Consolidation, Merger and Sale of Assets" and all the covenants described herein under "Covenants," clause (c) under "Events of Default" with respect to such clauses (3), (4), ~~(5)(x)~~ and ~~(5)(x)(7)~~ under the first paragraph and clauses (3), (4), ~~(5)(x)~~ and (6) under the second paragraph under "Consolidation, Merger and Sale of Assets," clause (d) under "Events of Default" with respect to such other covenants and clauses (e), (f), (i), (j) and (k) under "Events of Default" shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, the satisfaction of the provisions described in clause (B)(2) of the preceding paragraph and the delivery by the Company to the Trustee of an Opinion of Counsel to the effect that, among other things, the Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

Definitions

"Asset Sale" means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including Capital Stock of a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any of its Restricted Subsidiaries to any Person other than the Company or any Wholly-Owned Restricted Subsidiary; *provided that* "Asset Sale" shall not include:

- (a) sales or other dispositions of inventory, receivables and other current assets (including, but not limited to wood chips, logs, lumber, and manufactured wood and wood panel products) or standing timber in the ordinary course of business,
- (b) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the "Limitation on Restricted Payments" covenant,
- (c) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$1.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions,

- (d) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries, ~~or~~
- (e) any, transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien, or
- (f) a transaction covered by the covenant under the caption "Consolidation, Merger and Sale of Assets".

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding any debt securities convertible into such equity.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense,
- (2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets),
- (3) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than depletion of timber holdings or non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Consolidated Net Income,

all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP, ~~provided that~~ ~~that (i) if any Restricted Subsidiary is not a Wholly-Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any of its Restricted Subsidiaries and (ii) in the case of any PRC CJV, Consolidated EBITDA shall be reduced (to the extent not already reduced in accordance with GAAP) by any payments, distributions or amounts (including the Fair Market Value of any non-cash payments, distributions or amounts) required to be made or paid by such PRC JV to the PRC JV Partner, or to which the PRC JV Partner otherwise has a right or is entitled, pursuant to the joint venture agreement governing such PRC CJV.~~

~~"Convertible Instruments" means the Convertible Notes, the exchangeable notes and the preference shares issued by Sino Wood Partners, Limited in 1999, each guaranteed by the Company and maturing or becoming due on September 10, 2004.~~

~~"Convertible Notes" means the convertible notes issued by the Company due September 10, 2004.~~

"Fair Market Value" means the price that would be paid in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution; provided, however, that for purposes of clause (4)(i) of "Certain Covenants—Limitation on Asset Sales", such determination may instead be made by the Company's Chief Executive Officer or Chief Financial Officer.

"Fixed Charge Coverage Ratio" means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarters prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile in a timely manner) are available and have been provided to the Trustee (the "Four Quarter Period") to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

- (A) *pro forma* effect shall be given to any Indebtedness, Disqualified Stock or Preferred Stock Incurred, repaid or redeemed during the period (the "Reference Period") commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness,

Disqualified Stock or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period;

- (B) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;
- (C) *pro forma* effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;
- (D) *pro forma* effect shall be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and
- ~~(D)~~ *pro forma* effect shall be given to asset dispositions and asset acquisitions (including giving *pro forma* effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause ~~(D)~~ or ~~(D)~~ of this sentence requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such *pro forma* calculation shall be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"Foreign Subsidiary" means any Restricted Subsidiary of the Company organized under the laws of a jurisdiction that prohibits such Subsidiary from guaranteeing payments under the Notes.

"Indebtedness" means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (5) all Capitalized Lease Obligations;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided that* the amount of such Indebtedness shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;
- (7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person; and
- (8) to the extent not otherwise included in this definition, obligations under Commodity Agreements, Currency Agreements and Interest Rate Agreements.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, *provided*

- (A) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP, ~~and~~
- (B) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest, and
- ~~(C) that the amount of Indebtedness with respect to any Commodity Agreements, Currency Agreements and Interest Rate Agreements shall be equal to the net amount payable if such agreements terminated at that time due to default by such Person.~~

"Investment" means:

- (i) any direct or indirect advance, loan or other extension of credit (other than Trade Payables that are, in conformity with GAAP, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the Company or its Restricted Subsidiaries) to another Person,
- (ii) capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others),
- (iii) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person, or
- (iv) any Guarantee of any obligation of another Person;

provided that an acquisition of assets, Capital Stock or other securities by the Company or a Subsidiary for consideration to the extent such consideration consists of common equity securities of the Company shall not be deemed to be an Investment.

For the purposes of the provisions of the "Designation of Restricted and Unrestricted Subsidiaries" and "Limitation on Restricted Payments" covenants: (i) the Company will be deemed to have made an investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the assets (net of liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not Guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, and (ii) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

~~"Manufacturing Loan" means the loan agreements dated July 16, 2001, each entered into among Guangdong Jia Yao Wood Products Development Co. Ltd. and Jiafeng Wood (Suzhou) Co., Ltd., as borrowers, and DEG Deutsche Investitions und Entwicklungsgesellschaft GmbH, Nederlands Financierings Maatschappij Voor Ontwikkelingslanden N.V. and International Finance Corporation, as lenders.~~

"Offer to Purchase" means an offer to purchase Notes by the Company from the Holders commenced by the Company mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

- (1) the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;
- (2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Payment Date");
- (3) that any Note not tendered will continue to accrue interest pursuant to its terms;

- (4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Payment Date;
- (5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and
- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided that each Note purchased and each new Note issued shall be in a principal amount of US\$1,000,000 or integral multiples of US\$1,000.*

On the Payment Date, the Company shall (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; (b) deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted; and (c) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail to the Holders so accepted payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided that each Note purchased and each new Note issued shall be in a principal amount of US\$1,000,000 or integral multiples of US\$1,000.* The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"Permitted Forestry Plantation Business" means the operation of forestry plantations and production and processing facilities, the processing, sale, distribution, transportation and development of wood fibers and ~~logs~~ logs, and other similar wood and wood-based products, including bio-fuels, the operation of plantation nurseries, and the sale and distribution of seeds and saplings, inputs and similar products, or intermediate products and by-products used or produced in connection with such activities, the planting of saplings and trees in city greening and urban landscaping projects, including the design and implementation of such projects, the import and export of logs, lumber and other wood and wood-based products, trading agency activities related to the foregoing, and related businesses and activities incidental to any of the foregoing activities.

"Permitted Investment" means:

- (1) any Investment in the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Forestry Plantation Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Forestry Plantation Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Forestry Plantation Business;
- (2) Temporary Cash Investments;
- (3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (4) stock, obligations or securities received in satisfaction of judgments;

- (5) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;
- (6) Commodity Agreements, Interest Rate Agreements and Currency Agreements designed solely to protect the Company or any Restricted Subsidiary Guarantor against fluctuations in commodity prices, interest rates or foreign currency exchange rates;
- (7) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (8) any securities, non-cash consideration or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Dispositions made in compliance with the covenant described under “— Limitation on Asset Sales;”
- (9) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “— Limitation on Liens;”
- (10) loans or advances to employees made in the ordinary course of business and consistent with past practices of the Company or past practices of a Restricted Subsidiary, as the case may be, in an aggregate amount outstanding not to exceed at any one time US\$500,000 (or the Dollar Equivalent thereof); and
- (11) loans to employees, directors and officers not exceeding the amount required to exercise an option to purchase the Company’s Capital Stock held by such individual, *provided that* the Capital Stock issued upon exercise of such option is pledged to the Company as security for such loan.

“Permitted Liens” means:

- (1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers’ acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);
- (4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;
- (5) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;
- (6) any interest or title of a lessor in the property subject to any operating lease;
- (7) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided that* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired;
- (8) Liens in favor of the Company or any Wholly-Owned Restricted Subsidiary;

- (9) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;
- (10) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;
- (11) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;
- (12) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Commodity Agreements, Interest Rate Agreements and Currency Agreements designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities;
- (13) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business in accordance with the past practices of the Company and its Restricted Subsidiaries prior to the Original Issue Date;
- (14) Liens existing on the Original Issue Date;
- (15) Liens on real property, trees or current assets securing Indebtedness which is permitted to be Incurred under clause (5) or (18) of the second paragraph of the "Limitation on Indebtedness and Disqualified or Preferred Stock" covenant;
- (16) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (6) of the second paragraph of the "Limitation on Indebtedness and Disqualified or Preferred Stock" covenant; provided that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;
- (17) Liens under the Security Documents; and
- (18) Liens securing any Permitted Pari Passu Secured Indebtedness that complies with each of the requirements set forth under "Security to be Granted--Permitted Pari Passu Secured Indebtedness."

~~"PRC CJV" means (i) Guangxi Guijia Forestry Company Limited (CJV), Jiangxi Jiachang Forestry Development Co., Ltd. (CJV), Honyuan Jiahe Forestry Development Ltd. (CJV), Gaoyao Jiayao Forestry Development Ltd. (CJV) and (ii) any future Subsidiary that is a Sino-foreign cooperative joint venture enterprise with limited liability, established in the PRC pursuant to the Law of the People's Republic of China on Sino-foreign Cooperative Joint Ventures adopted on April 13, 1988 (as most recently amended on October 13, 2000) and the Detailed Rules for the Implementation of the Law of the People's Republic of China on Sino-foreign Cooperative Joint Ventures promulgated on September 4, 1995, as such laws may be amended.~~

~~"PRC CJV Partner" means with respect to a PRC CJV, the other party to the joint venture agreement relating to such PRC CJV with the Company or any Restricted Subsidiary.~~

~~"Replacement Assets" means, on any date, property or assets (other than current assets) of a nature or type or that are used in a Permitted Business and for the purposes of clause 2 of the first paragraph of the covenant under the caption "Limitation on Asset Sales", shall include Capital Stock of any Person holding such property or assets, which is primarily engaged in a Permitted Business and will upon the acquisition by the Company or any of its Restricted Subsidiaries of such Capital Stock, become a Restricted Subsidiary.~~

"Temporary Cash Investment" means any of the following:

- (1) direct obligations of the United States of America or any agency thereof or obligations fully and unconditionally Guaranteed by the United States of America or any agency thereof, in each case maturing within ~~one year~~ 24 months;

- (2) ~~time deposit accounts, certificates of deposit and money market deposits maturing within 180 days~~24 months of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, Hong Kong, Singapore or Canada, and ~~which bank or trust company has capital, surplus and undivided profits aggregating in excess of US\$100 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;~~
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;
- (4) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America, any state thereof, Canada or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-2-3" (or higher) according to Moody's or "A-2-3" (or higher) according to S&P;
- (5) securities with maturities of ~~six~~24 months or less from the date of acquisition issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or Moody's;
- (6) any mutual fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and
- (7) time deposit accounts, certificates of deposit and money market deposits with (i) Bank of China, Industrial Commercial Bank of China, Construction Bank of China, Shanghai Pudong Development Bank, Bank of Shanghai, (ii) any other bank or trust company organized under the laws of the PRC whose long term debt is rated as high or higher than any of those banks or (iii) any other bank organized under the laws of the PRC, *provided that*, in the case of clause (iii), such deposits do not exceed US\$55.0 million (or the Dollar Equivalent thereof) with any single bank or US\$2075.0 million (or the Dollar Equivalent thereof) in the aggregate, at any date of determination.

"Total Assets" means, as of any date, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP, other than for reports prepared for financial periods commencing on or after January 1, 2011, which will be prepared in accordance with international financial reporting standards as such standards may be applicable to the Company, as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company are available; provided, that Total Assets shall be calculated after giving effect to include the cumulative value of all real or personal property or equipment the acquisition, development, construction or improvement of which requires or required the incurrence of indebtedness and calculation of Total Assets thereunder, as measured by the purchase price or cost therefore or budgeted cost provided in good faith by the Company or any of its Restricted Subsidiaries to the bank or other similar financial institution lender providing such Indebtedness.

"Wholly-Owned" means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly-Owned Subsidiaries of such Person; ~~provided that Subsidiaries that are PRC CVCs shall not be considered Wholly-Owned Subsidiaries.~~

PRINCIPAL AND REGISTERED OFFICES OF THE COMPANY

Sino-Forest Corporation
 3815-29, 38th Floor
 Sun Hung Kai Centre
 30 Harbour Road
 Wanchai, Hong Kong, SAR

Sino-Forest Corporation
 Suite 1208, 90 Burnhamthorpe Road West
 Mississauga, Ontario
 Canada L5B 3C3

INFORMATION AND TABULATION AGENT

Global Bondholder Services Corporation
 65 Broadway—Suite 723
 New York, New York 10006
 Attention: Corporate Actions
 Bank and Brokers Call Collect: +(212) 430-3774
 All Others Please Call Toll-Free: +(866) 540-1500

SOLICITATION AGENT

11 Madison Avenue
 New York, New York 10010
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 Group

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 Attention: Liability Management
 Group

Two Exchange Square
 8 Connaught Place Central
 Hong Kong
 +852 2101 6050
 Attention: Syndicate Group



Sino-Forest Corporation

(a company existing under the laws of Canada with limited liability)

CONSENT SOLICITATION STATEMENT

Credit Suisse

June 24, 2009

Exhibit B

Consent Letter

LETTER OF CONSENT

Sino-Forest Corporation

Solicitation of Consents on Behalf of Sino-Forest Corporation from
 Holders of Any and All Outstanding Notes of Sino-Forest Corporation Listed
 on the Table Below for Proposed Amendments to the Related Indenture

Title of Securities	CUSIP Number	Outstanding Amount	Consent Payment per US\$1,000 Principal Amount
9.125% notes due 2011	Rule 144A: 82934HAA9 Reg S: C83912AA0	US\$300,000,000	US\$10

In order to receive the Consent Payment you must deliver your Consent by 5:00 p.m., New York City time, on July 8, 2009, unless such date and time is extended by us (such date and time, as it may be extended with respect to the Consent Solicitation, the "Expiration Date"). Consents may not be revoked at any time once it is delivered.

The Information and Tabulation Agent for the Consent Solicitation is:

Global Bondholder Services Corporation

*By Facsimile
 (Eligible Institutions Only):*

(212) 430-3775

Attn: Corporate Actions

For Information or Confirmation by Telephone:

(212) 430-3774

*By Registered or Certified Mail
 Hand or Overnight Delivery:*

Global Bondholder Services Corporation

65 Broadway — Suite 723

New York, New York 10006

Attention: Corporate Actions

DELIVERY OF THIS LETTER OF CONSENT (THIS "LETTER OF CONSENT") TO AN ADDRESS OTHER THAN AS SET FORTH ON THE BACK COVER OF THIS LETTER OF CONSENT, OR TRANSMISSIONS OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN AS SET FORTH ON THE BACK COVER OF THIS LETTER OF CONSENT, WILL NOT CONSTITUTE A VALID DELIVERY TO THE INFORMATION AND TABULATION AGENT.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF CONSENT SHOULD BE READ CAREFULLY AND IN THEIR ENTIRETY BEFORE THIS LETTER OF CONSENT IS COMPLETED.

This Letter of Consent is in reference to the solicitation of consents (the "Consents") for the outstanding Sino-Forest 9.125% Guaranteed Senior Notes due 2011 (the "2004 Senior Notes"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the consent solicitation statement, dated June 24, 2009 (the "Consent Solicitation Statement"). Unless the context requires otherwise, "Sino-Forest," "us," "we" or "our" refer to Sino-Forest Corporation.

HOLDERS OF 2004 SENIOR NOTES THAT WISH TO BE ELIGIBLE TO RECEIVE THE CONSENT PAYMENT PURSUANT TO THE CONSENT SOLICITATION MUST DELIVER THEIR CONSENTS TO THE INFORMATION AND TABULATION AGENT PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE. A HOLDER OF 2004 SENIOR NOTES WHO DOES NOT SUBMIT A CONSENT IN RESPECT OF THE PROPOSED AMENDMENTS WILL NOT BE ENTITLED TO RECEIVE A CONSENT PAYMENT.

The Company will, promptly after the Expiration Date and the satisfaction or waiver of all conditions to the consent solicitation (the "Consent Solicitation") with respect to the Proposed Amendments, cause to be paid, to each holder of 2004 Senior Notes who has delivered a valid Consent prior to 5:00 p.m., New York City time, on the Expiration Date, a cash payment (the "Consent Payment") of US\$10 for each 2004 Senior Note in respect of which such Consent has been delivered. No accrued interest will be paid on the Consent Payment. Whether or not the requisite Consent is received with respect to the Proposed Amendments, if the Consent Solicitation is abandoned or terminated with respect to such Proposed Amendments for any reason before the Expiration

Date, or the conditions to the Consent Solicitation are neither satisfied nor waived, then the Consents relating to such Proposed Amendments will be voided and the Consent Payment in respect thereof will not be paid.

DTC Participants who hold 2004 Senior Notes as of the Record Date are referred to herein as "Holders." Only Holders and their duly designated proxies may execute Consents, and, unless revoked by the Holder in the manner described in the Consent Solicitation Statement, such Consents will be binding on all subsequent transferees of the 2004 Senior Notes with respect to which Consents were given. Any beneficial owner of 2004 Senior Notes who is not a Holder of record of such 2004 Senior Notes must arrange for the person who is the Holder of record to execute and deliver a timely Consent on behalf of such beneficial owner.

By execution hereof, the undersigned acknowledges receipt of the Consent Solicitation Statement. The effectiveness of the Proposed Amendments and the payment of Consent Payments in respect thereof is conditioned on (1) there being received by the Information and Tabulation Agent (and not revoked), prior to 5:00 p.m., New York City time, on the Expiration Date, a valid Consent with respect to the Proposed Amendments, and (2) the absence of any existing or proposed law or regulation that would, and the absence of any injunction or action or other proceeding (pending or threatened) that (in the case of any action or proceeding, if adversely determined) would, make unlawful or invalid or enjoin or delay the implementation of the Proposed Amendments, the entering into of a Supplemental Indenture to the Indenture relating to such Proposed Amendments or the payment of any Consent Payment in respect thereof or question the legality or validity of any thereof.

The undersigned hereby represents and warrants that the undersigned has full power and authority to execute the Consent contained herein. The undersigned will, upon request, execute and deliver any additional documents deemed by Sino-Forest to be necessary or desirable to perfect the undersigned's Consent.

The undersigned hereby agrees that it will not revoke any Consent it grants hereby, with respect to the Proposed Amendments.

The undersigned understands that Consents delivered pursuant to any of the procedures described under "The Consent Solicitation — Procedures for Consenting" in the Consent Solicitation Statement and in the instructions hereto will constitute a binding agreement between the undersigned and Sino-Forest upon the terms and subject to the conditions of the Consent Solicitation. All authority conferred or agreed to be conferred by this Consent shall survive the death, incapacity, dissolution or liquidation of the undersigned and every obligation of the undersigned under this Consent shall be binding on the undersigned's heirs, personal representatives, successors and assigns.

The undersigned hereby irrevocably constitutes and appoints the Information and Tabulation Agent its agent and attorney-in-fact (with full knowledge that the Information and Tabulation Agent also acts as the agent of Sino-Forest) with respect to the Consent given hereby with full power of substitution to deliver this Consent to the Company. The Power of Attorney granted in this paragraph shall be deemed irrevocable from and after the Expiration Date and coupled with an interest.

Unless otherwise specified in the table below, this Consent relates to all of the 2004 Senior Notes held by the undersigned. If this Consent relates to less than the number of 2004 Senior Notes so held of record in the name of the undersigned, list on the table below the number of 2004 Senior Notes for which this Consent is given. If the space provided below is inadequate, list the numbers on a separate signed schedule and affix the list to this Letter of Consent.

If no 2004 Senior Notes are specified, but the Letter of Consent is otherwise properly completed and signed, the Holder will be deemed to have consented to the Proposed Amendments to the Indenture with respect to all 2004 Senior Notes which such Holder holds through DTC.

Please sign your name and date below to evidence your vote on the Proposed Amendments and to evidence the appointment of the Information and Tabulation Agent as your agent and attorney-in-fact in connection with this Consent. The undersigned acknowledges that it must comply with the other provisions of this Consent, and complete the information required herein, to validly Consent to the Proposed Amendments.

THE CONSENT SOLICITATION IS NOT BEING MADE TO, NOR WILL SINO-FOREST ACCEPT CONSENTS FROM, HOLDERS OF ANY 2004 SENIOR NOTES IN ANY JURISDICTION IN WHICH THE

CONSENT SOLICITATION OR THE ACCEPTANCE OF CONSENTS WOULD VIOLATE THE LAWS OF SUCH JURISDICTION. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THE CONSENT SOLICITATION STATEMENT AND THIS LETTER OF CONSENT OR TO WHICH SINO-FOREST HAS REFERRED YOU. SINO-FOREST HAS NOT AUTHORIZED ANY PERSON (INCLUDING ANY DEALER, SALESMAN OR BROKER) TO PROVIDE YOU WITH DIFFERENT INFORMATION. THE INFORMATION IN THE CONSENT SOLICITATION STATEMENT MAY ONLY BE ACCURATE ON THE DATE THEREOF. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THE CONSENT SOLICITATION STATEMENT IS ACCURATE AS OF ANY OTHER DATE.

DELIVERY OF CONSENTS

List below the 2004 Senior Notes to which this Letter of Consent relates. If the space provided is inadequate, list the certificate numbers and principal amounts on a separately executed schedule and affix the schedule to this Letter of Consent. See Instruction 9. Delivery of Consents will be accepted only in respect of principal amounts of 2004 Senior Notes equal to US\$2,000 or integral multiples of US\$1,000 in excess thereof.

9.125% Guaranteed Senior Notes due 2011 (Rule 144A CUSIP No. 82934HAA9 Regulation S CUSIP No. C83912AA0)			
Name(s) and Address(es) of Holders(s) (Please fill in if blank)	Solicited Notes (Attach additional list(s) if necessary)		
	Certificate Numbers	Aggregate Principal Amount Represented	Principal Amount In Respect Of Which Consents Are Given
	Total Principal Amount:		

Consents to the Proposed Amendments in respect of the 2004 Senior Notes specified above are hereby given.

- * Unless otherwise indicated in the column labeled "Principal Amount In Respect Of Which Consents Are Given" and subject to the terms and conditions set forth in the Consent Solicitation Statement and this Letter of Consent, Consents with respect to the entire principal amount represented by the certificates for all 2004 Senior Notes delivered to the Information and Tabulation Agent will be deemed to have been given. See Instruction 2.

The names and addresses of the holders should be printed above exactly as they appear on the certificates representing the 2004 Senior Notes in respect of which Consents are given hereby.

**NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

Ladies and Gentlemen:

By execution hereof, the undersigned acknowledges receipt of the consent solicitation statement, dated June 24, 2009 (the "Consent Solicitation Statement") and hereby represents and warrants to Sino-Forest Corporation, a Canada Business Corporations Act corporation ("Sino-Forest"), that the undersigned is a holder of 2004 Senior Notes and has full power and authority to take the action indicated below in respect of such 2004 Senior Notes.

Upon the terms and subject to the conditions of the Consent Solicitation, the undersigned hereby:

- Consents to Proposed Amendments to the indenture related to the 2004 Senior Notes and to the execution and delivery of the supplemental indenture that will give effect to the Proposed Amendments with respect to the 2004 Senior Notes.

The undersigned by executing and delivering a Letter of Consent will be deemed to irrevocably constitute and appoint the Information and Tabulation Agent her/his true and lawful agent and attorney-in-fact (with full knowledge that the Information and Tabulation Agent also acts as the agent of Sino-Forest) with respect to any delivered 2004 Senior Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to deliver to Sino-Forest and the Information and Tabulation Agent this Letter of Consent as evidence of the undersigned's Consent and as certification that Consents duly executed by holders have been received.

The undersigned agrees and acknowledges that, by the execution and delivery hereof, the undersigned makes and provides written Consent, with respect to the principal amount of 2004 Senior Notes represented hereby, to the Proposed Amendments with respect to such notes.

The undersigned understands that Consents validly delivered may not be revoked at any time. In the event of a termination of the Consent Solicitation, 2004 Senior Notes deposited in connection with the Consent Solicitation will be returned to the holder promptly.

The undersigned will, upon request, execute and deliver any additional documents deemed by the Information and Tabulation Agent or by Sino-Forest to be necessary or desirable to complete the delivery of Consents.

No authority herein conferred or agreed to be conferred shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned. All obligations of the undersigned hereunder shall be binding upon the heirs, personal and legal representatives, administrators, trustees in bankruptcy, successors and assigns of the undersigned.

The undersigned understands that delivery of a Consent prior to the Expiration Date will constitute a binding agreement between the undersigned and Sino-Forest and a Consent to the Proposed Amendments, upon the terms and subject to the conditions of the Consent Solicitation and this Letter of Consent, including Sino-Forest's right to amend such terms and conditions. If Sino-Forest receives the required Consents with respect to the 2004 Senior Notes by the Expiration Date, then the Proposed Amendments to the indenture related to the 2004 Senior Notes will become effective promptly after that date, subject to the terms and conditions described in the Consent Solicitation Statement.

For purposes of the Consent Solicitation, the undersigned understands that Sino-Forest will be deemed to have accepted the holder's Consent only when they give oral (promptly confirmed in writing) or written notice thereof to the Information and Tabulation Agent. Subject to the terms and conditions of the Consent Solicitation, payment of the Consent Payment in connection with the delivery of Consents accepted by us will be made by the Information and Tabulation Agent on the Settlement Date upon receipt of such notice and holders will receive their deposited 2004 Senior Notes from the Information and Tabulation Agent. The Information and Tabulation Agent will act as agent for the holders for the purpose of delivering the Consents and as described herein.

The undersigned understands that the delivery of a Consent is not effective until receipt by the Information and Tabulation Agent of a properly completed and duly executed Letter of Consent together with all accompanying evidences of authority and any other required documents in form satisfactory to Sino-Forest pursuant to the instructions set forth in this Letter of Consent.

The undersigned hereby recognizes and acknowledges that: (i) all questions as to the form of all documents and the validity (including time of receipt) and acceptance of Consents will be determined by Sino-Forest, in its sole discretion, which determination shall be final and binding; (ii) Sino-Forest reserves the absolute right to reject any or all Consents that are not in proper form or the acceptance of which would, in Sino-Forest's opinion, be unlawful; (iii) Sino-Forest also reserves the right, subject to applicable law, to waive any defects, irregularities or conditions of Consent with respect to particular 2004 Senior Notes; (iv) a waiver of any defect or irregularity with respect to the Consent with respect to one note shall not constitute a waiver of the same or any other defect or irregularity with respect to the Consent with respect to any other note; (v) Sino-Forest's interpretations of the terms and conditions of the Consent Solicitation will be final and binding; (vi) any defect or irregularity in connection with delivery of Consents must be cured within such time as Sino-Forest determines, unless waived by Sino-Forest; (vii) delivery of Consents shall not be deemed to have been made until all defects and irregularities have been waived by Sino-Forest or cured; (viii) none of Sino-Forest, the trustee for the 2004 Senior Notes, the Solicitation Agent, the Information and Tabulation Agent or any other person will be under any duty to give notice of any defects or irregularities in delivery of Consents or will incur any liability to holders for failure to give any such notice and (ix) the consummation of the Consent Solicitation is conditioned upon, among other things, the satisfaction of the required Consent conditions, as described under the caption "Consent Solicitation — Conditions to the Consent Solicitation" in the Consent Solicitation Statement.

**IMPORTANT
HOLDER(S) SIGN HERE
(SEE INSTRUCTIONS 1 AND 3)
(PLEASE ALSO PROVIDE IRS FORM W-9 OR FORM W-8, AS APPLICABLE)**

Signature of Holder(s) or Authorized Signatory

Date

Signature of Holder(s) or Authorized Signatory

Date

(Must be signed by holder(s) exactly as name(s) appear(s) on certificate(s) or by person(s) authorized to holder(s) by certificate(s) and documents transmitted with this Letter of Consent. If signed by person(s) to whom the 2004 Senior Notes represented hereby have been assigned or transferred as evidenced by endorsement or stock powers transmitted herewith, the signatures must be guaranteed. See Instruction 3. If signature is by trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, officer(s), agent(s), corporation(s) or other person(s) acting in a fiduciary or representative capacity, please provide the following information and see Instruction 3.)

Name(s): _____
(Please Print)

Capacity (Full Title): _____

Address: _____

(Include Zip Code)

(Daytime Telephone Number, including Area Code)

(Employer Identification or Social Security Number)
(See IRS Form W-9 or Form W-8, As Applicable)

**SIGNATURE GUARANTEE
(IF REQUIRED — SEE INSTRUCTION 3)**

Authorized Signature: _____

Name: _____
(Please Print)

Name of Firm: _____

Address: _____
(Include Zip Code and Place Seal Here)

Telephone Number, including Area Code: _____

Dated: _____, 2009

**INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF
THE CONSENT SOLICITATION**

1. Procedures for Delivering Consents. Subject to the terms and conditions of the Consent Solicitation, a properly completed and duly executed copy of this Consent and any other documents required by this Consent must be received by the Information and Tabulation Agent at its address or facsimile number set forth on the cover hereof prior to 5:00 p.m., New York City time, on the Expiration Date. This Consent may only be executed by DTC Participants. Any beneficial owner of 2004 Senior Notes who holds its 2004 Senior Notes through a DTC Participant must arrange for such DTC Participant to execute and timely deliver the Consent on behalf of such beneficial owner. A Consent by a Holder is a continuing Consent notwithstanding that the registered ownership of a 2004 Senior Note has been transferred. The method of delivery of Consents and all other required documents to the Information and Tabulation Agent is at the election of the consenting Holder, and the delivery will be deemed made only when actually received by the Information and Tabulation Agent. In all cases, sufficient time should be allowed to assure timely delivery. **THIS LETTER OF CONSENT SHOULD BE SENT ONLY TO THE INFORMATION AND TABULATION AGENT, AND NOT TO SINO-FOREST OR THE SOLICITATION AGENT.**

UPON EXECUTION OF THE SUPPLEMENTAL INDENTURE, THE SUPPLEMENTAL INDENTURE WILL BE BINDING UPON EACH HOLDER OF 2004 SENIOR NOTES, WHETHER OR NOT SUCH HOLDER HAS DELIVERED ITS CONSENT TO THE PROPOSED AMENDMENTS.

By executing this Letter of Consent (or a facsimile thereof), a holder waives any right to receive any notice of the acceptance of its Consent to the Proposed Amendments.

For a full description of the procedures for delivering Consents, see "The Consent Solicitation—Procedures for Consenting" in the Consent Solicitation Statement.

ANY CONSENTS VALIDLY DELIVERED MAY NOT BE REVOKED AT ANY TIME.

2. Partial Consents. Delivery of Consents pursuant to the Consent Solicitation will be accepted only in respect of principal amounts of 2004 Senior Notes equal to US\$2,000 or integral multiples of US\$1,000 in excess thereof. If Consent is being provided with respect to less than the entire principal amount of a holder's 2004 Senior Notes, the Consenting holder must fill in the principal amount with respect to which Consent is being delivered in the applicable box under "Delivery of Consents" herein. Unless otherwise indicated, the Consent will be deemed to apply to the entire principal amount represented by the certificates.

3. Signatures on this Letter of Consent, Bond Powers and Guarantee of Signatures. If this Letter of Consent is signed by the eligible holder(s) of the 2004 Senior Notes with respect to which Consent is being delivered, the signature(s) must correspond with the name(s) as written on the face of the certificate(s) without alteration, enlargement or any change whatsoever.

IF THIS LETTER OF CONSENT IS EXECUTED BY A HOLDER OF 2004 SENIOR NOTES WHO IS NOT THE REGISTERED HOLDER, THEN THE REGISTERED HOLDER MUST SIGN A VALID POWER OF ATTORNEY, WITH THE SIGNATURE OF SUCH REGISTERED HOLDER GUARANTEED BY A MEDALLION SIGNATURE GUARANTOR.

If Consents are being delivered with respect to any 2004 Senior Notes that are owned of record by two or more joint owners, all such owners must sign this Letter of Consent. If Consents are being delivered with respect to any 2004 Senior Notes that are registered in different names on several certificates, it will be necessary to complete, sign and submit as many copies of this Letter of Consent and any necessary accompanying documents as there are different names in which certificates are held.

No signature guarantee is required if: (i) this Letter of Consent is signed by the registered holder of the 2004 Senior Notes to which the Consent applies or (ii) the Consents are delivered for the account of an Eligible Institution. In all other cases, all signatures on Letters of Consent must be guaranteed by a Medallion Signature Guarantor.

If this Letter of Consent is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by us, submit evidence satisfactory to us of their authority to so act with this Letter of Consent.

Any beneficial owner whose 2004 Senior Notes are registered in the name of a broker-dealer, commercial bank, trust company or other nominee and who wishes to deliver a Consent should contact such registered holder promptly and instruct the eligible holder to deliver a Consent on the beneficial owner's behalf using one of the procedures described above. If such beneficial owner wishes to deliver a Consent itself, such beneficial owner must, before completing and executing this Letter of Consent and delivering such 2004 Senior Notes for deposit, either make appropriate arrangements to register ownership of the 2004 Senior Notes in such beneficial owner's name or follow the procedures described in the immediately preceding paragraph. The transfer of record ownership may take considerable time. The delivery of a Consent by a holder pursuant to the procedures set forth herein will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth herein.

4. Backup Withholding and Information Reporting.

U.S. Holders. Cash received in connection with the Consent Solicitation may be subject to information reporting and backup withholding tax (currently at the rate of 28%) if the recipient of those payments fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable information reporting or certification requirements. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit against such U.S. Holder's United States federal income tax, provided that the required information is furnished to the IRS.

Non-U.S. Holders. Information returns will be filed with the IRS in connection with Consent Payments to non-U.S. Holders. In general, backup withholding will not apply to cash payments to non-U.S. Holders in connection with the Consent Solicitation if such non-U.S. Holder establishes, by providing a certificate or, in some cases, by providing other evidence, that it is not a U.S. person. Any amount withheld from a payment to a non-U.S. Holder under the backup withholding rules will be allowable as a credit against such non-U.S. Holder's United States federal income tax, provided that the required information is furnished to the IRS. Non-U.S. Holders of the 2004 Senior Notes are urged to consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of exemptions, and the procedure for obtaining such exemptions, if available.

Backup Withholding. To prevent backup withholding of U.S. federal income tax, eligible holders must either (1) provide a completed IRS Form W-9 and indicate either (a) their correct taxpayer identification number ("TIN"), or (b) an adequate basis for an exemption, or (2) provide an applicable completed Form W-8. See "Certain United States Federal Income Tax Consequences — Backup Withholding and Information Reporting" in the Consent Solicitation Statement.

If the eligible holders do not have a TIN, such holders should consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 (the "W-9 Guidelines") for instructions on applying for a TIN, write "Applied For" in the space for the TIN in Part 1 of the Substitute Form W-9, and sign and date the Substitute Form W-9 and the Certificate of Awaiting Taxpayer Identification Number set forth herein. Writing "Applied For" will not prevent backup withholding. A tendering holder who must complete Substitute Form W-9 must provide a correct TIN before a payment is made, or backup withholding may be applied.

If the 2004 Senior Notes are held in more than one name or are not in the name of the actual owner, consult the W-9 Guidelines for information on which TIN to report.

Exempt holders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding requirements. To prevent possible erroneous backup withholding, an exempt holder should write "Exempt" in Part 2 of Substitute Form W-9. See the W-9 Guidelines for additional instructions. In order for a nonresident alien or foreign entity to qualify as exempt, such person must submit an appropriate

Form W-8 signed under penalty of perjury attesting to such exempt status. Such form may be obtained from the Information and Tabulation Agent or at the Internal Revenue Service website at www.irs.gov.

5. Determination of Validity. All questions as to the form of all documents and the validity (including the time of receipt) and acceptance of the Consents will be determined by us, in our sole discretion, which determination shall be final and binding on all parties. Sino-Forest reserves the absolute right to reject any or all Consents that are not in proper form or the acceptance of which would, in Sino-Forest's opinion, be unlawful. Sino-Forest also reserves the right, subject to applicable law, to waive any defects, irregularities or conditions as to particular Consents. A waiver of any defect or irregularity with respect to particular Consents shall not constitute a waiver of the same or any other defect or irregularity with respect to the delivery of any other Consents. Sino-Forest's interpretations of the terms and conditions of the Consent Solicitation will be final and binding. Any defect or irregularity in connection with the delivery of Consents must be cured within such time as Sino-Forest determines, unless waived by Sino-Forest. Consents shall not be deemed to have been delivered until all defects and irregularities have been waived by Sino-Forest or cured. None of Sino-Forest, the trustee for the 2004 Senior Notes, the Solicitation Agent, the Information and Tabulation Agent or any other person will be under any duty to give notice of any defects or irregularities in the delivery of Consents or will incur any liability to holders for failure to give any such notice.

6. Lost or Missing Certificates for 2004 Senior Notes. If a holder wishes to deliver Consents pursuant to the Consent Solicitation, but the certificates evidencing such holder's 2004 Senior Notes have been mutilated, lost, stolen or destroyed, such holder should write to or telephone the trustee for such 2004 Senior Notes at its applicable address or telephone number about procedures for obtaining replacement certificates for such 2004 Senior Notes and arranging for indemnification or any other matter that requires the trustee to take action.

7. Requests for Assistance or Additional Copies. Questions relating to the procedures for delivering Consents and requests for additional copies of the Consent Solicitation Statement and this Letter of Consent should be directed to, and additional information about the Consent Solicitation may be obtained from Credit Suisse Securities (USA) LLC, the Solicitation Agent for the Consent Solicitation, or to Global Bondholder Services Corporation, the Information Agent for the Consent Solicitation, whose addresses and telephone numbers appear on the back cover of this Letter of Consent. Requests for additional copies of the Consent Solicitation Statement and this Letter of Consent also may be obtained from the Information Agent.

8. Inadequate Space. If the space provided herein is inadequate, the certificate numbers of the 2004 Senior Notes and the principal amounts represented by such 2004 Senior Notes should be listed on a separately signed schedule and affixed to this Letter of Consent.

IMPORTANT: THIS LETTER OF CONSENT (OR A FACSIMILE THEREOF) PROPERLY COMPLETED AND DULY EXECUTED (TOGETHER WITH ANY REQUIRED SIGNATURE GUARANTEES AND ALL OTHER REQUIRED DOCUMENTS) MUST BE RECEIVED BY THE DEPOSITARY ON OR PRIOR TO THE EXPIRATION DATE.

PAYER'S NAME:		
PAYEE'S NAME (as shown on your income tax return): _____		
PAYEE'S ADDRESS: _____ _____ _____		
SUBSTITUTE FORM W-9 Department of the Treasury Internal Revenue Service Payer's Request for Taxpayer Identification Number (TIN) and Certification	Part I: Taxpayer Identification Number (TIN) _____ Social Security Number OR _____ Employer Identification Number (If awaiting TIN write "Applied For" and complete Parts III and IV)	Part II: For Payees Exempt from Backup Withholding For Payees Exempt from Backup withholding, see the Guidelines below and complete as instructed therein.
	Part III: — Certification — Under penalties of perjury, I certify that:	
	(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien).	
	Certification Instructions — You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2).	
_____ Signature of U.S. person		_____ Date

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN A US\$50 PENALTY IMPOSED BY THE INTERNAL REVENUE SERVICE AND BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL INFORMATION.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATION IF YOU WROTE "APPLIED FOR" IN THE APPROPRIATE LINE IN PART I OF SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER	
I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, 28% of all reportable payments made to me pursuant to the offer will be withheld.	
_____ Signature	_____ Date

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER

Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer Identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the Payer.

For this type of account:	Give NAME and SOCIAL SECURITY number (SSN) of:	For this type of account:	Give NAME and EMPLOYER IDENTIFICATION number (EIN) of:
1. Individual	The individual	7. A valid trust, estate, or pension trust	The legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.) ⁽⁴⁾
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ⁽¹⁾		The corporation
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ⁽²⁾	8. Corporation or LLC electing corporate status under Form 8832	The organization
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ⁽¹⁾	9. Association, club, religious, charitable, educational or other tax-exempt organization	The partnership
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ⁽¹⁾	10. Partnership	The broker or nominee
5. Sole proprietor or single-owner LLC	The owner ⁽³⁾	11. A broker or registered nominee	The public entity
6. Disregarded entity not owned by an individual	The owner ⁽³⁾	12. Account with the Department of Agriculture in the name of a public entity (such as State or local government, school district, or prison) that receives agricultural program payments)	

(1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

(2) Circle the minor's name and furnish the minor's SSN.

(3) You must show your individual name, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

(4) List first and circle the name of the legal trust, estate, or pension trust.

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

Section references are to the Internal Revenue Code. **Obtaining a Number.** If you do not have a taxpayer identification number or you do not know your number, obtain Form SS-5, Application for a Social Security Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service (the "IRS") and apply for a number.

Payees Exempt from Backup Withholding. The following is a list of payees exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except for those listed in item (9). For broker transactions, payees listed in (1) through (13) are exempt. A person registered under the Investment Advisers Act of 1940 who regularly acts as a broker is also exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7), except that the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding or information reporting: medical and health care payments, attorney's fees and payments for services paid by a federal executive agency. Only payees described in items (2) through (6) are exempt from backup withholding for barter exchange transactions and patronage dividends.

1. A corporation.
2. An organization exempt from tax under section 501(a), or an individual retirement plan ("IRA"), or a custodial account under 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
3. The United States or any of its agencies or instrumentalities.
4. A State, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
5. A foreign government or any of its political subdivisions, agencies, or instrumentalities.
6. An international organization or any of its agencies or instrumentalities.
7. A foreign central bank of issue.
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
9. A futures commission merchant registered with the Commodity Futures Trading Commission.
10. A real estate investment trust.
11. An entity registered at all times during the tax year under the Investment Company Act of 1940.
12. A common trust fund operated by a bank under section 584(a).
13. A financial institution.
14. A middleman known in the investment community as a nominee or custodian or listed in the most recent publication of the American

Society of Corporate Secretaries, Inc., Nominee List.

15. A trust exempt from tax under section 664 or described in section 4947.

Payments of interest generally not subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. NOTE: You may be subject to backup withholding if this interest is US\$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.

Payments that are not subject to information reporting are also not subject to backup withholding. For details see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N, and the regulations under such sections.

Privacy Act Notice. Section 6109 requires you to give your correct taxpayer identification number to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. You must provide your taxpayer identification number whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties.

1. **Penalty for Failure to Furnish Taxpayer Identification Number.** If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of US\$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
2. **Civil Penalty for False Information with Respect to Withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a US\$500 penalty.
3. **Criminal Penalty for Falsifying Information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**FOR ADDITIONAL INFORMATION CONTACT
YOUR TAX CONSULTANT OR THE INTERNAL
REVENUE SERVICE**



Sino-Forest Corporation

Solicitation of Consents from Holders of Any and All Outstanding
 9.125% Guaranteed Senior Notes due 2011 Issued by Sino-Forest Corporation
 (Rule 144A CUSIP NO: 82934HAA9; Regulation S CUSIP NO: C83912AA0)
 for Proposed Amendments to the Related Indenture

LETTER OF CONSENT

The Tabulation Agent for the Consent Solicitation is:

Global Bondholder Services Corporation

*By Facsimile
 (Eligible Institutions Only):*

(212) 430-3775

Attn: Corporate Actions

For Information or Confirmation by Telephone:

(212) 430-3774

*By Registered or Certified Mail
 Hand or Overnight Delivery:*

Global Bondholder Services Corporation

65 Broadway — Suite 723

New York, New York 10006

Attention: Corporate Actions

Any questions or requests for assistance or for additional copies of the Consent Solicitation Statement, this Letter of Consent or related documents may be directed to the Information Agent at the telephone numbers listed below. You may also contact the Solicitation Agent at its telephone number set forth below or your custodian bank, depository, broker, trust company or other nominee for assistance concerning the Consent Solicitation.

The Information Agent for the Consent Solicitation is:

Global Bondholder Services Corporation

65 Broadway — Suite 723

New York, New York 10006

Attention: Corporate Actions

Bank and Brokers Call Collect: (212) 430-3774

All Others Please Call Toll-Free: (866) 540-1500

The Solicitation Agent for the Consent Solicitation is:

CREDIT SUISSE SECURITIES (USA) LLC

Eleven Madison Avenue

New York, NY 10010-3629

Toll free: +1 (800) 820-1653

Exhibit C-1

Matters to be Addressed in the Opinion of Aird & Berlis LLP, Canadian counsel of the
Company

[Form of opinion to be delivered only on the date of this agreement]

1. The Corporation: (a) has been continued and is existing under the laws of Canada; and (b) has all requisite corporate power, capacity and authority to carry on its business and to own, lease and operate its property and assets
2. The Corporation has full corporate power and authority to take and has duly taken all necessary corporate action to authorize (i) the Solicitation, and the other transactions contemplated by the Consent Solicitation Statement (as defined in the Solicitation Agent Agreement) (including any related borrowings by the Corporation or any of its subsidiaries or affiliates), (ii) the payment by the Corporation for Consents pursuant to the Solicitation; and (iii) the execution, delivery and performance of the Solicitation Agent Agreement and all related agreements by the Corporation, and the Solicitation Agent Agreement has been duly executed and delivered on behalf of the Corporation.
3. The Solicitation, the other transactions contemplated by the Solicitation Agent Agreement or the Consent Solicitation Statement (including any related borrowings by the Corporation or any of its subsidiaries or affiliates), the payment for Consents by the Corporation pursuant to the Solicitation and the execution, delivery and performance of the Solicitation Agent Agreement and all related agreements by the Corporation, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:
 - (a) any of the terms, conditions or provisions of the articles or by-laws of the Corporation, or any resolution of any of its directors (or committees of directors) or shareholders; or
 - (b) any laws of the Province of Ontario or the federal laws of Canada applicable therein; or
 - (c) the mortgages, hypothecs, notes, indentures, contracts, agreements and instruments (the "Contracts") governed by the laws of the Province of Ontario under which the Corporation or any Subsidiary Guarantor is bound and which are identified on the Officer's Certificate, except for such conflicts, breaches or defaults which would not:
 - (i) individually or in the aggregate, have a material adverse effect on the general affairs, management, shareholders' equity, results of operations or position, financial or otherwise, of the Corporation; or
 - (ii) affect the transactions contemplated under the Solicitation Agent Agreement.
4. To our knowledge, no stop order, restraining order or denial of an application for approval has been issued, and no investigation, proceeding or litigation has been commenced or threatened by or before the Ontario Securities Commission with respect to the making or consummation of the Solicitation (including the obtaining or use of funds to pay for Consents pursuant thereto) by the Corporation or any of its subsidiaries or affiliates or the consummation of the other transactions contemplated by the Solicitation Agent Agreement or the Consent Solicitation Statement.

Exhibit C-2

Matters to be Addressed in the Opinion of Linklaters, special counsel to the Company

- 1.1 The Solicitation Agent Agreement has been duly executed and delivered by the Issuer.
- 1.2 [The Supplemental Indenture has been duly executed and delivered by the Issuer and the Subsidiary Guarantors and, assuming due authorization, execution and delivery thereof by the Trustee, constitutes a valid and legally binding agreement of the Issuer and the Subsidiary Guarantors enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.]¹
- 1.3 The statements under the captions "The Proposed Amendments", "The Consent Solicitations", and "Certain United States Federal Income Tax Consequences" in the Solicitation Statement, in each case insofar as those statements summarize provisions of documents governed by New York law or provisions of United States Federal tax law therein described, at its date [and the date of delivery of this opinion]¹, were fair and accurate summaries in all material respects.
- 1.4 All regulatory consents, authorizations, approvals and filings required to be obtained or made by the Issuer and the Subsidiary Guarantors on or prior to the date hereof under the federal laws of the United States and the laws of the State of New York for the execution and delivery of the Solicitation Agent Agreement [and the Supplemental Indenture]¹ and the performance of their respective obligations thereunder have been obtained or made; provided, however, that we express no opinion with respect to United States federal or State securities laws.
- 1.5 The execution and delivery by the Issuer and the Subsidiary Guarantors, as the case may be, of the Solicitation Agent Agreement [and Supplemental Indenture]¹ does not, and the performance by the Issuer and the Subsidiary Guarantors of their respective obligations under the Solicitation Agent Agreement [and the Supplemental Indenture]¹ will not, violate any existing federal law of the United States or law of the State of New York applicable to the Issuer and the Subsidiary Guarantors, or result in a default under or breach of the Indenture; provided, however, that for purposes of this paragraph 4.5, we express no opinion with respect to United States federal or State securities laws, other anti-fraud laws, fraudulent transfer laws, the U.S. Employee Retirement Income Security Act of 1974 and related laws; and provided, further, that insofar as performance by the Issuer and the Subsidiary Guarantors of their respective obligations under the Solicitation Agent Agreement [and Supplemental Indenture]¹ is concerned, we express no opinion as to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights or as to the effect of general equity principles.
- 1.6 The Issuer and each Subsidiary Guarantor, as the case may be, has, pursuant to Section 15 of the Solicitation Agent Agreement [and Section [*]] of the Supplemental

¹ To be inserted at Closing subject to our review of executed copies of the Indenture and Supplemental Indenture.

Indenture,]¹ validly submitted to the jurisdiction of the courts within the Borough of Manhattan in The City of New York specified therein with respect to the proceedings specified therein, and has, to the fullest extent permitted by applicable law, validly and irrevocably waived any objection to the laying of venue of such proceedings in any such court, and has validly and irrevocably appointed Law Debenture Corporate Services Inc. as its authorised agent for the purpose described in such section, and service of process effected in the manner set forth in Section 15(b) of the Dealer Manager Agreement [and [•] of the Supplemental Indenture]¹ will be effective to confer valid personal jurisdiction over the Issuer and each Subsidiary Guarantor, as the case may be, in such proceedings.

TAB E

TAB E

This is Exhibit "E" referred to in the
Affidavit of Rebecca Wise
Sworn before me, this 23rd
day of April, 2012

A handwritten signature in black ink, appearing to read 'AS', with a long horizontal flourish extending to the right.

A Commissioner, Etc.

ADAM MARCUS SLAVENS
Barrister and Solicitor, Notary
Public for the Province of Ontario
My Commission is unlimited as to time.

EXECUTION COPY

SINO-FOREST CORPORATION

(a Canada Business Corporations Act corporation)

4.25% Convertible Senior Notes due 2016

PURCHASE AGREEMENT

Dated: December 10, 2009

Sino-Forest Corporation

(a Canada Business Corporations Act corporation)

US\$400,000,000

4.25% Convertible Senior Notes due 2016

PURCHASE AGREEMENT

December 10, 2009

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010
United States

As Representative of the Initial Purchasers
named in Schedule A hereto

Ladies and Gentlemen:

Sino-Forest Corporation, a Canada Business Corporations Act corporation (the "Company"), confirms its agreement with Credit Suisse Securities (USA) LLC ("Credit Suisse") and the initial purchasers named in Schedule A hereto (together, the "Initial Purchasers", which term shall also include any initial purchaser substituted as hereinafter provided in Section 11 hereof), for whom Credit Suisse is acting as representative (in such capacity, the "Representative"), with respect to (i) the issue and sale by the Company and the purchase by the Initial Purchasers, acting severally and not jointly, of the respective principal amounts of the Company's 4.25% Convertible Senior Notes due 2016 (the "Notes") set forth in Schedule A hereto, and (ii) the grant by the Company to the Initial Purchasers, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of an additional US\$60,000,000 principal amount of Notes to cover over-allotments, if any. The aforesaid Notes (the "Initial Notes") to be purchased by the Initial Purchasers and all or any part of the additional US\$60,000,000 principal amount of Notes subject to the option described in Section 2(b) hereof (the "Option Notes") are hereinafter called, collectively, the "Notes". The Notes are to be issued pursuant to an indenture to be dated as of December 17, 2009 (the "Indenture") among the Company, the subsidiary guarantors named in Schedule D-1 hereto (each a "Subsidiary Guarantor") and The Bank of New York Mellon, as trustee (the "Trustee").

The Notes are convertible, subject to certain conditions as described in the Final Offering Memorandum (as defined below), prior to maturity (unless previously redeemed or otherwise purchased) into common shares of the Company (the "Common Shares"), cash or a combination of cash and Common Shares, at the Company's election, in accordance with the terms of the Notes and the Indenture. Notes issued in book-entry form will be issued to Cede & Co. as nominee of The Depository Trust Company ("DTC") pursuant to a letter agreement, to be dated as of the Closing Time (as defined in Section 2(c)), among the Company, the Trustee and DTC.

The payment of principal of, interest on, and all other amounts due under, the Notes will be irrevocably and unconditionally guaranteed on a senior basis by the Subsidiary Guarantors, pursuant to

their guarantees (the "Subsidiary Guarantees"). The Initial Notes and the Subsidiary Guarantees attached thereto are herein collectively referred to as the "Initial Securities," and the Option Notes and the Subsidiary Guarantees attached thereto are herein collectively referred to as the "Option Securities." The Initial Securities and the Option Securities are herein collectively referred to as the "Securities." Common Shares issuable upon conversion of the Securities are referred to as "Conversion Shares."

The Company and each Subsidiary Guarantor understands that the Initial Purchasers propose to make an offering of the Securities on the terms and in the manner set forth herein and agrees that the Initial Purchasers may resell, subject to the conditions set forth herein, all or a portion of the Securities to purchasers ("Subsequent Purchasers") at any time after this Agreement has been executed and delivered. The Securities are to be offered and sold through the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the "1933 Act"), in reliance upon exemptions therefrom. Pursuant to the terms of the Securities and the Indenture, investors that acquire Securities may only resell or otherwise transfer such Securities if such Securities are hereafter registered under the 1933 Act or if an exemption from the registration requirements of the 1933 Act is available (including the exemption afforded by Rule 144A ("Rule 144A") or Regulation S ("Regulation S") of the rules and regulations promulgated under the 1933 Act (the "1933 Act Regulations") by the Securities and Exchange Commission (the "Commission")).

The Company and the Subsidiary Guarantors (a) have prepared and delivered to each Initial Purchaser copies of a preliminary offering memorandum, including any documents incorporated therein by reference, dated December 1, 2009 (the "Preliminary Offering Memorandum") and (b) have prepared and will deliver to each Initial Purchaser, as promptly as possible prior to the Closing Time, copies of a final offering memorandum, including any documents incorporated therein by reference, dated December 10, 2009 (the "Final Offering Memorandum"), each for use by such Initial Purchaser in connection with its solicitation of purchases of, or offering of, the Securities. "Offering Memorandum" means, with respect to any date or time referred to in this Agreement, the most recent offering memorandum (whether the Preliminary Offering Memorandum or the Final Offering Memorandum, as amended and supplemented at such time), including exhibits thereto, if any, and any documents incorporated therein by reference, which has been prepared and delivered by the Company to the Initial Purchasers in connection with their solicitation of purchases of, or offering of, the Securities.

Section 1. Representations and Warranties by the Company and the Subsidiary Guarantors.

(a) *Representations and Warranties by the Company.* The Company represents and warrants to each Initial Purchaser as of the date hereof and as of the Closing Time referred to in Section 2(c) hereof, and as of each Date of Delivery (if any) as defined and referred to in Section 2(b) hereof, and agrees with each Initial Purchaser, as follows:

(i) Disclosure Package and Final Offering Memorandum. As of the Applicable Time (as defined below), neither (x) the Preliminary Offering Memorandum as of the Applicable Time as supplemented by the final pricing term sheet, in the form attached hereto as Schedule C (the "Pricing Supplement") and as otherwise supplemented or amended at such time, all considered together (collectively, the "Disclosure Package"), nor (y) any individual Supplemental Offering Materials (as defined below), when considered together with the Disclosure Package, included any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. "Applicable Time" means 5:30 P.M. (New York time) on December 10, 2009 or such other time as agreed by the Company and Credit Suisse.

“Supplemental Offering Materials” means any “written communication” (within the meaning of the 1933 Act and the 1933 Act Regulations) prepared by or on behalf of the Company, or used or referred to by the Company, that constitutes an offer to sell or a solicitation of an offer to buy the Securities other than the Preliminary Offering Memorandum or the Final Offering Memorandum or amendments or supplements thereto (including the Pricing Supplement), including, without limitation, any road show relating to the Securities that constitutes such a written communication.

As of its issue date and as of the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), the Final Offering Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The representations and warranties in this subsection shall not apply to statements in or omissions from the Disclosure Package or the Final Offering Memorandum made in reliance upon and in conformity with written information furnished to the Company by any Initial Purchaser through Credit Suisse expressly for use therein, it being understood and agreed that the only such information is that described as such in Section 7(a) hereof.

(ii) Independent Accountants. Each of the accountants who certified the financial statements and supporting schedules included in the Disclosure Package and the Final Offering Memorandum are independent public accountants within the meaning of the 1933 Act and as required under Canadian securities laws and there have not been any disagreements within the meaning of National Instrument 51-102 – Continuous Disclosure Obligations since January 1, 2004 with any present or former auditors of the Company.

(iii) Financial Statements. The financial statements, together with the related schedules and notes, included or incorporated by reference in the Disclosure Package and the Final Offering Memorandum, present fairly the financial position of the Company and its consolidated Subsidiaries (as defined below) at the dates indicated and the statement of operations, shareholders’ equity, earnings and cash flows of the Company and its consolidated Subsidiaries for the periods specified; said financial statements have been prepared in conformity with Canadian generally accepted accounting principles (“GAAP”) applied on a consistent basis throughout the periods involved. The selected financial data and the summary financial information included in the Disclosure Package and the Final Offering Memorandum present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Disclosure Package and the Final Offering Memorandum. The other financial and operational information included in the Disclosure Package and the Final Offering Memorandum present fairly information included therein.

All disclosure contained in the Disclosure Package and the Final Offering Memorandum regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of the Commission) complies with Regulation G under the Securities Exchange Act of 1934, as amended (the “1934 Act”).

The disclosure contained in the section headed “Summary of Certain Differences Between Canadian GAAP and U.S. GAAP” in the Disclosure Package and the Final Offering Memorandum which summarizes certain significant differences between Canadian GAAP and U.S. GAAP is a correct and accurate summary of such significant differences and reflects the material differences between Canadian GAAP and U.S. GAAP, as they would apply to the Company.

(iv) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Disclosure Package and the Final Offering Memorandum, except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, operations, assets, properties, prospects, liabilities (contingent or otherwise), obligations (absolute, accrued or otherwise), capital or business affairs of the Company and its Subsidiaries considered as one enterprise (the "Condition of the Company"), whether or not arising in the ordinary course of business (such change, a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its Subsidiaries which are material with respect to the Company and its Subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock. Neither the Company nor any of its Subsidiaries has sustained since the date of the latest financial statements included in the Disclosure Package and the Final Offering Memorandum any material loss or interference with its business from fire, earthquake, flood, explosion or other calamity, whether or not covered by insurance, otherwise than as set forth in the Disclosure Package and the Final Offering Memorandum.

(v) Incorporation and Good Standing of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of Canada, with corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as described in the in the Disclosure Package and the Final Offering Memorandum; and the Company is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or to be in good standing, considering all such cases in the aggregate, would not cause a Material Adverse Effect.

(vi) List of Subsidiaries. All of the Subsidiaries of the Company, except those specifically excluded below, are listed in Schedule D-2 attached hereto; all of the Company's Subsidiaries other than those listed on Schedule D-3 are Subsidiary Guarantors, there is no other company or undertaking in which any of the Company or its Subsidiaries directly or indirectly owns or controls or proposes to own or control a majority interest (whether by way of shareholding, trust arrangement or otherwise).

For purposes of this Agreement, "Subsidiary" means: (a) any corporation of which securities, having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues), are at the time directly; indirectly or beneficially owned or controlled by the Company or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries; (b) any partnership of which the Company, or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries: (x) directly, indirectly or beneficially owns or controls more than 50% of the income, capital, beneficial or ownership interest (however designated) thereof; and (y) is a general partner, in the case of a limited partnership, or is a partner that has the authority to bind the partnership in all other cases; or (c) any other person of which at least a majority of the income, capital, beneficial or ownership interest (however designated) is at the time directly, indirectly or beneficially owned or controlled by the Company, or one or more of its Subsidiaries or the Company and one or more of its Subsidiaries; provided that the term Subsidiary shall in any event include the WFOEs (as defined below) and each of the additional entities identified in Schedule D-2 but excludes Sino-Panel Corporation (Canada), Sinowood Holdings Limited, Sinowood Finance Limited, Khan Forestry Inc. and Max Gain Development Limited, which have

no or minimal assets or liabilities, are not engaged in any operation and are currently considered inactive.

(vii) Incorporation and Good Standing of Subsidiaries. Each Subsidiary has been duly incorporated, amalgamated, formed or continued, as the case may be, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, amalgamation, formation or continuance, has the corporate power and authority to own its property and to conduct its business as described in the Disclosure Package and the Final Offering Memorandum and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect; except as disclosed in clause (xlix) below, all of the issued shares of capital stock of each Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and the shares of capital stock of each such Subsidiary owned by the Company or another Subsidiary are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims other than as set forth in the Disclosure Package and the Final Offering Memorandum.

(viii) Corporate Authority. The Company has the corporate right, power and authority to execute and deliver this Agreement, the Securities and the Indenture (collectively, the "Transaction Documents") and to perform its obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization, execution and delivery of each of the Transaction Documents and the consummation of the transactions contemplated thereby has been duly and validly taken.

(ix) Capitalization. The total shareholders' equity of the Company is as set forth in the Disclosure Package and the Final Offering Memorandum in the column entitled "Actual" under the caption "Consolidated Capitalization" as of the respective dates set forth therein, and the authorized, issued and outstanding number of Common Shares as of September 30, 2009 is as set forth in the section entitled "Description of the Shares" in the Disclosure Package and the Final Offering Memorandum, and there have been no changes to such amounts. The Common Shares conform in all material respects to the description thereof set forth in the Disclosure Package and the Final Offering Memorandum. All of the outstanding Common Shares have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with applicable securities laws. Upon issuance and delivery of the Notes in accordance with this Agreement and the Indenture, the Notes will be convertible at the option of the holder thereof into Common Shares in accordance with the terms of the Notes and the Indenture; the Common Shares issuable upon conversion of the Notes have been duly authorized and reserved for issuance upon such conversion by all necessary corporate action and such shares, when issued upon such conversion in accordance with the terms of the Notes, will be validly issued, fully paid and non-assessable and will be free and clear of any security interests, claims, liens, equity or encumbrances; no holder of such shares will be subject to personal liability solely by reason of being such a holder; and the issuance of such shares upon such conversion will not be subject to the preemptive or other similar rights of any securityholder of the Company, and except as disclosed in the Disclosure Package and the Final Offering Memorandum, there are no limitations on the rights of the holders of the Common Shares issuable upon conversion of the Notes to hold, vote or transfer their shares. None of the outstanding Common Shares were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of

its Subsidiaries other than those accurately described in the Disclosure Package and the Final Offering Memorandum. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Disclosure Package and the Final Offering Memorandum accurately and fairly describes such plans, arrangements, options and rights.

(x) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(xi) Authorization of the Indenture. The Indenture has been duly authorized by the Company and, when executed and delivered by the Company and the Trustee, will constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(xii) Authorization of Notes. The Notes have been duly authorized and, at the Closing Time, will have been duly executed by the Company and, when authenticated, issued and delivered in the manner provided for in the Indenture and delivered against payment of the purchase price therefor as provided in this Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers) reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and will be in the form contemplated by, and entitled to the benefits of, the Indenture.

(xiii) Descriptions in Transaction Documents. The description of the Notes, the Subsidiary Guarantees, the Indenture and the rights, preferences and privileges of the capital stock of the Company, including the Common Shares issuable upon conversion of the Notes, contained in the Disclosure Package and the Final Offering Memorandum, are accurate in all material respects.

(xiv) Absence of Violations, Defaults and Conflicts. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, neither the Company nor any of its Subsidiaries is, or with the giving of notice or lapse of time or both would be, (A) in violation of any provision of laws, statutes, rule or regulation or its charter, articles of continuance, by-laws, business license, business permit or other constitutional documents, or any judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their assets, properties or operations or (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or any of its Subsidiaries is subject (collectively, "Agreements and Instruments") except, in each case, for such violations or defaults that would not result in a Material Adverse Effect; and the execution, delivery and performance of the Transaction Documents and any other agreement or instrument entered into or issued or to be entered into or

issued by the Company in connection with the transactions contemplated hereby or thereby or in the Disclosure Package and the Final Offering Memorandum and the consummation of the transactions contemplated herein and in the Disclosure Package and the Final Offering Memorandum (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities as described in the Disclosure Package and the Final Offering Memorandum under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder or thereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its Subsidiaries pursuant to, the Agreements and Instruments, nor will such action result in any violation of the provisions of the charter, articles of continuance, by-laws, business license, business permit or other constitutional documents of the Company or any of its Subsidiaries or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their assets, properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its Subsidiaries.

(xv) Absence of Labor Dispute. No labor dispute with the employees of the Company or any of its Subsidiaries exists or, to the best knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labour disturbance by the employees of any of its or any of its Subsidiaries' principal suppliers, manufacturers, customers or contractors, which, in either case, would result in any Material Adverse Effect.

(xvi) Absence of Proceedings. There is no action, suit or proceeding before or by the Commission or any other federal, state, local or foreign governmental or regulatory authorities or any court, including without limitation, the Ontario Securities Commission (each an "Other Agency" and collectively, the "Other Agencies"), which has been served upon the Company or any of its Subsidiaries that is now pending or, to the best knowledge of the Company, threatened, against or affecting the Company or any of its Subsidiaries which might result in a Material Adverse Effect, or which might materially and adversely affect the consummation of the transactions contemplated by this Agreement or the performance by the Company or any Subsidiary Guarantor of its obligations hereunder. The aggregate of all pending legal or governmental proceedings to which the Company or any of its Subsidiaries is a party or of which any of their respective property or assets is the subject which are not described in the Disclosure Package and the Final Offering Memorandum, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xvii) Absence of Manipulation. Neither the Company nor to its knowledge any affiliate, as such term is defined in Rule 501(b) under the 1933 Act ("Affiliate"), of the Company has taken, nor will the Company or any Affiliate of the Company take, directly or indirectly, any action which is designed to or which has constituted or which would be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(xviii) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its

obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by the Transaction Documents or for the due execution, delivery or performance of the Transaction Documents by the Company, except such as have been already obtained, except for the approval of the Toronto Stock Exchange (the "TSX") and, if Securities are sold by any Initial Purchaser to residents of Canada, the delivery of the Final Offering Memorandum and the filing of a Form 45-106F1 with the applicable Canadian securities regulatory authorities.

(xix) Possession of Intellectual Property. The Company and its Subsidiaries own or possess or can acquire on reasonable terms sufficient trademarks, trade names, patent rights, copyrights, licenses, approvals, trade secrets and other similar rights (collectively, the "Intellectual Property Rights") reasonably necessary to conduct their businesses as now conducted; neither the Company nor any of its Subsidiaries has received any notice of or is otherwise aware of infringement or conflict with asserted Intellectual Property Rights of others.

(xx) Possession of Licenses and Permits. Each of the Company and its Subsidiaries has obtained all consents, authorizations, approvals, orders, certificates and permits of and from, and has made all declarations and filings with, all relevant national, local or other governmental authorities and all relevant courts and other tribunals ("Governmental Authorizations") which are required for the Company or any of its Subsidiaries to own, lease, license and use its properties and assets and to conduct its business in the manner described in, and contemplated by, the Disclosure Package and the Final Offering Memorandum, except for Government Authorizations the failure of which to obtain would not, singly or in the aggregate, result in a Material Adverse Effect; all such Governmental Authorizations are in full force and effect; none of the Company and its Subsidiaries is in violation of, or default under, such Governmental Authorizations.

(xxi) Title to Property. Each of the Company and its Subsidiaries has good and marketable title to all real property and all personal property owned by it, in each case free and clear of all liens, encumbrances and defects, except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by it and except for the mortgages, liens, pledges or other security interests relating to the bank borrowings and other indebtedness by the Company disclosed in the Disclosure Package and the Final Offering Memorandum; and any real property and buildings held under lease by the Company and its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries, in each case except as described in or contemplated in the Disclosure Package and the Final Offering Memorandum.

With respect to any of the tree plantations owned, leased or otherwise operated by the Subsidiaries of the Company, each such Subsidiary has obtained or is in the process of applying for the plantation rights certificates, its equivalents or other relevant approvals for its legal titles to the plantation land use or other relevant plantation rights, as applicable, that are required or otherwise necessary under the People's Republic of China (the "PRC") laws and regulations in order for such Subsidiary to own, lease or operate such plantation and conduct its wood fiber businesses in the manner described in, and contemplated by, the Disclosure Package and the Final Offering Memorandum except for any rights the failure of which to obtain would not result in a Material Adverse Effect; with respect to any of the plants, buildings or other structures owned by any of the Company's Subsidiaries, such Subsidiary has valid land use right certificates, building ownership certificates or other relevant title documents, and the construction, development, occupation and use of such plant, building or structure complies in all material respects with all

the applicable laws and regulations except such as would not, singly or in the aggregate, result in a Material Adverse Effect.

(xxii) PRC Plantation Business. The relevant PRC Subsidiaries (as defined herein) have duly obtained or are in the process of applying for the relevant plantation rights certificates, its equivalents or other relevant approvals for their legal titles to the plantation land use rights and the planted tree plantations. The relevant PRC Subsidiaries have planted approximately 69,000 hectares of planted tree plantation as of September 30, 2009.

Each of the Company and its Subsidiaries has the right to conduct business in the PRC in the manner as presently conducted and as described in the Disclosure Package and the Final Offering Memorandum, and has obtained or are in the process of applying for the relevant plantation rights certificates, its equivalents or other relevant approvals for their legal titles to the right to own the purchased tree plantations (as set forth in the Disclosure Package and the Final Offering Memorandum) and has or will have the right to log, transport, and sell the purchased tree plantations in accordance with the PRC laws and regulations.

(xxiii) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with any and all applicable foreign, federal, provincial, state, territorial, and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants, dangerous goods or contaminants (“Environmental Laws”), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a Material Adverse Effect.

(xxiv) Hazardous Substances. There is not at present on, at or under any of the real properties of the Company or any of its Subsidiaries any hazardous substances, toxic substances, wastes, pollutants, dangerous goods or contaminants (“Hazardous Substance”) and there has not been the discharge, deposit, leak, emission, spill or other release of any Hazardous Substance on, at, under or from any real property of the Company or any of its Subsidiaries (including relating to the collection, removal and disposal of wastes), which has resulted in or may result in any material cost, damage or other liability, including the diminution in value of any property, or may have a Material Adverse Effect.

(xxv) Environmental Liabilities. There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a Material Adverse Effect.

(xxvi) Disclosure of Legal Matters. The statements set forth in the Disclosure Package and the Final Offering Memorandum (A) under the sections headed “Description of the Shares” and “Description of the Notes”, insofar as they purport to constitute a summary of the terms of the Notes, the Subsidiary Guarantees and the Common Shares, as the case may be, are accurate and fair in all material respects; and (B) under the captions “Risk Factors”, “Certain Financial Information”, “Business”, “PRC Forestry Industry Overview”, “Government Regulation”, “Description of Other Indebtedness”, “Related Party Transactions”, “Taxation”, and “Plan of

Distribution”, insofar as they purport to describe the provisions of the laws and documents referred to therein, constitute a fair and accurate summary of such laws and documents.

(xxvii) Material Contracts. Each of (i) the documents listed under “Material Contracts” in the Company’s annual information form dated March 31, 2009, (ii) the master agreements or other contracts entered into by the Subsidiaries of the Company relating to the purchase of the rights to the trees on particular plantation land with or without a preemptive right to lease such plantation land, (iii) the long-term lease agreements entered into by any of the Company’s Subsidiaries for tree plantations as disclosed in the Disclosure Package and the Final Offering Memorandum, (iv) the share purchase or other investment agreements entered into by the Company and any of its Subsidiaries, and (v) any other contracts or arrangements between any of either the Company or the Company’s Subsidiaries and an authorized intermediary regarding the sales of standing timber, has been duly authorized, executed and delivered by the Company or the relevant Subsidiaries of the Company, as the case may be, constitutes a valid and binding agreement of each of the parties thereto, is in full force and effect and is enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting creditors’ rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction. The Company has no knowledge of the invalidity of or grounds for rescission, avoidance or repudiation of any such material contract and none of the Company or its Subsidiaries has received notice of any intention to terminate any such contract or agreement or repudiate or disclaim any such transaction. All descriptions of material contracts or documents in the Disclosure Package and the Final Offering Memorandum, to the extent such descriptions purport to describe or summarize such contracts or documents, are true and accurate in all material respects, fairly summarize the contents of such contracts or documents and do not omit any material information which affects the import of such descriptions. To the best knowledge of the Company, there are no contracts or documents that would be required to be described in the Disclosure Package and Final Offering Memorandum under the United States Securities laws if such laws and rules were applicable with respect to the Disclosure Package and Final Offering Memorandum, or that would be required to be described under any applicable laws that have not been so described.

(xxviii) Accounting Controls. The Company and each of its Subsidiaries maintains a system of internal controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management’s general or specific authorization; (ii) transactions are recorded as necessary to permit the financial statements to be fairly presented in accordance with the GAAP and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management’s general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to differences; (v) the Company and each of its Subsidiaries have made and kept books, records and accounts, which in reasonable details, accurately and fairly reflect in all material respects the transactions and dispositions of assets of such entity; (vi) material information relating to the Company and its Subsidiaries is made known to those within the Company responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required by applicable law, including Canadian securities laws. The Company has established procedures which provide a reasonable basis for its board of directors to make proper judgment as to the financial position and prospects of the Company and its Subsidiaries, taken as one enterprise. Since the end of the Company’s most recent audited fiscal year, there has been (1) no material weakness in the Company’s internal control over financial reporting (whether or not remediated), except as set forth in the Disclosure Package and

the Final Offering Memorandum, and (2) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and (vii) all significant deficiencies and material weaknesses in the design or operation of such internal controls that could adversely affect the Company's ability to disclose to the public information required to be disclosed by it in accordance with applicable law, including Canadian securities laws, and all fraud, whether or not material, that involves management or employees that have a significant role in the Company's internal controls have been disclosed to the audit committee of the Company's board of directors. The Company has not publicly disclosed or reported to the audit committee or the board, and within the next 90 days the Company does not reasonably expect to publicly disclose or report to the audit committee or the board, a significant deficiency, material weakness, change in internal controls or fraud involving management or other employees who have a significant role in internal controls (each, an "Internal Control Event"), any violation of, or failure to comply with, relevant the securities laws, or any matter which, if determined adversely, would have a Material Adverse Effect.

Except as set forth in the Disclosure Package and the Final Offering Memorandum, the audit committee is not reviewing or investigating, and the Company's independent auditors have not recommended that the audit committee review or investigate, (i) adding to, deleting, changing the application of, or changing the Company's disclosure with respect to, any of the Company's material accounting policies; (ii) any matter which could result in a restatement of the Company's financial statements for any annual or interim period during the current or prior three fiscal years; or (iii) any Internal Control Event.

(xxix) Accounting Policies, Liquidity and Capital Resources. The section entitled "Certain Financial Information —Critical Accounting Estimates" in the Disclosure Package and the Final Offering Memorandum accurately and fairly describes in all material respects (i) accounting policies which the Company believes are the most important in the portrayal of the financial condition and results of operations for the Company and its consolidated Subsidiaries and which require management's most difficult, subjective or complex judgments ("critical accounting policies"); and (ii) judgments and uncertainties affecting the application of critical accounting policies. The section entitled "Certain Financial Information —Liquidity and Capital Resources" in the Disclosure Package and the Final Offering Memorandum accurately and fairly describes in all material respects (x) all material trends, demands, commitments, events, uncertainties and risks, and the potential effects thereof, that the Company believes would materially affect its liquidity and are reasonably likely to occur; and (y) all off-balance sheet arrangements, if any, that have or are reasonably likely to have a current or future effect on the financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources of the Company and the Subsidiaries taken as a whole. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, there are no outstanding guarantees or other contingent obligations of the Company or any Subsidiary that could reasonably be expected to have a Material Adverse Effect.

(xxx) Insurance. The Company and its Subsidiaries carry or are entitled to the benefits of insurance, with to the best of the knowledge of the Company, financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect. The Company has no reason to believe that it or any of its Subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect.

(xxxix) Statistical and Market-Related Data. Any statistical and market-related data included in the Disclosure Package and the Final Offering Memorandum are based on or derived from sources that the Company believes to be reliable and accurate, and, to the extent required or otherwise necessary, the Company has obtained the written consent or other consent in requisite form to the use of such data from such sources.

(xxxix) Investment Company Act. The Company is not required, and after giving effect to the issuance and sale of the offered Securities and the application of the net proceeds therefrom as described in the Disclosure Package and the Final Offering Memorandum under "Use of Proceeds," will not be required, to register as an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act").

(xxxix) Similar Offerings. Neither the Company nor any of its Affiliates has, directly or indirectly, solicited any offer to buy, sold or offered to sell or otherwise negotiated in respect of, or will solicit any offer to buy, sell or offer to sell or otherwise negotiate in respect of, in the United States or to any United States citizen or resident, any security which is or would be integrated with the sale of the Securities in a manner that would require the offered Securities or the Conversion Shares to be registered under the 1933 Act.

(xxxix) Rule 144A Eligibility. The Securities and the Conversion Shares are eligible for resale pursuant to Rule 144A and will not be, at the Closing Time, of the same class as securities listed on a national securities exchange registered under Section 6 of the 1934 Act, or quoted in a U.S. automated interdealer quotation system.

(xxxix) No General Solicitation. None of the Company, its Affiliates or any person acting on its or any of their behalf (other than the Initial Purchasers, as to whom the Company makes no representation) has engaged or will engage, in connection with the offering of the offered Securities or the Conversion Shares, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the 1933 Act.

(xxxix) No Registration Required. Subject to compliance by the Initial Purchasers with the representations and warranties of the Initial Purchasers and the procedures set forth in Section 6 hereof, it is not necessary in connection with the offer, sale and delivery of the offered Securities to the Initial Purchasers and to each Subsequent Purchaser in the manner contemplated by this Agreement and the Offering Memorandum to register the Securities or the Conversion Shares under the 1933 Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "1939 Act").

(xxxix) No Directed Selling Efforts. With respect to those offered Securities and the Conversion Shares sold in reliance on Regulation S, (A) none of the Company, its Affiliates or any person acting on its or their behalf (other than the Initial Purchasers, as to whom the Company makes no representation) has engaged or will engage in any directed selling efforts within the meaning of Regulation S and (B) each of the Company and its Affiliates and any person acting on its or their behalf (other than the Initial Purchasers, as to whom the Company makes no representation) has complied and will comply with any applicable offering restrictions requirement of Regulation S.

(xxxix) Foreign Issuer. The Company is a "foreign issuer" within the meaning of Rule 902 under the 1933 Act and reasonably believes there is no "substantial U.S. market interest" in the Company's "debt securities" as such terms are defined in Rule 902 under the 1933 Act or in the Common Shares or any securities of the same class as the Common Shares.

(xxxix) PFIC Status. The Company, after giving effect to the offering and sale of the Notes and the application of the proceeds in the manner described in the Disclosure Package, does not believe that it will be a “passive foreign investment company (“PFIC”) within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, for its current taxable year and the Company does not expect that it will become a PFIC in the foreseeable future.

(xl) No Finders. Other than pursuant to this Agreement, there are no contracts, agreements or understandings between the Company or any of its Subsidiaries and any person that would give rise to a valid claim against the Company, any of its Subsidiaries or the Initial Purchasers for a brokerage commission, finder’s fee or other like payment in connection with the issuance and sale of the Securities.

(xli) No Stop Order. No stop order, restraining order or denial of an application for approval has been issued and no investigation, proceeding or litigation has been commenced or, to the best knowledge of the Company, contemplated before the Commission or any Other Agency with respect to the offer, issuance, sale, delivery or resale of the Securities, the consummation of the other transactions contemplated by this Agreement, the Transaction Documents or the Disclosure Package and the Final Offering Memorandum.

(xlii) Anti-Corruption Practices. The Company and its Subsidiaries have not, and to the best of the knowledge of the Company, no director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its Subsidiaries has, taken any action, directly or indirectly, that would result in a violation by such persons of the anti-corruption legislation of Canada, the PRC, Hong Kong or any other jurisdiction, or the rules and regulations thereunder, and all related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency thereof, including, without limitation, (i) making an offer, payment or promise to pay or (ii) authorizing the payment of any money, other property, gift, promise to give, or the giving of anything of value to any official, employee or agent of any governmental agency, authority or instrumentality in Canada, the PRC, Hong Kong or any other jurisdiction where either the payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, the PRC, Hong Kong or any other relevant jurisdiction or to any political party or official thereof or any candidate for political office, where either the payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, the PRC, Hong Kong or any other relevant jurisdiction, except such as would not, individually or in the aggregate, have any Material Adverse Effect.

(xliii) Anti-Money Laundering. Each of the Company, its Subsidiaries, its affiliates and, to the best knowledge of the Company, any of their respective officers, directors, supervisors, managers, agents, or employees has not violated, its participation in the offering will not violate, and it has instituted and maintains policies and procedures designed to ensure continued compliance each of the following laws: (a) anti-money laundering laws, including but not limited to, applicable federal, state, international, foreign or other laws, regulations or government guidance regarding anti-money laundering, including, without limitation, Title 18 U.S. Code section 1956 and 1957, the Patriot Act, the Bank Secrecy Act, and international anti-money laundering principals or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur, all as amended, and any Executive order, directive, or regulation pursuant to the authority of any of the foregoing, or any orders or licenses issued thereunder or (b) laws and

regulations imposing U.S. economic sanctions measures, including, but not limited to, the International Emergency Economic Powers Act, the Trading with the Enemy Act, the United Nations Participation Act, and the Syria Accountability and Lebanese Sovereignty Act, all as amended, and any Executive Order, directive, or regulation pursuant to the authority of any of the foregoing, including the regulations of the United States Treasury Department set forth under 31 CFR, Subtitle B, Chapter V, as amended, or any orders or licenses issued thereunder.

(xiv) OFAC. Neither the Company or any of its Subsidiaries nor, to the best of the knowledge of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company or any of its Subsidiaries is currently subject to any sanctions administered by (a) the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC") (including but not limited to the designation as a "specially designated national or blocked person" thereunder) in the U.S., (b) Her Majesty's Treasury in the United Kingdom or (c) any other relevant authority in the European Union; and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any sanctions administered by (a) OFAC (including but not limited to the designation as a "specially designated national or blocked person" thereunder) in the U.S., (b) Her Majesty's Treasury in the United Kingdom or (c) any other relevant authority in the European Union.

(xiv) Related Party Transactions. The statements set forth in the Disclosure Package and the Final Offering Memorandum under the captions "Related Party Transactions" and "Certain Financial Information — Related Party Transactions" are true and accurate in all material respects and there are no other facts known or which could on reasonable enquiry have been known to the Company, the omission of which would make any such statements misleading in any material respect. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, no material indebtedness (actual or contingent) and no material contract or arrangement is outstanding between the Company or any of its Subsidiaries and any director or executive officer of the Company or any of its Subsidiaries or any person connected with such director or executive officer (including his/her spouse or children, or any company or undertaking in which he/she holds a controlling interest). There are no material relationships or transactions between the Company or any of its Subsidiaries on the one hand and its affiliates, officers and directors or their shareholders, customers or suppliers on the other hand which are not disclosed in the Disclosure Package and the Final Offering Memorandum.

(xlv) Reporting Issuer Status and Listing of Shares. The Company is a reporting issuer within the meaning of applicable Canadian securities laws in each of the provinces of Canada, and is not in default of any requirement of such securities laws, and has not been noted in default of any requirement of such securities laws by any applicable Canadian securities regulatory authority, except in each case for such defaults as would have a Material Adverse Effect. The outstanding Common Shares are listed on the TSX and the Company is in compliance with all requirements of the TSX. The Company has taken no action designed to, or likely to have the effect of, (a) delisting the Common Shares from the TSX nor is the TSX contemplating terminating such listing, or (b) ceasing to be a reporting issuer in any province, nor has the Company received any notification from any applicable Canadian securities regulatory authority seeking to revoke the reporting issuer status of the Company.

(xlvii) Solvency. The Company and each Subsidiary Guarantor is, and immediately after the Closing Time and immediately upon consummation of the transactions contemplated herein and in the Offering Memorandum will be, Solvent. As used herein, the term "Solvent"

means, with respect to an entity, on a particular date, that on such date (a) the book value of the assets of such entity is greater than or equal to the total amount of liabilities (including contingent liabilities) of such entity, (b) the value of the assets of the entity is greater than the amount that will be required to pay the probable liabilities of such entity on its debt as they become absolute and mature, (c) the entity is able to realize upon its assets and pay its debts and other liabilities (including contingent obligations) as they mature, and (d) the entity does not have unreasonably small capital. Except such as would not result in a Material Adverse Effect, no winding up or liquidation proceedings have been commenced against the Company or any of its Subsidiaries and no proceedings have been started or, to the best of the knowledge of the Company, threatened for the purpose of, and no judgment has been rendered, declaring the Company or any of its Subsidiaries bankrupt or in any insolvency proceeding, or for any arrangement or composition for the benefit of creditors, or for the appointment of a receiver, trustee, administrator or similar officer of any of the Company and its Subsidiaries, or any of their respective properties, revenues or assets.

(xlviii) Establishment of PRC Subsidiaries. Each of the Company's Subsidiaries in the PRC has been duly established as a wholly foreign owned enterprises (each, a "WFOE" and, collectively the "WFOEs") or a PRC limited company invested by a WFOE (together with the WFOEs, the "PRC Subsidiaries") in compliance with applicable PRC laws and regulations.

(xlix) Registered Capital of PRC Subsidiaries. Except for Sino-Panel (Fujian) Co, Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd. and Shaoyang Jiading Wood Products Co., Ltd. whose registered capital shall be subscribed in instalments in accordance with their respective government approvals, the registered capital of each of the PRC Subsidiaries has been subscribed in full and all government approvals relating to the subscription thereof have been issued and are in full force and effect; the Company will pay or cause to be paid in full the unpaid registered capital of Sino-Panel (Fujian) Co, Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd. and Shaoyang Jiading Wood Products Co., Ltd. in due course in accordance with PRC laws and regulations.

(l) Ownership Structure of PRC Subsidiaries. The ownership structure of the PRC Subsidiaries as described in the Disclosure Package and the Final Offering Memorandum is in compliance with any applicable laws and regulations in the PRC.

(li) Articles of Association of PRC Subsidiaries. The articles of association of each of the WFOEs comply with the requirements of applicable laws of the PRC, and are in full force and effect.

(lii) Dividends by PRC Subsidiaries. Subject to compliance with the requisite procedures under the PRC laws and regulations, each PRC Subsidiary has full power and authority to effect dividend payments and remittances thereof outside the PRC in foreign currency free of deduction or withholding on account of income taxes and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC.

(liii) Shareholder Loans to PRC Subsidiaries. Except for Sino-Panel (Fujian) Co, Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd. and Shaoyang Jiading Wood Products Co., Ltd., each of the WFOEs has full power and authority to borrow shareholder loans

from its foreign shareholder as contemplated and described in the Disclosure Package and the Final Offering Memorandum. Except for those disclosed in the Offering Memorandum, no other licenses, consents, approvals, authorizations, permits, certificates or orders of or from, or filings, declarations or qualifications with or to, any governmental body, court, agency or official in the PRC are required for any WFOE to borrow shareholder loans. Each of the WFOEs will be able to repay such shareholder loans in, and remit to outside the PRC, United States dollars, except for the withholding tax required under the PRC Enterprise Income Tax Law, enacted on March 16, 2007 and effective on January 1, 2008 and its Implementation Rules issued on December 6, 2007 and effective on January 1, 2008, of the PRC and other exceptions, in each case, as disclosed in the Disclosure Package and the Final Offering Memorandum, free of deduction or withholding on account of income taxes and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC.

(liv) Foreign Exchange Registration. Each of the WFOEs has obtained all necessary foreign exchange registration certificates from the relevant local branches of the State Administration of Foreign Exchange and has passed foreign exchange annual inspections, except for those the absence of which would not result in a Material Adverse Effect. No other governmental registration, authorization or filing with any governmental authority is required in the PRC in respect of the ownership by the Company of its direct or indirect equity interest in any PRC Subsidiary, except for those that have already been obtained or those the absence of which would not result in a Material Adverse Effect.

(lv) Prohibition on Dividends. No wholly-owned Subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's properties or assets to the Company or any other wholly-owned Subsidiary upon the requisite approval procedures for such transferring, except for Sino-Panel (Fujian) Co, Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd. and Shaoyang Jiading Wood Products Co., Ltd., whose registered capital has been partially paid up or has not been paid up, the dividend payments and remittances for which shall be made in proportion to the paid-up contribution of its registered capital, and except as otherwise described in the Disclosure Package and the Final Offering Memorandum.

(lvi) Absence of Off-Balance Sheet Transactions. Except as disclosed in the financial statements referred to in the above Section 1(a)(iii) and in the Disclosure Package and the Final Offering Memorandum, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company or any of its Subsidiaries with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, change in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Company or any of its Subsidiaries.

(lvii) Absence of Contingent Liabilities. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, none of the Company or any of its Subsidiaries has any contingent liabilities, in excess of the liabilities that are either reflected or reserved against in the financial statements referred to in the above Section 1(a)(iii), which would result in a Material Adverse Effect.

(lviii) Immunity. None of the Company, the Company's Subsidiaries or any of the Company's or its Subsidiaries' properties, assets or revenues are entitled to any right of immunity in any jurisdiction on the grounds of sovereignty from any legal action, suit or proceedings, from set-off or counterclaim, from the jurisdiction of any court, from services of process, from attachment prior to or in aid of execution of judgment, or from other legal process or proceedings for the giving of any relief or for the enforcement of any judgment.

(lix) Tax Returns. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, the Company and each of its Subsidiaries has, on a timely basis, filed all necessary tax returns and notices and has paid or made provision for all applicable taxes of whatever nature for all tax years to the date hereof to the extent such taxes have become due or have been alleged to be due; except as disclosed in the Disclosure Package and the Final Offering Memorandum, the Company is not aware of any material tax deficiencies or material interest or penalties accrued or accruing or alleged to be accrued or accruing thereon with respect to itself or any of its Subsidiaries which have not otherwise been provided for by the Company.

(lx) No Tax or Duty. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, no tax or duty (including any stamp or other issuance or transfer tax or duty and any tax or duty on capital gains or income (excluding any tax on capital gains or income imposed by the United States, any State thereof, or the District of Columbia), whether chargeable on a withholding basis or otherwise) is payable by or on behalf of any Initial Purchaser under the laws of Canada, Hong Kong, the PRC, the British Virgin Islands or the United States, or of any political subdivision, department or agency thereof, in connection with (A) the issuance of the Securities, (B) the sale and delivery by the Company of the Securities to such Initial Purchaser in the manner contemplated herein, (C) the resale and delivery of the Securities by such Initial Purchaser in the manner contemplated in the Disclosure Package and the Final Offering Memorandum or (D) the consummation of any other transaction contemplated in this Agreement or the Indenture; provided that (i) such Initial Purchaser is a non-resident of Canada who does not use or hold, and is not deemed to use or hold, the Securities or the Purchase Agreement in connection with the carrying on of a business in Canada in any taxation year; (ii) in the case that the Initial Purchaser carries on an insurance business in Canada and elsewhere, this Agreement and the Securities are not "designated insurance property" in respect of such Initial Purchaser; and (iii) such Initial Purchaser does not carry on a trade or business in Hong Kong and does not purchase or hold the Securities as part of such trade or business carried on in Hong Kong.

(lxi) No Withholding Tax. All interest, principal, premium, if any, and other payments due under or made on the Securities may under the current laws and regulations of Canada, Hong Kong, the British Virgin Islands and the PRC be paid to the holders of the Securities, and all interest, principal, premium or other payment due under or made on the Securities will not be subject to withholding or other similar taxes under the laws and regulations of Canada, Hong Kong, the British Virgin Islands or the PRC and are otherwise free and clear of any other tax, withholding or deduction in Canada, Hong Kong, the British Virgin Islands and the PRC without necessity of obtaining any consents, approvals, authorizations, orders, registrations, clearances or qualifications of or with any governmental agency or body having jurisdiction over the Company or any of its Subsidiaries or any of their respective properties in the Canada, Hong Kong, the British Virgin Islands or the PRC.

(lxii) Validity under the Laws of Canada. It is not necessary under the laws of Canada or any political subdivision thereof or authority or agency therein in order to enable a Subsequent Purchaser of Notes or an owner of any interest therein to enforce its rights under the Notes or to enable any Initial Purchaser to enforce its rights under any of this Agreement, the Indenture or the

Notes that it should, as a result solely of its holding of Notes be licensed, qualified, or otherwise entitled to carry on business in Canada or any political subdivision thereof or authority or agency therein; each of this Agreement, the Indenture and the Notes is in proper legal form under the laws of Canada and any political subdivision thereof or authority or agency therein for the enforcement thereof against the Company therein; and it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of any of this Agreement, the Indenture or the Notes in Canada or any political subdivision thereof or agency therein that any of them be filed or recorded with any court, authority or agency in any court, authority or agency of Canada or any political subdivision thereof.

(lxiii) Effect of Choice of Law Provision. Under the laws of the Province of Ontario, the courts of such province will recognize and give effect to the choice of law provisions set forth in Section 16 and Section 17 hereof and enforce judgments of any New York Court (as defined in Section 17) obtained against the Company or any Subsidiary Guarantor to enforce this Agreement, provided that (a) the parties' choice of New York Law is bona fide and legal and there is no reason for avoiding the choice of law on the grounds of public policy under the laws of the Province of Ontario; and (b) in any such proceeding, and notwithstanding the parties' choice of law, the Ontario Court: (i) will not take judicial notice of the provisions of New York Law but will only apply such provisions if they are pleaded and proven to its satisfaction by expert testimony; (ii) will apply the laws of the Province of Ontario and the federal laws of Canada applicable therein (collectively, "Ontario Law") that under Ontario Law would be characterized as procedural and will not apply any New York Law that under Ontario Law would be characterized as procedural; (iii) will apply provisions of Ontario Law that have overriding effect; (iv) will not apply any New York Law if such application would be characterized under Ontario Law as a direct or indirect enforcement of a foreign revenue, expropriatory, penal or other public law or if its application would be contrary to public policy under Ontario Law; and (v) will not enforce the performance of any obligation that is illegal under the laws of any jurisdiction in which the obligation is to be performed hereof); under the laws of the PRC, the choice of law provisions set forth in Section 16 hereof will be recognized by the courts of the PRC and any judgment obtained in any New York Court arising out of or in relation to the obligations of the Company under this Agreement will be recognized in PRC courts subject to the applicable provisions of the Civil Procedure Law of the PRC relating to the enforceability of foreign judgments.

(lxiv) Effect of Submission to Jurisdiction Provision. Each of the Company and the Subsidiary Guarantors has the power to submit, and pursuant to Section 17 of this Agreement and the terms of the Indenture, has legally, validly, effectively and irrevocably submitted, to the jurisdiction of any New York State or United States federal court sitting in the Borough of Manhattan, The City of New York, and has the power to designate, appoint and empower, and pursuant to Section 17 of this Agreement and the terms of the Indenture, has legally, validly and effectively designated, appointed and empowered an agent for service of process in any suit or proceeding based on or arising under this Agreement, the Indenture or the New Securities, as the case may be, in any New York Court.

(b) *Representations and Warranties by the Company and the Subsidiary Guarantors.* Each Subsidiary Guarantor and the Company jointly and severally represents and warrants to each Initial Purchaser as of the date hereof and as of the Closing Time referred to in Section 2(c) hereof, and as of each Date of Delivery (if any) referred to in Section 2(b) hereof, and agrees with each Initial Purchaser, with respect to such Subsidiary Guarantor and its Subsidiary Guarantee, as follows:

(i) Incorporation and Good Standing of Subsidiary Guarantor. The Subsidiary Guarantor has been duly incorporated, amalgamated, formed or continued, as the case may be, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, amalgamation, formation or continuance, has the corporate power and authority to own its property and to conduct its business as described in the Disclosure Package and the Final Offering Memorandum and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not cause a Material Adverse Effect.

(ii) Corporate Authority. The Subsidiary Guarantor has corporate right, power and authority to execute and deliver this Agreement, the Subsidiary Guarantee and the Indenture and to perform its obligations hereunder and thereunder; and all action required to be taken by the Subsidiary Guarantor for the due and proper authorization, execution and delivery of each of this Agreement, the Subsidiary Guarantee and the Indenture and the consummation of the transactions contemplated hereby and thereby has been duly and validly taken.

(iii) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by the Subsidiary Guarantor.

(iv) Absence of Violations, Defaults and Conflicts. The Subsidiary Guarantor is not, or with the giving of notice or lapse of the time or both would not be, (A) in violation of any provision of law, statute, rule or regulation or its charter, articles of incorporation, by-laws, business license, business permit or other constitutional documents or any judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Subsidiary Guarantor or any of its Subsidiaries or any of their assets, properties or operations or (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Subsidiary Guarantor or any of its Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Subsidiary Guarantor or any of its Subsidiaries is subject (collectively, "Subsidiary Guarantor Agreements and Instruments") except, in each case, for such violations or defaults that would not result in a Material Adverse Effect; and the execution and delivery of each of this Agreement and the Indenture by the Subsidiary Guarantor, the giving of the Subsidiary Guarantee, the performance by the Subsidiary Guarantor of its obligations under this Agreement, the Indenture, the Subsidiary Guarantee and any other agreement or instrument entered into or issued or to be entered into or issued by the Subsidiary Guarantor in connection with the transactions contemplated hereby or thereby or in the Disclosure Package and the Final Offering Memorandum, the consummation of the transactions contemplated herein and in the Disclosure Package and the Final Offering Memorandum and compliance by the Subsidiary Guarantor with its obligations hereunder or thereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined under Section 1(a)(xiv)) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Subsidiary Guarantor or any of its Subsidiaries pursuant to, the Subsidiary Guarantor Agreements and Instruments, nor will such action result in any violation of the provisions of the charter, articles of incorporation, by-laws, business license, business permit or other constitutional documents of the Subsidiary Guarantor or any of its Subsidiaries or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Subsidiary Guarantor or any of its Subsidiaries or any of their assets, properties or operations.

(v) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Subsidiary Guarantor of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by the Transaction Documents or for the due execution, delivery or performance of this Agreement, the Subsidiary Guarantee or the Indenture by the Subsidiary Guarantor, except such as have been already obtained.

(vi) Authorization of the Subsidiary Guarantee. The Subsidiary Guarantee has been duly authorized and, when executed and delivered, will be a valid and binding obligation of the Subsidiary Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability.

(vii) Authorization of the Indenture. The Indenture has been duly authorized and, when executed and delivered by the Subsidiary Guarantor, shall be a valid and binding agreement of the Subsidiary Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability.

(viii) Investment Company Act. The Subsidiary Guarantor is not, and after giving effect to the offer and sale of the Securities and the application of the proceeds thereof as described in the Disclosure Package and the Final Offering Memorandum will not be, required to register as an "investment company" as such term is defined in the 1940 Act.

(ix) Similar Offerings. Neither the Subsidiary Guarantor nor any of its Affiliates has, directly or indirectly, solicited any offer to buy, sold or offered to sell or otherwise negotiated in respect of; or will solicit any offer to buy, sell or offer to sell or otherwise negotiate in respect of, in United States or to any United States citizen or resident, any security which is or would be integrated with the sale of the Securities or the Conversion Shares in a manner that would require the offered Securities to be registered under the 1933 Act.

(x) No General Solicitation. None of the Subsidiary Guarantor, its Affiliates or any person acting on its or any of their behalf (other than the Initial Purchasers, as to whom the Subsidiary Guarantor and the Company make no representation) has engaged or will engage, in connection with the offering of the offered Securities or the Conversion Shares, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the 1933 Act.

(xi) No Directed Selling Efforts. With respect to those offered Securities and the Conversion Shares sold in reliance on Regulation S, (A) none of the Subsidiary Guarantor, its Affiliates or any person acting on its or their behalf (other than the Initial Purchasers, as to whom the Subsidiary Guarantor and the Company make no representation) has engaged or will engage in any directed selling efforts within the meaning of Regulation S and (B) each of the Subsidiary Guarantor and its Affiliates and any person acting on its or their behalf (other than the Initial Purchasers, as to whom the Subsidiary Guarantor and the Company make no representation) has complied and will comply with any applicable offering restrictions requirement of Regulation S.

(xii) Absence of Manipulation. Neither the Subsidiary Guarantor nor any of its Affiliates has taken, nor will the Subsidiary Guarantor or any of its Affiliates take, directly or indirectly, any action which is designed to or which has constituted or which would be expected

to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(xiii) Foreign Issuer. The Subsidiary Guarantor is a "foreign issuer" within the meaning of Rule 902 under the 1993 Act and reasonably believes there is no "substantial U.S. market interest" in the Subsidiary Guarantor's "debt securities" as such terms are defined in Rule 902 under the 1993 Act.

(c) Officer's Certificates. Any certificate signed by any officer of (i) the Company or any of its Subsidiaries, or (ii) any Subsidiary Guarantor delivered to Credit Suisse or counsel for the Initial Purchasers shall be deemed a representation and warranty by the Company and/or such Subsidiary Guarantor, as the case may be, to each Initial Purchaser as to the matters covered thereby.

Section 2. Sale and Delivery to the Initial Purchasers; Closing.

(a) Initial Securities. On the basis of the representations, warranties and agreements herein contained and subject to the terms and conditions herein set forth, the Company and the Subsidiary Guarantors agree to sell to each Initial Purchaser, and each Initial Purchaser, severally and not jointly, agrees to purchase from the Company and the Subsidiary Guarantors, at the price set forth in Schedule B, the aggregate principal amount of Initial Securities set forth in Schedule A opposite the name of such Initial Purchaser, plus any additional principal amount of Securities which such Initial Purchaser may become obligated to purchase pursuant to the provisions of Section 11 hereof.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company and the Subsidiary Guarantors hereby grant an option to the Initial Purchasers to purchase, severally and not jointly, up to an additional US\$60,000,000 principal amount of Securities at the same price set forth in Schedule B for the Initial Securities, plus accrued interest, if any, from the Closing Time to the Date of Delivery (as defined below). The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by Credit Suisse to the Company setting forth the principal amount of Option Securities as to which the several Initial Purchasers, are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by Credit Suisse, but shall not be later than seven full Business Days (as defined below) after the exercise of said option, nor in any event prior to the Closing Time, as hereinafter defined. If the option is exercised as to all or any portion of the Option Securities, each of the Initial Purchasers, acting severally and not jointly, will purchase that portion of the total principal amount of Option Securities then being purchased which the principal amount of Initial Securities set forth in Schedule A opposite the name of such Initial Purchaser bears to the total principal amount of Initial Securities, subject in each case to such adjustments as Credit Suisse in its discretion shall make to eliminate any sales or purchasers of fractional Securities. For purposes of this Section 2, "Business Day" means any day except a Saturday, a Sunday or a day on which commercial banks in The City of New York or Hong Kong are authorized by law to close or otherwise not open for business.

(c) Payment. Payment of the purchase price for, and delivery of certificates for, the Initial Securities shall be made at the Hong Kong office of Davis Polk & Wardwell LLP or at such other place as shall be agreed upon by Credit Suisse and the Company, at 9:00 A.M. (New York time) on the fifth Business Day after the date hereof (unless postponed in accordance with the provisions of Section 11), or such other time not later than ten Business Days after such date as shall be agreed upon in writing by

Credit Suisse and the Company (such time and date of payment and delivery being herein called "Closing Time").

In addition, in the event that any or all of the Option Securities are purchased by the Initial Purchasers, payment of the purchase price for, and delivery of certificates for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by Credit Suisse and the Company, on each Date of Delivery as specified in the notice from Credit Suisse to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to Credit Suisse for the respective accounts of the Initial Purchasers of certificates for the Securities to be purchased by them. It is understood that each Initial Purchaser has authorized Credit Suisse, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Securities which it has agreed to purchase. Credit Suisse, individually and not as representative of the Initial Purchasers, may (but shall not be obligated to) make payment of the purchase price for the Securities to be purchased by any Initial Purchaser whose funds have not been received by the Closing Time, but such payment shall not relieve such Initial Purchaser from its obligations hereunder.

(d) *Denominations; Registration.* Certificates for the Initial Notes and the Option Notes, if any, shall be in global form and registered in the name of Cede & Co., as nominee of DTC and shall be in such denominations (US\$1,000 or integral multiples of US\$1,000 in excess thereof) as Credit Suisse may request in writing at least one full business day before the Closing Time or the relevant Date of Delivery, as the case may be. The global certificates representing the Notes shall be made available for examination and packaging by the Initial Purchasers in The City of New York not later than 10:00 A.M. on the last business day prior to the Closing Time or the relevant Date of Delivery, as the case may be. Delivery of (i) one or more global certificates evidencing Notes sold in offshore transactions in reliance on Regulation S of the 1933 Act to the Trustee, as custodian for DTC, on behalf of Clearstream Banking S.A. Luxembourg ("Clearstream"), and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and (ii) one or more global certificates representing Notes sold in reliance on Rule 144A under the 1933 Act to the Trustee, as custodian for DTC, shall be made at the Closing Time or the relevant Date of Delivery, as the case may be, for the respective accounts of the Initial Purchasers.

Section 3. Covenants of the Company and the Subsidiary Guarantors. The Company and each of the Subsidiary Guarantors covenants with the Initial Purchasers as follows:

(a) *Offering Memorandum.* The Company and the Subsidiary Guarantors, as promptly as possible, will furnish to each Initial Purchaser, without charge, such number of copies of the Offering Memorandum and any amendments and supplements thereto and documents incorporated by reference therein as such Initial Purchaser may reasonably request.

(b) *Notice and Effect of Material Events.* The Company and the Subsidiary Guarantors will immediately notify each Initial Purchaser, and confirm such notice in writing, of (x) any filing made by the Company and the Subsidiary Guarantors of information relating to the offering of the Securities with any securities exchange or any other regulatory body in the United States or any other jurisdiction, and (y) prior to the completion of the placement of the offered Securities by the Initial Purchasers, any material changes in or affecting the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its Subsidiaries considered as one enterprise which (i) make any statement in the Disclosure Package, any Offering Memorandum or any Supplemental Offering Material false or misleading or (ii) are not disclosed in the Disclosure Package or the Offering Memorandum. In such event or if during such time any event shall occur as a result of which it is necessary, in the reasonable

opinion of any of the Company, its counsel, the Initial Purchasers or counsel for the Initial Purchasers, to amend or supplement the Offering Memorandum in order that the Offering Memorandum not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances then existing, the Company will forthwith amend or supplement the Offering Memorandum by preparing and furnishing to each Initial Purchaser an amendment or amendments of, or a supplement or supplements to, the Offering Memorandum (in form and substance satisfactory in the reasonable opinion of counsel for the Initial Purchasers) so that, as so amended or supplemented, the Offering Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a Subsequent Purchaser, not misleading.

(c) *Amendment and Supplements to the Offering Memorandum; Preparation of Pricing Supplement; Supplemental Offering Materials.* The Company and the Subsidiary Guarantors will advise each Initial Purchaser promptly of any proposal to amend or supplement the Offering Memorandum and will not effect such amendment or supplement without the consent of the Initial Purchasers. Neither the consent of the Initial Purchasers, nor the Initial Purchasers' delivery of any such amendment or supplement, shall constitute a waiver of any of the conditions set forth in Section 5 hereof. The Company will prepare the Pricing Supplement, in form and substance satisfactory to Credit Suisse, and shall furnish as soon as practicable but not later than the Applicable Time to each Initial Purchaser, without charge, as many copies of the Pricing Supplement as such Initial Purchaser may reasonably request. The Company and each of the Subsidiary Guarantors represents and agrees that, unless it obtains the prior consent of Credit Suisse, it has not made and will not make any offer relating to the Securities by means of any Supplemental Offering Materials.

(d) *Qualification of Securities for Offer and Sale.* The Company and the Subsidiary Guarantors will use their best efforts, in cooperation with the Initial Purchasers, to enable that the Notes (and the Common Shares issuable upon conversion of the Notes) may be offered and sold on an exempt basis under the applicable securities laws of such states and other jurisdictions as the Initial Purchasers may designate and to maintain such status in effect as long as required for the sale of the Notes; provided, however, that the Company and the Subsidiary Guarantors shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities business in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(e) *Use of Proceeds.* The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Offering Memorandum under "Use of Proceeds."

(f) *Stamp and Transfer Tax Indemnity.* The Company and the Subsidiary Guarantors will indemnify and hold each Initial Purchaser harmless against (a) any documentary, stamp or similar transfer or issue tax, duties or fees and any transaction levies, commissions or brokerage charges, including any interest and penalties, on the issue, sale and delivery to the Initial Purchasers of the Securities in accordance with the terms of this Agreement, the sale and delivery by the Initial Purchasers of the Securities to Subsequent Purchasers, and the execution and delivery of this Agreement and the Indenture and (b) any value-added tax payable in connection with the commissions and other amounts payable or allowable by the Company, in each case, that are or may be required to be paid under the laws of Canada, Hong Kong, the PRC, the British Virgin Islands, the United States or any other jurisdiction, or any political subdivision or taxing authority thereof or therein; provided that (i) the relevant Initial Purchaser is a non-resident of Canada who does not use or hold, and is not deemed to sue or hold, the Securities or the Purchase Agreement in connection with the carrying on of a business in Canada in any taxation year; (ii) in the case that an Initial Purchaser carries on an insurance business in Canada and elsewhere, this

Agreement and the Securities are not “designated insurance property” in respect of such Initial Purchaser; and (iii) such Initial Purchaser does not carry on a trade or business in Hong Kong and does not purchase or hold the Securities as part of such trade or business carried on in Hong Kong. The Company and the Subsidiary Guarantors agree that each Initial Purchaser may elect to deduct from the payments to be made by it to the Company under this Agreement, any amounts required to be paid by the Company and the Subsidiary Guarantors under this clause.

(g) *Restriction on Sale of Securities.* During a period of 120 days from the date of the issuance of the Initial Securities hereunder (the “Lock-up Period”), the Company shall not, and shall cause any of its Subsidiaries not to, without the prior written consent of Credit Suisse, directly or indirectly, (i) issue (in the case of the Company), sell, offer or agree to sell, grant any option for the sale of, or otherwise transfer or dispose of, any other debt securities of the Company, or securities of the Company that are convertible into, or exchangeable for, the Notes or such other debt securities, (ii) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise transfer or dispose of any Common Shares or securities convertible into or exchangeable or exercisable for or repayable with Common Shares or (iii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, the economic consequences of ownership of the Common Shares, or any securities convertible into or exchangeable or exercisable for or repayable with Common Shares, whether any such swap or transaction described in clause (ii) or (iii) above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise; provided, however, that the Company may offer, issue and sell Common Shares or securities convertible into or exchangeable or exercisable for Common Shares, or debt securities (A) pursuant to this Agreement as set forth in the Disclosure Package and the Final Offering Memorandum, (B) pursuant to any employee, officer or director stock or benefit plan, (C) upon the conversion or exercise of the Notes or securities outstanding on the date hereof or (D) pursuant to the Equity Offering (as such term is defined in the Disclosure Package and the Final Offering Memorandum).

(h) *Listing on Securities Exchange.* The Company will use its best efforts to cause all Conversion Shares to be listed for trading on the TSX.

(i) *Reservation of Shares of Common Shares.* The Company shall reserve and keep available at all times, free of preemptive rights, Common Shares for the purpose of enabling the Company to satisfy any obligations to issue Conversion Shares upon conversion of the Notes.

(j) *Clearance and Settlement Systems.* The Company will use its best efforts to permit the Securities to be eligible for clearance and settlement through the facilities of DTC, Euroclear Bank or Clearstream.

(l) *Public Announcement.* Prior to the Closing Time, or a Date of Delivery, if any, the Company will not issue any press release or other communication directly or indirectly and hold no press conferences with respect to the Company or any of its Subsidiaries, the financial condition, results of operations, business properties, assets or liabilities of the Company or any of its Subsidiaries of the offering of the Securities, without the prior consultation of Credit Suisse.

Section 4. Payment of Expenses.

(a) *Expenses.* Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing, delivery to the Initial Purchasers and any filing of any preliminary offering memorandum, the Disclosure Package

and the Final Offering Memorandum (including financial statements and any schedules or exhibits and any document incorporated therein by reference) and of each amendment or supplement thereto or of any Supplemental Offering Material, (ii) the preparation, printing and delivery to the Initial Purchasers of this Agreement, any Agreement among Initial Purchasers, the Indenture and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of the certificates for the Securities to the Initial Purchasers and the certificates for the Common Shares issuable upon conversion thereof, including any transfer taxes, any stamp or other duties payable upon the sale, issuance and delivery of the Securities to the Initial Purchasers, the issuance and delivery of the Common Shares issuable upon conversion thereof and any charges of DTC, CDS Depository and Clearing Services Inc. or other applicable clearing system in connection therewith, (iv) the fees and disbursements of the Company's and any Subsidiary Guarantor's counsel, accountants, Pöyry Forest Industry Ltd. and other advisors, (v) all reasonable out-of-pocket expenses incurred by the Initial Purchasers in connection with this offering, which shall include travel costs, document production and other customary expenses for this type of transaction, including the fees and disbursements of the Initial Purchasers' legal counsel, (vi) the qualification of the Notes and the Common Shares issuable upon conversion thereof under securities laws in accordance with the provisions of Section 3(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Initial Purchasers in connection therewith and in connection with the preparation of the Blue Sky Survey, any supplement thereto, (vii) the fees and expenses of the Trustee and any paying agent, transfer agent, registrar or depository and any security agent, including the fees and disbursements of counsel for the Trustee, in connection with the issuance of the Securities and other transactions contemplated under the Indenture and the Securities, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Securities including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the cost of aircraft and other transportation chartered in connection with the road show, (ix) all the fees, expenses and other costs incurred in connection with the application for the listing and quotation on the TSX of the Common Shares issuable upon conversion of the Securities, (x) the fees and expenses incurred in connection with the appointment of any agent for service of process under this Agreement, the Indenture and other agreements contemplated herein or therein, (xi) all costs and expenses related to the preparation, filing and distribution of any announcements related to the offering of the Securities, (xii) any fees payable in connection with the rating of the Securities, and (xiii) all other costs and expenses incident to the performance of the obligations of the Company and the Subsidiary Guarantors.

(b) *Reimbursement.* Without prejudice to subsection (c) below, the Company undertakes, forthwith after a request by an Initial Purchaser, to reimburse such Initial Purchaser the amount of any costs, charges, commissions, fees and expenses (including amounts in respect of VAT (or other similar tax) properly chargeable thereon) payable by the Company under the other subsections of this Section 4 which such Initial Purchaser may have properly paid or reasonably incurred.

(c) *Deduction from Proceeds.* Each Initial Purchaser may elect to deduct an amount equal to (A) the commissions payable by the Company; and (B) any such costs, charges, fees, and expenses (including amounts in respect of VAT (or other similar tax) chargeable thereon), which the Company has agreed to pay, indemnify or hold such Initial Purchaser harmless against, or which failed to be reimbursed by the Company, under or pursuant to this Agreement, from any payments to be made by such Initial Purchaser to the Company under Section 2 hereof.

(d) *Reimbursement Obligation Survives.* Reimbursement by the Company under subsections (a) and (b) above shall be made subject to the terms of these subsections, in any event irrespective of whether or not the offering of the offered Securities is completed.

(e) *Payments Free of Taxes.* All sums payable to the Initial Purchasers by the Company or the Subsidiary Guarantors under this Agreement shall be paid without set-off or counterclaim, and free and clear of and without deduction or withholding for or on account of any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed by Canada, the British Virgin Islands, the United States, the PRC and Hong Kong, or by any department, agency or other political subdivision or taxing authority thereof, and all interest, penalties or similar liabilities with respect thereto. If any such taxes are required by law to be deducted or withheld in connection with such payments, the Company or the Subsidiary Guarantors, as the case may be, will increase the amount to be paid so that the full amount due is received.

(f) *Termination of Agreement.* If this Agreement is terminated by Credit Suisse in accordance with the provisions of Section 5 or Section 10(a)(i) hereof, the Company and the Subsidiary Guarantors shall reimburse the Initial Purchasers for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Initial Purchasers. The Company and the Subsidiary Guarantors shall not be responsible for reimbursing any defaulting Initial Purchaser as described in Section 11 hereof.

Section 5. Conditions of Initial Purchasers' Obligations. The obligations of the Initial Purchasers hereunder are subject to the accuracy of the representations and warranties of the Company and the Subsidiary Guarantors contained in Section 1 hereof as of the date hereof and as of the Closing Time, except for such representations and warranties that speak to a specific time, in which case the representation and warranty shall be accurate as of such specified time, or in certificates of any officer of the Company or any of its Subsidiaries delivered pursuant to the provisions hereof, to the performance by the Company and each of the Subsidiary Guarantors of its covenants and other obligations hereunder, and to the following further conditions:

(a) *Opinions of Counsel for Company and Subsidiary Guarantors.* At the Closing Time, Credit Suisse shall have received (A) the favorable opinions, dated as of the Closing Time, of (1) Aird & Berlis LLP, counsel for the Company as to Canadian law, to the effect set forth in Exhibit A-1 hereto, (2) Linklaters, counsel for the Company and certain Subsidiary Guarantors as to United States, Hong Kong and English law, to the effect set forth in Exhibit A-2 hereto, and (3) Appleby, counsel for the Company and certain Subsidiary Guarantors as to the laws of the British Virgin Islands and Cayman Islands, to the effect set forth in Exhibit A-3 hereof, in each case, in form and substance satisfactory to Credit Suisse; and (B) a signed copy of the opinion, dated as of the Closing Time, of Jingtian & Gongcheng, counsel for the Company as to PRC law, in form and substance satisfactory to Credit Suisse and to the effect set forth in Exhibit A-4 hereto, and such opinion shall be addressed to the Company for its sole reliance and expressly consent to the Company's delivering a copy of such opinion to Credit Suisse at the Closing Time. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon the accuracy and truthfulness of the representations of the Company or the Subsidiary Guarantors in Section 1 hereof or certificates of officers of the Company and its Subsidiaries and certificates of public officials.

(b) *Opinion of Counsel for Initial Purchasers.* At the Closing Time, Credit Suisse shall have received the favorable opinions, dated as of the Closing Time, of (1) Stikeman Elliot LLP, counsel for the Initial Purchasers as to Canadian law, with respect to the matters set forth in Exhibit A-5 hereto, (2) Davis Polk & Wardwell LLP, counsel for the Initial Purchasers as to United States law, to the effect set forth in Exhibit A-6 hereto and (3) Commerce & Finance Law Offices, counsel for the Initial Purchasers as to PRC law, to the effect set forth in Exhibit A-7 hereto. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and its Subsidiaries, upon the accuracy and truthfulness of the representations of

the Company or the Subsidiary Guarantors in Section 1 hereof or officers' certificates delivered by or on behalf of the Company or the Subsidiary Guarantors and certificates of public officials.

(c) *Officers' Certificate.* At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Disclosure Package and the Final Offering Memorandum (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and Credit Suisse shall have received (A) from the Company a certificate of the Chief Executive Officer and the Chief Financial Officer of the Company, dated as of the Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties made by the Company and each of the Subsidiary Guarantor in Section 1 hereof are true and correct with the same force and effect as though expressly made at and as of the Closing Time, and (iii) the Company and each of the Subsidiary Guarantor has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time in all material respects; (B) from the Company a certificate of the Chief Executive Officer and the Chief Financial Officer of the Company, dated as of the Closing Time, to the effect set forth in Exhibit B, and (C) from each Subsidiary Guarantor a certificate signed by an executive officer of such Subsidiary Guarantor, dated as of the Closing Time, to the effect that (i) the representations and warranties made by such Subsidiary Guarantor in Section 1 hereof are true and correct with the same force and effect as though expressly made at and as of the Closing Time, and (ii) such Subsidiary Guarantor has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time in all material respects.

(d) *Accountants' Comfort Letter.* At the time of the execution of this Agreement, Credit Suisse shall have received from each of (i) Ernst & Young LLP and (ii) BDO McCabe Lo Limited a letter dated such date, in form and substance satisfactory to Credit Suisse, together with signed and reproduced copies of such letter for each of the other Initial Purchasers, containing statements and information of the type ordinarily included in accountants' "comfort letters" to the Initial Purchasers with respect to the financial statements and certain financial information contained in the Offering Memorandum.

(e) *Bring-down Comfort Letter.* At the Closing Time, Credit Suisse shall have received from Ernst & Young LLP a letter, dated as of the Closing Time, to the effect that Ernst & Young LLP reaffirms the statements made in the letter furnished pursuant to subsection (d) of this Section, except that the specified date referred to shall be a date not more than five business days prior to the Closing Time.

(f) *Conditional Approval of Listing on TSX.* At the Closing Time, the TSX shall have received notice of the purchase and sale of the Notes, and shall have conditionally approved the Common Shares issuable upon conversion of the Securities for listing on the TSX, subject only to the customary post-closing deliveries to the TSX.

(g) *Maintenance of Rating.* At the Closing Time, the Securities shall be rated at least "(P)BB (stable)" by Standard & Poors Ratings Services and at least "(P)Bb+ (stable)" by Fitch Ratings Limited, and the Company shall have delivered to Credit Suisse a letter dated the Closing Time, from each such rating agency, or other evidence satisfactory to Credit Suisse, confirming that the Securities have such ratings. Since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to any of the Company's debt securities by any "nationally recognized statistical rating agency", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the 1933 Act, and no such securities rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities.

(h) *Indenture.* At or prior to the Closing Time, each of the Company, the Subsidiary Guarantors and the Trustee shall have executed and delivered the Indenture.

(i) *DTC.* The Securities shall have been declared eligible for clearance and settlement through DTC.

(j) *Appointment of Service of Process Agent.* Law Debenture Corporate Services Inc. shall have accepted, on or prior to the Closing Time, the appointment by the Company and the Subsidiary Guarantors as provided in Section 17 of this Agreement and pursuant to the terms of the Indenture.

(k) *Subsidiary Guarantor Shareholder Approval.* Each Subsidiary Guarantor shall have provided to Credit Suisse, approvals from the shareholders of the Subsidiary Guarantor approving the issuance by such Subsidiary Guarantor of its Subsidiary Guarantee.

(l) *Conditions to Purchase of Option Securities.* In the event that the Initial Purchasers exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company and the Subsidiary Guarantors contained herein and the statements in any certificates furnished by the Company or any Subsidiary of the Company hereunder shall be true and correct as of each Date of Delivery, except for such representations and warranties that speak to a specific time, in which case the representation and warranty shall be accurate as of such specified time, and, at the relevant Date of Delivery, Credit Suisse shall have received:

(i) Officers' Certificate. (A)(x) From the Company, a certificate, dated such Date of Delivery, of the Chief Executive Officer and the Chief Financial Officer of the Company and (y) from each Subsidiary Guarantor a certificate, dated such Date of Delivery, of an executive officer of such Subsidiary Guarantor, each confirming that their respective certificates delivered at the Closing Time pursuant to Section 5(c)(A) or (C) hereof, as the case may be, remain true and correct as of such Date of Delivery; and (B) from the Company, a certificate of the Chief Executive Officer and the Chief Financial Officer of the Company in form and substance satisfactory to Credit Suisse dated the date of such Date of Delivery, substantially in the same form and substance as the certificate delivered to Credit Suisse pursuant to Section 5(c)(B) hereof, except that the "specified date" in the letter furnished pursuant to this clause shall be a date not more than five business days prior to such Date of Delivery,

(ii) Opinion of Counsel for Company and Subsidiary Guarantors. The favorable opinions of (1) Aird & Berlis LLP, counsel for the Company as to Canadian law, to the effect set forth in Exhibit A-1 hereto, (2) Linklaters, counsel for the Company and certain Subsidiary Guarantors as to United States, Hong Kong and English law, to the effect set forth in Exhibit A-2 hereto, and (3) Appleby, counsel for the Company and certain Subsidiary Guarantors as to the laws of the British Virgin Islands and Cayman Islands, to the effect set forth in Exhibit A-3 hereto, in form and substance satisfactory to Credit Suisse, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as their respective opinions required by Section 5(a) hereof; and (B) a copy of the opinion of Jingtian & Gongcheng, counsel for the Company as to PRC law, in form and substance satisfactory to Credit Suisse and to the effect set forth in Exhibit A-4 hereto, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as its opinion required by, and satisfying the requirement under, Section 5(a) hereof.

(iii) Opinion of Counsel for the Initial Purchasers. The favorable opinions of (1) Stikeman Elliot LLP, counsel for the Initial Purchasers as to Canadian law, with respect to the

matters set forth in Exhibit A-5 hereto, (2) Davis Polk & Wardwell LLP, counsel for the Initial Purchasers as to United States law, to the effect set forth in Exhibit A-6 hereto and (3) Commerce & Finance Law Offices, counsel for the Initial Purchasers as to PRC law, to the effect set forth in Exhibit A-7 hereto dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery.

(iv) Bring-down Comfort Letter. A letter from Ernst & Young LLP, in form and substance satisfactory to Credit Suisse and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to Credit Suisse pursuant to Section 5(e) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than three business days prior to such Date of Delivery.

(m) Additional Documents. At the Closing Time and at each Date of Delivery, counsel for the Initial Purchasers shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company and each of the Subsidiary Guarantors in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to Credit Suisse and counsel for the Initial Purchasers.

(n) Termination of Agreement. If any condition specified in this Section 5 shall not have been fulfilled when and as required to be fulfilled, this Agreement, or in the case of any condition to the purchase of Option Securities, on a Date of Delivery which is after the Closing Time, the obligation of the Initial Purchasers to purchase the relevant Option Securities, may be terminated by the Initial Purchasers by notice to the Company and the Subsidiary Guarantors at any time at or prior to the Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Section 1, Section 7, Section 8, Section 9, Section 12, Section 16, Section 17, Section 18, Section 20, Section 21 and Section 22 shall survive any such termination and remain in full force and effect.

Section 6. Subsequent Offers and Resales of the Securities.

(a) Offer and Sale Procedures. Each of the Initial Purchasers, the Company and the Subsidiary Guarantors hereby establishes and agrees to observe the following procedures in connection with the offer and sale of the Securities:

(i) Offers and Sales. Offers and sales of the Securities shall be made only to such persons and in such manner as is contemplated by the Offering Memorandum. Each Initial Purchaser severally agrees that it will not offer, sell or deliver any of the Securities in any jurisdiction outside the United States except under circumstances that will result in compliance with the applicable laws thereof and that it will take at its own expense whatever action is required to permit its purchase and the resale of the Securities in such jurisdiction.

(ii) No General Solicitation. No general solicitation or general advertising (within the meaning of Rule 502(c) under the 1933 Act) will be used in the United States in connection with the offering or sale of the Securities or the Conversion Shares.

(iii) Subsequent Purchaser Notification. Each Initial Purchaser severally will take reasonable steps to inform, and cause each of its U.S. Affiliates to take reasonable steps to inform, persons acquiring Securities from such Initial Purchaser or its Affiliate, as the case may be, in the United States that the Securities (A) have not been and will not be registered under the

1933 Act, (B) are being sold to them without registration under the 1933 Act in reliance on Rule 144A or in accordance with another exemption from registration under the 1933 Act, as the case may be, and (C) may not be offered, sold or otherwise transferred except (1) to the Company or one of its Subsidiaries, (2) outside the United States in accordance with Regulation S and in accordance with the laws of the applicable jurisdiction, or (3) inside the United States in accordance with (x) Rule 144A to a person whom the seller reasonably believes is a QIB that is purchasing such Securities for its own account or for the account of a QIB to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A or (y) pursuant to another available exemption from registration under the 1933 Act.

(iv) Minimum Principal Amount. No sale of the Notes to any one Subsequent Purchaser will be for less than US\$1,000 principal amount and no Note will be issued in a smaller principal amount. If the Subsequent Purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least US\$1,000 principal amount of the Notes.

(v) Transfer Restriction. The transfer restrictions and the other provisions set forth in the Offering Memorandum under the caption "Transfer Restrictions," including the legend required thereby, shall apply to the Securities.

(b) Covenants of the Company and the Subsidiary Guarantors. The Company and each Subsidiary Guarantor jointly and severally covenants with each Initial Purchaser as follows:

(i) Integration. The Company and each Subsidiary Guarantor agrees that it will not and will cause its Affiliates not to, directly or indirectly, solicit any offer to buy, sell or make any offer or sale of, or otherwise negotiate in respect of, securities of the Company of any class if, as a result of the doctrine of "integration" referred to in Rule 502 under the 1933 Act, such offer or sale would render invalid (for the purpose of (i) the sale of the offered Securities and the Conversion Shares by the Company to the Initial Purchasers, (ii) the resale of the offered Securities and the Conversion Shares by the Initial Purchasers to Subsequent Purchasers or (iii) the resale of the offered Securities and the Conversion Shares by such Subsequent Purchasers to others) the exemption from the registration requirements of the 1933 Act provided by Section 4(2) thereof or by Rule 144A or by Regulation S thereunder or otherwise.

(ii) Rule 144A Information. During any period in which the Company is not subject to Section 13 or 15(d) of the 1934 Act or exempt from reporting pursuant to Rule 12g3-2(b) under the 1934 Act, the Company will furnish, upon request, to each holder of the Notes or the Conversion Shares, or any perspective purchaser designated by any such holder, information satisfying the requirements of Rule 144A(d)(4)(i) under the 1933 Act so long as any such Notes or Conversion Shares are "restricted securities" within the meaning of Rule 144A(d)(4)(i).

(iii) Restriction on Repurchases. Until the expiration of one year after the Closing Time or any Date of Delivery, if later, the Company will not, and will cause its Affiliates not to, resell any offered Securities which are "restricted securities" (as such term is defined under Rule 144(a)(3) under the 1933 Act), whether as beneficial owner or otherwise (except as agent acting as a securities broker on behalf of and for the account of customers in the ordinary course of business in unsolicited broker's transactions).

(c) Qualified Institutional Buyer. Each Initial Purchaser severally hereby represents and warrants to, and agrees with, the Company and the Subsidiary Guarantors, that it is a QIB and an "accredited investor" within the meaning of Section 501(a) under the 1933 Act.

(d) *Resale Pursuant to Rule 903 of Regulation S or Rule 144A.* Each Initial Purchaser understands that the offered Securities and the Conversion Shares have not been and will not be registered under the 1933 Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act. Each Initial Purchaser severally represents and agrees that it has not offered or sold, and will not offer or sell, any offered Securities or Conversion Shares constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the 1933 Act, Rule 144A under the 1933 Act or another applicable exemption from the registration requirements of the 1933 Act. Accordingly, neither it nor its affiliates or any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the offered Securities or the Conversion Shares. Terms used in this paragraph have the meanings given to them by Regulation S.

Section 7. Indemnification.

(a) *Indemnification of Initial Purchasers.* The Company and each Subsidiary Guarantor, jointly and severally, agrees to indemnify and hold harmless each Initial Purchaser, its affiliates, as such term is defined in Rule 501(b) under the 1933 Act (each, an "Affiliate"), its selling agents and each person, if any, who controls any Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in any preliminary offering memorandum, the Disclosure Package, the Final Offering Memorandum (or any amendment or supplement thereto) or any Supplemental Offering Materials, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 7(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by Credit Suisse), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company and the Subsidiary Guarantors by any Initial Purchaser through Credit Suisse expressly for use in any preliminary offering memorandum, the Disclosure Package, the Final Offering Memorandum (or any amendment or supplement thereto) or in any Supplemental Offering Materials, it being understood and agreed that the only such information consists of the following information: (i) the first paragraph on page iii in the Offering Memorandum; (ii) the name of the Initial Purchasers appearing in the first paragraph under the heading "Plan of

Distribution” in the Offering Memorandum; and (iii) two paragraphs under the subheading “Plan of Distribution—Price Stabilization and Short Positions” in the Offering Memorandum.

(b) *Indemnification of Company.* Each Initial Purchaser severally agrees to indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in any preliminary offering memorandum, the Disclosure Package, the Final Offering Memorandum or any Supplemental Offering Materials in reliance upon and in conformity with written information furnished to the Company by any Initial Purchaser through Credit Suisse expressly for use therein, it being understood and agreed that only such information consists of the information described as such in subsection (a) above.

(c) *Actions against Parties; Notification.* Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 7(a) above, counsel to the indemnified parties shall be selected by Credit Suisse and, in the case of parties indemnified pursuant to Section 7(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 7 or Section 8 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) *Settlement without Consent if Failure to Reimburse.* If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 7(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

Section 8. Contribution. If the indemnification provided for in Section 7 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits

received by the Company and the Subsidiary Guarantors on the one hand and the Initial Purchasers on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Subsidiary Guarantors on the one hand and of the Initial Purchasers on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Subsidiary Guarantors on the one hand and the Initial Purchasers on the other hand in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the Subsidiary Guarantors and the total underwriting discount received by the Initial Purchasers, bear to the aggregate initial offering price of the Securities.

The relative fault of the Company and the Subsidiary Guarantors on the one hand and the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company and the Subsidiary Guarantors or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Subsidiary Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section were determined by pro rata (even if the Initial Purchasers were treated as one entity for such purpose) allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities purchased and sold by it hereunder exceeds the amount of any damages which such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section, each person, if any, who controls an Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Initial Purchaser's Affiliates and selling agents shall have the same rights to contribution as such Initial Purchaser, and each person, if any, who controls the Company and any of the Subsidiary Guarantors within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company and such Subsidiary Guarantor. The Initial Purchasers' respective obligations to contribute pursuant to this Section are several in proportion to the principal amount of Securities set forth opposite their respective names in Schedule A hereto and not joint.

Section 9. Representations, Warranties and Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or its Subsidiaries or any Subsidiary Guarantor submitted pursuant hereto shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Initial Purchaser or its Affiliates or selling agents, any person controlling any Initial Purchaser, its officers or directors or any person controlling the Company or any Subsidiary Guarantor and (ii) delivery of and payment for the Securities.

Section 10. Termination of Agreement.

(a) *Termination; General.* Credit Suisse may terminate this Agreement, by notice to the Company and the Subsidiary Guarantors, at any time at or prior to the Closing Time (i) if there has been, since the time of execution of this Agreement or since the date as of which information is given in the Preliminary Offering Memorandum, the Disclosure Package or the Final Offering Memorandum (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), any material adverse change in the condition, financial or otherwise, or in the earnings or business affairs or business prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of Credit Suisse, impracticable or inadvisable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission, any Canadian provincial securities regulatory authority, the TSX, the Investment Industry Regulatory Organization of Canada, the Singapore Monetary Authority, the Singapore Exchange Securities Trading Limited or the NASDAQ System, or if trading generally on the TSX, the London Stock Exchange, the Singapore Exchange Securities Trading Limited, the Hong Kong Stock Exchange, the American Stock Exchange or the New York Stock Exchange or in the NASDAQ System has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the Financial Industry Regulatory Authority or any other governmental authority, or (iv) a material disruption has occurred in commercial banking or securities settlement or clearance services in Canada, the United States, Japan, the United Kingdom, Hong Kong, PRC, Singapore or with respect to Clearstream Bank, *société anonyme* and Euroclear Bank S.A./N.V., as operator of the Euroclear System, or (v) if a banking moratorium has been declared by any Canadian, United States Federal or New York State, Japan, United Kingdom, European Central Bank, Hong Kong, PRC or Singapore authorities.

(b) *Liabilities.* If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Section 1, Section 7, Section 8, Section 9, Section 12, Section 16, Section 17, Section 18, Section 20, Section 21 and Section 22 shall survive such termination and remain in full force and effect.

Section 11. Default by One or More of the Initial Purchasers. If one or more of the Initial Purchasers shall fail at the Closing Time to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), Credit Suisse shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Initial Purchasers, or any other initial purchasers, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, Credit Suisse shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the aggregate principal amount of the Securities to be purchased hereunder, each of the non-defaulting Initial Purchasers shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Initial Purchasers, or

(b) if the number of Defaulted Securities exceeds 10% of the aggregate principal amount of the Securities to be purchased hereunder, this Agreement shall terminate without liability on the part of any non-defaulting Initial Purchaser.

No action taken pursuant to this Section shall relieve any defaulting Initial Purchaser from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, either Credit Suisse or the Company shall have the right to postpone the Closing Time for a period not exceeding seven days in order to effect any required changes in the Offering Memorandum or in any other documents or arrangements. As used herein, the term "Initial Purchaser" includes any person substituted for an Initial Purchaser under this Section.

Section 12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Initial Purchasers shall be directed to Credit Suisse Securities (USA) LLC at Eleven Madison Avenue, New York, New York 10010, United States, Facsimile: (212) 325-4296, Attention: LCD-IBD, with a simultaneous copy to: Davis Polk & Wardwell LLP at 18/F Hong Kong Club Building, 3A Chater Road, Hong Kong, Facsimile: (852) 2533-3388, Attention: William Barron; and notices to the Company or any Subsidiary Guarantor shall be directed to it at Sino-Forest Corporation, 90 Burnhamthorpe Road West, Suite 1208, Mississauga, Ontario, Canada, L5B 3C3, Facsimile: (852) 2877-0125, Attention: Allen T. Y. Chan.

Section 13. No Advisory or Fiduciary Relationship. The Company and each Subsidiary Guarantor named herein acknowledges and agrees that (a) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the offering price of the Securities and any related discounts and commissions, is an arm's-length commercial transaction between the Company and the Subsidiary Guarantors, on the one hand, and the several Initial Purchasers, on the other hand, (b) in connection with the offering contemplated hereby and the process leading to such transaction each Initial Purchaser is and has been acting solely as a principal and is not the agent or fiduciary of the Company or any Subsidiary Guarantor, or its shareholders, creditors, employees or any other party, (c) no Initial Purchaser has assumed and will assume an advisory or fiduciary responsibility in favor of the Company or any Subsidiary Guarantor with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Initial Purchaser has advised or is currently advising the Company or any Subsidiary Guarantor on other matters) and no Initial Purchaser has any obligation to the Company or any Subsidiary Guarantor with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Initial Purchasers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of each of the Company and the Subsidiary Guarantors, and (e) the Initial Purchasers have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Company and the Subsidiary Guarantors have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate.

Section 14. Integration. This Agreement supersedes all prior agreements and understandings (whether written or oral) among the Company, the Subsidiary Guarantors and the Initial Purchasers, or any of them, with respect to the subject matter hereof.

Section 15. Parties. This Agreement shall inure to the benefit of and be binding upon the Initial Purchasers and the Company, the Subsidiary Guarantors and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Initial Purchasers, the Company, the Subsidiary Guarantors and their respective successors and the controlling persons and officers and directors referred to in Section 7 and Section 8 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Initial Purchasers, the Company, the Subsidiary Guarantors and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor by reason merely of such purchase.

Section 16. GOVERNING LAW. THIS AGREEMENT, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 17. Submission to Jurisdiction; Appointment of Agent for Service; Waiver of Immunity. (a) Each of the Company and the Subsidiary Guarantors irrevocably submits to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in the Borough of Manhattan, The City of New York (a "New York Court") over any suit, action or proceeding arising out of or relating to this Agreement, the Disclosure Package, the Final Offering Memorandum or the offering of the Securities. Each of the Company and the Subsidiary Guarantors irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum.

(b) Each of the Company and the Subsidiary Guarantors hereby irrevocably appoints Law Debenture Corporate Services Inc., with offices at 400 Madison Avenue, 4th Floor, New York, NY 10017, United States, as its agent for service of process in any suit, action or proceeding described in the preceding paragraph and agrees that service of process in any such suit, action or proceeding may be made upon it at the office of such agent. Each of the Company and the Subsidiary Guarantors waives, to the fullest extent permitted by law, any other requirements of or objections to personal jurisdiction with respect thereto. Each of the Company and the Subsidiary Guarantors represents and warrants that such agent has agreed to act as the Company's or such Subsidiary Guarantor's agent for service of process, as the case may be, and each of the Company and the Subsidiary Guarantors agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect.

(c) To the extent that the Company, the Company's Subsidiaries or any of the Company's or its Subsidiaries' respective properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the competent jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any

judgment, in any competent jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement and the transactions contemplated hereby, the Company and each of the Subsidiary Guarantors hereby irrevocably and unconditionally waives, and agrees not to plead or claim, and procures to so waive and not to please or claim, to the fullest extent permitted by law, any such immunity and consent to such relief and enforcement.

Section 18. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder into any currency other than United States dollars, the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be the rate at which in accordance with normal banking procedures an Initial Purchaser could purchase United States dollars with such other currency in The City of New York on the business day immediately preceding that on which final judgment is given. The obligation of the Company or any Subsidiary Guarantor with respect to any sum due from it to any Initial Purchaser or any person controlling such Initial Purchaser shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first business day following receipt by such Initial Purchaser or controlling person of any sum in such other currency, and only to the extent that such Initial Purchaser or controlling person may in accordance with normal banking procedures purchase United States dollars with such other currency. If the United States dollars so purchased are less than the sum originally due to such Initial Purchaser or controlling person hereunder, each of the Company and the Subsidiary Guarantors agrees, jointly and severally, as a separate obligation and notwithstanding any such judgment, to indemnify such Initial Purchaser or controlling person against such loss. If the United States dollars so purchased are greater than the sum originally due to any Initial Purchaser or controlling person hereunder, such Initial Purchaser or controlling person agrees to pay to the Company or the relevant Subsidiary Guarantor, as applicable, an amount equal to the excess of the dollars so purchased over the sum originally due to such Initial Purchaser or controlling person hereunder.

Section 19. TIME. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

Section 20. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

Section 21. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 22. Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

[INTENTIONALLY LEFT BLANK BELOW]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Initial Purchasers, the Company and the Subsidiary Guarantors in accordance with its terms.

Very truly yours,

SING-FOREST CORPORATION

[Handwritten Signature]

By: _____

Name: Chan Tak Yuen
Title: Authorized Signatory

SING-PANEL HOLDINGS LIMITED

[Handwritten Signature]

By: _____

Name: Chan Tak Yuen
Title: Authorized Signatory

SING-PANEL (ASIA) INC.

[Handwritten Signature]

By: _____

Name: Chan Tak Yuen
Title: Authorized Signatory


SING-PANEL (GAOYAO) LTD.

[Handwritten Signature]

By: _____

Name: Chan Tak Yuen
Title: Authorized Signatory

SINOWOOD INC.

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory

SINO WOOD PARTNERS LIMITED

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory


SINO FOREST RESOURCES INC.

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory

SURI WOOD INC.

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory

SINO PLANTATION LIMITED

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory

SING WOOD (GUANGXI) LIMITED

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory

SING WOOD (JIANGXI) LIMITED

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory

SING WOOD (GUANGDONG) LIMITED

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory

SING WOOD (FUJIAN) LIMITED

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory

SINO FOREST INVESTMENTS LIMITED

By: 
Name: Chan Tak Yuen
Title: Authorized Signatory

Signature Page to Purchase Agreement

GRANDEUR WINWAY LTD.

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SING PANEL (NORTH SEA) LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINOWOOD LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SING GLOBAL HOLDINGS INC.

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINGWIN INVESTMENTS LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SING PANEL (NORTH EAST CHINA) LIMITED

Signature to Public Agreement

0101021010200101020010102001

BY: 
 Name: Chan Tak Yuen
 Title: Authorized Signatory

SINO-PANEL (HUMAN) LIMITED

BY: 
 Name: Chan Tak Yuen
 Title: Authorized Signatory

SINO-PANEL (XIANGXI) LIMITED

BY: 
 Name: Chan Tak Yuen
 Title: Authorized Signatory

SINO-FOREST (BIO-SCIENCE) LIMITED

BY: 
 Name: Chan Tak Yuen
 Title: Authorized Signatory

EXPRESS POINT HOLDINGS LIMITED

BY: 
 Name: Chan Tak Yuen
 Title: Authorized Signatory

SMART SURF ENTERPRISES LIMITED

BY: 
 Name: Chan Tak Yuen
 Title: Authorized Signatory

ACE SUPPLY INTERNATIONAL LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

GLORY BILLION INTERNATIONAL LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

AMPELMAX WORLDWIDE LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

EXPER BOND INVESTMENT LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO RANA (GUANGZHOU) LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO-PANEL (SUZHOU) LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO-PANEL (YUNNAN) LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO-PANEL (GUANGXI) LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO-PANEL (GUIZHOU) LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO-PANEL (HUAIHUA) LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO-PANEL (QINZHOU) LIMITED

By: 

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO-PANEL (SHAORYANG) LIMITED

By:

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO-PANEL (WANGZHOU) LIMITED

By:

Name: Chan Tak Yuen
Title: Authorized Signatory

SINO-PANEL (PEIJIAN) LIMITED

By:

Name: Chan Tak Yuen
Title: Authorized Signatory

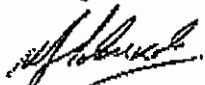
DYNAMIC PROM HOLDINGS
LIMITED

By:

Name: Chan Tak Yuen
Title: Authorized Signatory

CONFIRMED AND ACCEPTED,
as of the date first above written:

CREDIT SUISSE SECURITIES (USA) LLC
For itself and as Representative of the Initial Purchasers named in Schedule A hereto

By:  _____
Name: Kirill Novikov
Authorized Signatory

SCHEDULE A

Name of Initial Purchaser	Principal Amount of Securities
Credit Suisse Securities (USA) LLC.....	US\$220,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	US\$140,000,000
TD Securities Inc.	US\$40,000,000
Total	<u>US\$400,000,000</u>

SCHEDULE B

Sino-Forest Corporation
US\$400,000,000 4.25% Convertible Senior Notes due 2016

1. The initial public offering price of the Securities shall be 100% of the principal amount thereof, plus accrued interest, if any, from the date of issuance.
2. The purchase price to be paid by the Initial Purchasers for the Securities shall be 97.4% of the principal amount thereof.
3. The interest rate on the Securities shall be 4.25% per annum.

SCHEDULE C
Pricing Supplement

PRICING SUPPLEMENT

**Sino-Forest Corporation
Concurrent Offerings of**

**19,000,000 Common Shares, no par value per share
(the "Common Shares Offering")**

and

**US\$400,000,000 principal amount of
4.25% Convertible Senior Notes due 2016
(the "Convertible Senior Notes Offering")**

Date: December 10, 2009

The information in this pricing supplement relates only to the Common Shares Offering and Convertible Senior Notes Offering and should be read together with (i) the preliminary offering memorandum dated December 1, 2009 relating to the Common Shares Offering, including the short form prospectus and other documents incorporated by reference therein (the "Preliminary Offering Memorandum for the Common Shares Offering"), and (ii) the preliminary offering memorandum dated December 1, 2009 relating to the Convertible Senior Notes Offering, including the documents incorporated by reference therein (the "Preliminary Offering Memorandum").

Issuer: Sino-Forest Corporation
Common Shares Offering

Title of Securities: Common shares, no par value per share, of the Issuer (the "Common Shares").

TSX Symbol for the Issuer's Common Shares: "TRE"

Shares Offered and Sold: 19,000,000 (or a total of 21,850,000 if the underwriters' over-allotment option to purchase up to 2,850,000 additional Common Shares is exercised in full).

	<u>Price to the Public</u>	<u>Underwriters' Fee⁽¹⁾</u>	<u>Net Proceeds to the Issuer⁽²⁾⁽³⁾</u>
Per Common Share.....	Cdn\$16.80	Cdn\$0.756	Cdn\$16.044
Total.....	Cdn\$319,200,000	Cdn\$14,364,000	Cdn\$304,836,000

(1) The Issuer has agreed to pay the underwriters a cash commission equal to 4.5% of the gross proceeds of the Common Shares Offering including, for greater certainty, any Common Shares sold upon exercise of the over-allotment option.

(2) Estimated to be approximately US\$15.20 per Common Share (or a total of approximately US\$288,800,000, assuming no exercise of the underwriters' over-allotment option), in each case being the U.S. dollar equivalent based on the Noon Buying Rate provided by the Federal Reserve Bank of New York on December 7, 2009 of Cdn\$1.0555 to US\$1.00, and before deducting the expenses of the Common Shares Offering (estimated to be at Cdn\$1,100,000) which, together with the underwriters' fee, will be paid by the Issuer from the proceeds of the Common Shares Offering.

(3) The Issuer has granted to the Underwriters an option (the "over-allotment option") to sell an additional 2,850,000 Common Shares at the Price to Public for the purpose of covering over-allotments, if any. If the over-allotment option is exercised in full, the total price to the public, underwriters' fee and net proceeds to the Issuer will be Cdn\$367,080,000, Cdn\$16,518,600 and Cdn\$350,561,400, respectively.

Underwriters: Credit Suisse Securities (Canada) Inc., TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC-World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd. and Maison Placements Canada Inc.

Convertible Senior Notes Offering

Title of Securities: 4.25% Convertible Senior Notes due 2016 (the "Convertible Senior Notes").

Subsidiary Guarantors: Certain of the Issuer's non-PRC subsidiaries, as described in the Preliminary Offering Memorandum

Ratings: Expected BB+ rating by Fitch Ratings Ltd. and a proposed BB rating by Standard & Poor's Ratings Services.

Principal Amount Offered: US\$400,000,000

Over-allotment Option: US\$60,000,000

Maturity: December 15, 2016

Annual Interest Rate: 4.25%

Interest Payment Dates: June 15 and December 15, beginning on June 15, 2010

Principal Amount per Note: US\$1,000

Offering Price: 100% of principal amount plus accrued interest, if any

Last Sale Price on the TSX (12/10/09): Cdn\$16.80

Conversion Premium: 32.5% above the Last Sale Price on the TSX

Fixed Exchange Rate: Cdn\$1.05205 = US\$1.00

Conversion Price: Approximately Cdn\$22.26 (based on the Fixed Exchange Rate)

Conversion Rate: 47.2619

Conversion Procedures: The following replaces clause (y) in the first bullet of the first paragraph under Description of the Notes—Conversion Rights—Conversion Procedures" in the Preliminary Offering Memorandum:
 "acknowledging that the delivery of the Common Shares, if any, upon conversion of the Convertible Senior Note is being made in reliance on Section 4(2) of the Securities Act."

Initial Purchasers: Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and TD Securities Inc.
 The purchase price to be paid by the Initial Purchasers for the Convertible Senior Notes in this offering will be 97.4% of the principal amount thereof.

Trade Date: December 11, 2009

Settlement Date: December 17, 2009

CUSIP: Rule 144A Notes: 82934H AD3
 Regulation S Notes: C83912 AD4

ISIN: Rule 144A Notes: US82934HAD35
 Regulation S Notes: USC83912AD41

Make-Whole Premium: The following table shows the make-whole premium for each stock price and effective date set forth below, expressed as a number of additional Common Shares per US\$1,000 principal amount of Convertible Senior Notes.

Make-Whole Premium upon a Make-Whole Fundamental Change
(Number of Additional Shares)

Stock Price on Effective Date	December 17, 2009	December 15, 2010	December 15, 2011	December 15, 2012	December 15, 2013	December 15, 2014	December 15, 2015	December 15, 2016
US\$15.97	15.3601	15.3601	15.3601	15.3601	15.3601	15.3601	15.3601	15.3601
US\$19.00	13.0356	12.5485	11.9458	11.2597	10.4192	9.2985	7.5758	5.3697
US\$21.00	11.0460	10.5004	9.8140	9.0219	8.0306	6.7069	4.6914	0.3571
US\$23.00	9.5194	8.9523	8.2478	7.3993	6.3498	4.9611	2.9105	0.0000
US\$25.00	8.3201	7.7543	7.0497	6.1984	5.1483	3.7811	1.8512	0.0000
US\$30.00	6.2311	5.7158	5.0739	4.3014	3.3659	2.2079	0.7736	0.0000
US\$35.00	4.8996	4.4552	3.9028	3.2434	2.4613	1.5362	0.4940	0.0000
US\$40.00	3.9804	3.6042	3.1371	2.5837	1.9374	1.1954	0.3916	0.0000
US\$50.00	2.7919	2.5247	2.1921	1.8008	1.3496	0.8407	0.2854	0.0000
US\$60.00	2.0535	1.8617	1.6210	1.3374	1.0093	0.6358	0.2178	0.0000

The actual stock price and effective date may not be set forth in the table above, in which case:

- if the actual stock price on the effective date is between two stock prices on the table or the actual effective date is between two effective dates on the table, the make-whole premium will be determined by a straight-line interpolation between the make-whole premiums set forth for the two stock prices and the two effective dates on the table based on a 365-day year, as applicable;
- if the stock price on the effective date exceeds US\$60.00 per share, subject to adjustment in the same manner as the stock prices set forth in the first column of the table above, no make-whole premium will be paid; and
- if the stock price on the effective date is less than US\$15.97 per share, subject to adjustment in the same manner as the stock prices set forth in the first column of the table above, no make-whole premium will be paid.

Notwithstanding the foregoing, in no event will the conversion rate exceed 62.6220 Common Shares per US\$1,000 principal amount of Convertible Senior Notes, subject to adjustments in the same manner as the Conversion Rate.

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Consolidated Capitalization of the Issuer

	As of September 30, 2009		
	(unaudited)		
	Actual	As Adjusted for this Convertible Senior Notes Offering and prepayment of the Syndicated Term Loan (US\$ thousands)	As Further Adjusted for the Common Shares Offering(10)
Short-term debt:			
Bank indebtedness(1)	77,273	77,273	77,273
Current portion of long-term debt	37,500	—	—
Total short-term debt	114,773	77,273	77,273
Long-term debt:			
2013 Convertible Senior Notes(2)	286,375	286,375	286,375
2011 Senior Notes(3)	87,670	87,670	87,670
2014 Senior Notes(3)	212,330	212,330	212,330
Syndicated Term Loan(3)	112,500	—	—
Bank Loans	—	—	—
The Notes(4)(5)	—	400,000	400,000
Unamortized deferred financing costs(6)	(24,492)	(35,323)	(35,323)
Total long-term debt(7)	674,383	951,052	951,052
Shareholders' equity:			
Equity portion of 2013 Convertible Senior Notes(2)	70,462	70,462	70,462
Common Shares, no par value, unlimited shares authorized(8)	884,968	884,968	1,172,733
Contributed surplus	11,097	11,097	11,097
Accumulated other comprehensive income	224,376	224,376	224,376
Retained earnings	943,228	943,228	943,228
Total shareholders' equity	2,134,131	2,134,131	2,421,896
Total capitalization(9)	2,808,514	3,085,183	3,372,948

Notes:

- (1) "Bank Indebtedness" includes bank indebtedness relating to both continued operations and discontinued operations.
- (2) In accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855 Financial Instruments, a convertible note should be split into an equity and a liability component. The 2013 Convertible Senior Notes are guaranteed by the Subsidiary Guarantors (as defined in the indenture prepared in connection with the offering of the 2013 Convertible Senior Notes).
- (3) The 2011 Senior Notes, 2014 Senior Notes and the Syndicated Term Loan are secured by pledges of the capital stock of the Subsidiary Guarantors and, in the case of the 2011 Senior Notes and the Syndicated Term Loan, the capital stock of the Initial Non-Guarantor Subsidiary. See "Risk Factors—Risks Related to the Notes and Our Common Shares—The Notes are not secured by pledges of the capital stock of the Subsidiary Guarantors and the Initial Non-Guarantor Subsidiary while certain of our other significant obligations are so secured" in the Preliminary Offering Memorandum.
- (4) In accordance with the CICA Handbook Section 3855 Financial Instruments, a convertible note should be split into an equity and a liability component. For illustrative purposes only, the aggregate principal amount of the Notes to be issued has been presented as a liability in the above table.
- (5) Assuming the Initial Purchasers do not exercise the over-allotment option.

(6) Estimated costs and expenses relating to the Convertible Senior Notes Offering have been included in the above capitalization table.

(7) "Long-term debt" includes all long-term debt but excludes the current portion of long-term debt.

(8) As of September 30, 2009, the Issuer had 220,279,062 Common Shares issued and outstanding. As of September 30, 2009, the Issuer had outstanding options to acquire an aggregate of 4,118,626 Common Shares pursuant to its stock option plan at prices ranging between Cdn.\$2.72 and Cdn.\$19.00 per Common Share with expiry dates to March 31, 2014. As of September 30, 2009, and at their initial conversion price, the Issuer's outstanding 2013 Convertible Senior Notes are convertible into a maximum of 17,007,603 Common Shares. If US\$460.0 million aggregate principal amount of the Convertible Senior Notes (assuming the exercise in full of the over-allotment option) were converted in full at their initial conversion rate of 47.2619 Common Shares per US\$1,000 principal amount of Convertible Senior Notes), it would result in the issuance of 21,740,474 additional Common Shares. If the Common Shares Offering is completed in full (assuming the exercise in full of the over-allotment option), it would result in the issuance of 21,850,000 additional Common Shares.

(9) "Total capitalization" includes long-term debt plus shareholders' equity.

(10) The Canadian dollar proceeds of the Common Shares Offering have been translated into U.S. dollars solely for the convenience of the reader using the Noon Buying Rate provided by the Federal Reserve Bank of New York on December 7, 2009 of Cdn.\$1.0555 to US\$1.00.

Other than as described above, since September 30, 2009, there has not been any other material change to the Issuer's capitalization.

THIS COMMUNICATION IS INTENDED FOR THE SOLE USE OF THE PERSON TO WHOM IT IS PROVIDED BY THE SENDER. THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY COMMON SHARES, CONVERTIBLE SENIOR NOTES OR COMMON SHARES ISSUABLE UPON CONVERSION OF THE CONVERTIBLE SENIOR NOTES BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFERING OR SOLICITATION. THE COMMON SHARES AND THE CONVERTIBLE SENIOR NOTES DESCRIBED HEREIN AND THE COMMON SHARES ISSUABLE UPON CONVERSION OF THE CONVERTIBLE SENIOR NOTES HAVE NOT, AND WILL NOT, BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, INTO THE UNITED STATES UNLESS THE COMMON SHARES AND THE CONVERTIBLE SENIOR NOTES ARE SO REGISTERED OR THE COMMON SHARES AND THE CONVERTIBLE SENIOR NOTES ARE SOLD TO QUALIFIED INSTITUTIONAL BUYERS PURSUANT TO RULE 144A OR OUTSIDE OF THE UNITED STATES IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS IS AVAILABLE.

Terms used herein but not defined herein shall have the respective meanings as set forth in the Preliminary Offering Memorandum for the Common Shares Offering and the Preliminary Offering Memorandum.

SCHEDULE D-1

LIST OF THE SUBSIDIARY GUARANTORS

1. Sino-Panel Holdings Limited (BVI)
2. Sino-Panel (Asia) Inc. (BVI)
3. Sino-Panel (Gaoyao) Ltd. (BVI)
4. SFR (China) Inc. (BVI)
5. Sino-Wood Partners, Limited (H.K.)
6. Sino-Forest Resources Inc. (BVI)
7. Suri-Wood Inc. (BVI)
8. Sino-Plantation Limited (H.K.)
9. Sino-Wood (Guangxi) Limited (H.K.)
10. Sino-Wood (Jiangxi) Limited (H.K.)
11. Sino-Wood (Guangdong) Limited (H.K.)
12. Sino-Global Holdings Inc. (BVI)
13. Sinowin Investments Limited (BVI)
14. Sino-Panel (North East China) Limited (BVI)
15. Sino-Panel [Hunan] Limited (BVI)
16. Sino-Panel [Xiangxi] Limited (BVI)
17. Sino-Forest Bio-Science Limited (BVI) (formerly known as Sino-Two Limited)
18. Sino-Panel (Guangzhou) Limited (BVI)
19. Sino-Panel [Suzhou] Limited (BVI)
20. Sino-Panel (Yunnan) Limited (BVI)
21. Sino-Panel (Guangxi) Limited (BVI)
22. Sino-Panel (Guizhou) Limited (BVI)
23. Sino-Panel (Qinzhou) Limited (BVI)
24. Sino-Panel (Shaoyang) Limited (BVI)

25. Sino-Panel (Yongzhou) Limited (BVI)
26. Sino-Panel (Fujian) Limited (BVI)
27. Grandeur Winway Ltd. (BVI)
28. Sinowood Limited (Cayman Islands)
29. Sino-Forest Investments Limited (BVI)
30. Sino-Wood (Fujian) Limited (HK)
31. Sino-Panel (North Sea) Limited (BVI)
32. Sino-Panel (Huaihua) Limited (BVI)
33. Amplemax Worldwide Limited (BVI)
34. Ace Supreme International Limited (BVI)
35. Express Point Holdings Limited (BVI)
36. Glory Billion International Limited (BVI)
37. Smart Sure Enterprises Limited (BVI)
38. Expert Bonus Investment Limited (BVI)
39. Dynamic Profit Holdings Limited (BVI)

SCHEDULE D-2

LIST OF THE SUBSIDIARIES

1. Sino-Forest (Guangzhou) Co., Ltd. (嘉汉林业 (广州) 有限公司)
2. Sino-Forest (Heyuan) Co., Ltd. (嘉汉林业 (河源) 有限公司)
3. Sino-Forest (Anhui) Co., Ltd. (嘉汉林业 (安徽) 有限公司)
4. Sino-Forest (China) Investments Limited (嘉汉林业 (中国) 投资有限公司)
5. Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业 (广州) 商贸有限公司) (* This PRC Subsidiary is in the process of deregistration.)
6. Sino-Forest (Suzhou) Trading Co., Ltd. (嘉汉林业 (苏州) 商贸有限公司)
7. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业 (苏州) 有限公司)
8. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
9. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
10. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)
11. Zhangzhou Jiamin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司)
12. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木 (苏州) 有限公司)
13. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情 (上海) 贸易有限公司)
14. Sino-Maple (Shanghai) Co., Ltd. (北美枫情 (上海) 商贸有限公司)
15. Sino-Panel (China) Investments Limited (嘉汉板业 (中国) 投资有限公司)
16. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业 (福建) 有限公司)
17. Guangdong Jiayao Wood Products Development Co., Ltd. (广东嘉耀木业发展有限公司)
18. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司)
19. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司)
20. Xiangxi Autonomous State Jiayi Forestry Development Co., Ltd. (湘西自治州嘉熙林业发展有限公司)
21. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd. (湖南嘉裕木业 (洪江市) 有限公司)
22. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd. (张家港保税区嘉臻国际贸易有限公司)

23. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)
24. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业 (耿马) 有限公司)
25. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业 (广西) 发展有限公司)
26. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业 (鹿寨) 有限公司)
27. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业 (三江) 有限公司)
28. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业 (北海) 发展有限公司)
29. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业 (芷江) 有限公司)
30. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业 (江华) 有限公司)
31. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业 (沅陵) 有限公司)
32. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业 (广州) 商贸有限公司)
33. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
34. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
35. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
36. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
37. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司)
38. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
39. Beihai Changqing Wooden Co., Ltd. (北海常青木业有限公司)
40. Dynamic Profit Holdings Limited
41. Grandeur Winway Limited
42. SFR (China) Inc.
43. Sino-Capital Global Inc.
44. Sino-Forest Investments Limited
45. Sino-Forest Bio-Science Limited
46. Sino-Forest Resources Inc.
47. Sino-Global Holdings Inc.
48. Sino-Panel (Asia) Inc.
49. Sino-Panel (Fujian) Limited

50. Sino-Panel (Gaoyao) Ltd.
51. Sino-Panel (Guangxi) Limited
52. Sino-Panel (Guangzhou) Limited
53. Sino-Panel (Guizhou) Limited
54. Sino-Panel Holdings Limited
55. Sino-Panel (Huaihua) Limited
56. Sino-Panel [Hunan] Limited
57. Sino-Panel (North-East China) Limited
58. Sino-Panel (North Sea) Limited
59. Sino-Panel (Qinzhou) Limited
60. Sino-Panel (Shaoyang) Limited
61. Sino-Panel [Suzhou] Limited
62. Sino-Panel [Xiangxi] Limited
63. Sino-Panel (Yongzhou) Limited
64. Sino-Panel (Yunnan) Limited
65. Sinowin Investments Limited
66. Suri-Wood Inc.
67. Amplemax Worldwide Limited
68. Glory Billion International Limited
69. Smart Sure Enterprises Limited
70. Expert Bonus Investment Limited
71. Ace Supreme International Limited
72. Express Point Holdings Limited
73. Sino-Wood (Jiangxi) Limited
74. Sino-Wood (Guangdong) Limited
75. Sino-Wood (Fujian) Limited
76. Sino-Wood Partners, Limited
77. Sino-Plantation Limited
78. Sino-Wood (Guangxi) Limited
79. Sinowood Limited

SCHEDULE D-3

LIST OF THE NON-GUARANTOR SUBSIDIARIES

1. Beihai Changqing Wooden Co., Ltd. (北海常青木业有限公司) (PRC)
2. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司) (PRC)
3. Guangdong Jiayao Wood Products Development Co., Ltd. (广东嘉耀木业发展有限公司) (PRC)
4. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司) (PRC)
5. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司) (PRC)
6. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd. (湖南嘉裕木业 (洪江市) 有限公司) (PRC)
7. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业 (芷江) 有限公司) (PRC)
8. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司) (PRC)
9. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业 (苏州) 有限公司) (PRC)
10. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司) (PRC)
11. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司) (PRC)
12. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司) (PRC)
13. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司) (PRC)
14. Sino-Capital Global Inc. (BVI)
15. Sino-Forest (Anhui) Co., Ltd. (嘉汉林业 (安徽) 有限公司) (PRC)
16. Sino-Forest (China) Investments Limited (嘉汉林业 (中国) 投资有限公司) (PRC)
17. Sino-Forest (Guangzhou) Co., Ltd. (嘉汉林业 (广州) 有限公司) (PRC)
18. Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业 (广州) 商贸有限公司) (PRC)
(* This PRC Subsidiary is in the process of deregistration.)
19. Sino-Forest (Heyuan) Co., Ltd. (嘉汉林业 (河源) 有限公司) (PRC)
20. Sino-Forest (Suzhou) Trading Co., Ltd. (嘉汉林业 (苏州) 商贸有限公司) (PRC)
21. Sino-Maple (Shanghai) Co., Ltd. (北美枫情 (上海) 商贸有限公司) (PRC)

22. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情 (上海) 贸易有限公司) (PRC)
23. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业 (北海) 发展有限公司) (PRC)
24. Sino-Panel (China) Investments Limited (嘉汉板业 (中国) 投资有限公司) (PRC)
25. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业 (福建) 有限公司) (PRC)
26. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业 (耿马) 有限公司) (PRC)
27. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业 (广西) 发展有限公司) (PRC)
28. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业 (广州) 商贸有限公司) (PRC)
29. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司) (PRC)
30. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司) (PRC)
31. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业 (江华) 有限公司) (PRC)
32. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业 (鹿寨) 有限公司) (PRC)
33. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业 (三江) 有限公司) (PRC)
34. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业 (沅陵) 有限公司) (PRC)
35. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司) (PRC)
36. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木 (苏州) 有限公司) (PRC)
37. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司) (PRC)
38. Xiangxi Autonomous State Jiaxi Forestry Development Co., Ltd. (湘西自治州嘉熙林业发展有限公司) (PRC)
39. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd. (张家港保税区嘉樂国际贸易有限公司) (PRC)
40. Zhangzhou Jiamin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司) (PRC)

Exhibit A-1

FORM OF OPINION OF AIRD & BERLIS LLP
TO BE DELIVERED PURSUANT TO
SECTION 5(a)

December [17], 2009

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, New York 10010
United States of America

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
One Bryant Park, New York, NY
10036
United States

TD Securities Inc.
1, Place Ville-Marie, Bureau 2315
Montréal QC H3B 3M5
Canada

Davis Polk & Wardwell LLP
The Hong Kong Club Building
18th Floor, 3A Chater Road
Hong Kong

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9

Dear Sirs:

Re: *Sino-Forest Corporation*
Offering of US\$400 million 4.25% Convertible Senior Notes due 2016

We have acted as Canadian counsel to Sino-Forest Corporation (the “**Company**”) in connection with the issue and sale (the “**Offering**”) on the date hereof by the Company to Credit Suisse Securities (USA) LLC (the “**Representative**”), Merrill Lynch, Pierce, Fenner & Smith Incorporated and TD Securities Inc. (collectively, together with the Representative, the “**Initial Purchasers**”) of US\$400 million 4.25% convertible senior notes (the “**Purchased Notes**”) and the over-allotment option to purchase up to an additional US\$60 million 4.25% convertible senior notes granted by the Company to the Initial Purchasers (the “**Option Notes**”) (such Option Notes, together with the Purchased Notes are referred to collectively as the “**Notes**”). The Notes are being sold to the Initial Purchasers pursuant to a purchase agreement (the “**Purchase Agreement**”) dated December 10, 2009 between the subsidiaries of the Company listed on Schedule D-1 to the Purchase Agreement (collectively, the “**Subsidiary Guarantors**”), the Company and Credit Suisse Securities (USA) LLC, in its own name and as Representative on behalf of the Initial Purchasers.

Examinations

As such counsel, we have participated in the preparation of and have examined copies of the following:

- (a) the preliminary offering memorandum of the Company dated December 1, 2009 (the “**Preliminary Offering Memorandum**”) as supplemented by the final pricing supplement attached as Schedule C to the Purchase Agreement (together with the Preliminary Offering Memorandum, the “**Disclosure Package**”);
- (b) the final offering memorandum of the Company dated December 10, 2009 (the “**Final Offering Memorandum**”);

- (c) an executed indenture (the "Indenture") dated December [17], 2009 between the Company, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee (the "Trustee"), including the forms of the Notes attached as Exhibit A and Exhibit B thereto; and
- (d) the Purchase Agreement.

The Disclosure Package, the Final Offering Memorandum, the Indenture and the Purchase Agreement are hereinafter referred to as the "Transaction Documents".

We have made such investigations and examined originals, facsimiles or copies, certified or otherwise identified to our satisfaction, of such certificates of public officials and of such other certificates, documents and records as we have considered necessary or relevant for the purposes of the opinions expressed below, including:

- (a) a certificate of the Chief Financial Officer of the Company, dated the date hereof, certifying certain factual matters (the "Officer's Certificate");
- (b) a Certificate of Compliance issued by Industry Canada relating to the Company dated December 2009 (the "Certificate of Compliance"); and
- (c) a letter dated December 10, 2009 (the "TSX Letter") from the Toronto Stock Exchange (the "TSX") conditionally approving the listing on the TSX of the common shares in the capital of the Company (the "Common Shares") issuable upon the due conversion of the Notes;

copies of all of which have been delivered to you.

Assumptions

For the purposes of this opinion, we have assumed, with respect to all documents examined by us, the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed, facsimile or photostatic copies. We have relied upon the certificates referred to above with respect to the accuracy of the factual matters contained therein.

In rendering the opinions expressed herein we have also assumed:

- (a) the identity and capacity of all individuals acting or purporting to act as public officials;
- (b) that each party to any agreement or instrument referred to herein, other than the Company, has all necessary power and authority to execute and deliver such agreement or instrument and to do all acts and things as required or contemplated to be done thereby, has duly authorized the execution and delivery of such agreement or instrument and all acts and things as required or contemplated to such agreement or instrument and the observance and performance of its obligations thereunder, and has duly executed such agreement or instrument and has duly delivered the same to each of the other parties thereto;
- (c) the accuracy and completeness of all information provided to us by offices of public record;
- (d) the legal capacity of all individuals who are signatories to all documents;

- (e) that each party to any agreement or instrument referred to herein, other than the Company, was at the time of the execution and delivery of such agreement or instrument, and at all times to and including the date hereof, has remained validly incorporated, in existence and in good standing and that such agreement or instrument constitutes a legal, valid and binding agreement, enforceable against such party in accordance with its terms;
- (f) that the Indenture, the Purchase Agreement and the Notes reflect the entire agreement between the Company, the Initial Purchasers and the holders of the Notes and there are no ancillary agreements, written or verbal, that could reasonably be expected to affect the terms of the Purchase Agreement, the Indenture or the Notes and the respective rights and obligations of the Company, the Initial Purchasers or the holders of the Notes set out therein;
- (g) that the Indenture, the Purchase Agreement and the Notes were executed by the parties thereto outside of Canada;
- (h) that each of the Indenture, the Notes and the Purchase Agreement and the performance of the Company's obligations thereunder is legal, valid, binding and enforceable against the Company under the laws of the State of New York ("New York Law") in accordance with its terms;
- (i) that New York Law is not contrary to public policy of the Province of Ontario as such term is understood under the laws of the Province of Ontario ("Public Policy");
- (j) the choice of New York Law as the governing law of the Indenture, the Notes and the Purchase Agreement is legal under the New York Law; and
- (k) with respect to the opinions set forth in paragraphs 16, 17 and 18, that the Common Shares are listed on the TSX at all relevant times.

We have assumed due compliance with all matters of New York Law and do not express or imply any opinion thereon. Without limiting the generality of the foregoing, we have assumed compliance with the requirements of the applicable New York Law with respect to the execution and delivery of the Indenture, the Notes and the Purchase Agreement and all documents delivered pursuant thereto and that each of the Indenture, the Notes and the Purchase Agreement and all documents delivered pursuant thereto have been duly executed and delivered in compliance with the laws of such jurisdiction.

Reliances

We are solicitors qualified to carry on the practice of law in the Province of Ontario. We have not made any independent examination of the laws of any jurisdiction other than the Province of Ontario and the federal laws of Canada applicable therein. The opinions expressed herein are limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein, as in force and effect on the date hereof.

For the purpose of the opinion expressed in paragraph 1(a), we have relied solely upon the Certificate of Compliance.

For the purpose of the opinion expressed in paragraph 2(d), we have relied solely upon the Officer's Certificate.

For the purpose of the opinions expressed in paragraphs 2(a) and 20 as to the issued and outstanding shares in the capital of the Company contained under the caption of "Description of the Shares" in the Disclosure Package and the Final Offering Memorandum, we have relied solely upon a certificate dated December 15, 2009 from CIBC Mellon Trust Company (a copy of which has been delivered to you).

Where used herein, "to our knowledge" means the actual knowledge (and without independent inquiry) of the lawyers within our firm who have been actively involved in the preparation or negotiation, as applicable, of the Transaction Documents and/or documents related thereto and any lawyer currently within our firm who, as to information relevant to a particular opinion issue or confirmation regarding a particular factual matter, is primarily responsible for providing the response concerning that particular opinion issue or confirmation and does not mean constructive knowledge or knowledge imparted to this firm or any member thereof under common law principles of agency or otherwise.

Qualifications

The opinion expressed in paragraph 7 is subject to the qualifications set out in Schedule "A" hereto.

Opinions

1. (a) The Company has been continued and is existing under the laws of Canada.
- (b) The Company has all requisite corporate power, capacity and authority to carry on its business and to own, lease and operate its property and assets as described in the Disclosure Package and the Final Offering Memorandum and to offer and issue the Notes and to execute, deliver and perform its obligations under the Purchase Agreement, the Indenture and the Notes.
- (c) The Company has all licenses, franchises, permits, authorizations, approvals, orders and other concessions of and from all governmental and regulatory authorities in Canada that are necessary to own or lease its properties and to conduct its businesses as described in the Disclosure Package and Final Offering Memorandum.
2. (a) The Company has authorized, issued and outstanding capital as set forth in the Disclosure Package and Final Offering Memorandum.
- (b) All issued and outstanding Common Shares have been duly authorized and validly issued and are fully paid and non-assessable.
- (c) The authorized share capital of the Company conforms, in all material respects, to the description thereof contained in the Disclosure Package and Final Offering Memorandum.
- (d) Except as otherwise disclosed in the Disclosure Package and Final Offering Memorandum, there are no outstanding securities convertible into or exchangeable for, or warrants, rights or options to purchase from the Company, or obligations of the Company to issue, Common Shares or other classes of shares of the Company.
3. (a) Upon issuance and delivery of the Notes in accordance with the Purchase Agreement and the Indenture, the Notes shall be convertible at the option of the holder thereof into Common Shares in accordance with the terms of the Notes and the Indenture.

- (b) The Common Shares issuable upon conversion of the Notes have been duly authorized and, as of the Closing Time (as such term is defined in the Purchase Agreement), reserved for issuance upon such conversion by all necessary corporate action and such Common Shares, when issued upon such conversion, will be validly issued as fully paid and non-assessable, and will carry the same rights, privileges and restrictions as the other issued and outstanding Common Shares.
 - (c) To our knowledge, the issuance of the Common Shares upon conversion of the Notes is not subject to the preemptive or other similar rights of any securityholder of the Company.
4. All necessary corporate action has been taken by the Company to authorize and issue the Notes in accordance with the provisions of the Indenture and to authorize the execution and delivery of the Notes, the Purchase Agreement and the Indenture and the performance of the Company's obligations thereunder.
 5. Each of the Notes, the Indenture and the Purchase Agreement has been duly authorized, executed and delivered by the Company.
 6. All necessary corporate action has been taken by the Company to authorize the issue, delivery and distribution of each of the Disclosure Package and the Final Offering Memorandum.
 7. There is no provision under the laws of the Province of Ontario that would adversely affect the validity, legality, binding nature or enforceability of the Notes, the Purchase Agreement or the Indenture against the Company.
 8. The Common Shares issuable upon conversion of the Notes in accordance with the terms of the Indenture have been conditionally approved for listing on the TSX, subject to compliance by the Company with the terms and conditions contained in the TSX Letter.
 9. CIBC Mellon Trust Company at its principal office in the City of Toronto has been duly appointed as the transfer agent and registrar for the Common Shares.
 10. Neither the Initial Purchasers nor the Trustee will be deemed to be resident for the purposes of the *Income Tax Act* (Canada) solely (including on the assumption that the Trustee is not otherwise resident in Canada) by reason of the execution, delivery or consummation of any of the Purchase Agreement, the Indenture or the Notes or by reason of ownership of the Notes or the Common Shares issuable upon conversion of the Notes.
 11. To our knowledge, the Company does not have any material subsidiaries organized under the laws of Canada or a province or territory of Canada.
 12. The execution and delivery of each of the Purchase Agreement, the Indenture and the Notes and the performance of the Company's and each Subsidiary Guarantor's obligations under the Purchase Agreement, the Indenture and the Notes and the issuance, sale and delivery of the Notes, and the use of the proceeds therefrom, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:
 - (a) any of the terms, conditions or provisions of the articles or by-laws of the Company, or any resolution of any of its directors (or committees of directors) or shareholders; or

- (b) any laws of the Province of Ontario or the federal laws of Canada applicable therein; or
 - (c) the mortgages, hypothecs, notes, indentures, contracts, agreements and instruments ("Ontario Contracts") governed by the laws of the Province of Ontario under which the Company or any Subsidiary Guarantor is bound and which are identified on the Officer's Certificate, except for such conflicts, breaches or defaults which would not:
 - (i) individually or in the aggregate, have a material adverse effect on the general affairs, management, shareholders' equity, results of operations or position, financial or otherwise, of the Company; or
 - (ii) affect the validity of, or have any adverse effect on, the issue and sale of the Notes, other transactions contemplated under the Purchase Agreement.
13. To our knowledge, the Company is not in violation of its articles or in default in the performance or observance of any of its material obligations, agreements, covenants or conditions contained in any Ontario Contract.
14. To our knowledge, there are no legal or governmental proceedings pending or threatened in Canada to which the Company or its Subsidiary Guarantors is a party or to which any of their material properties or assets are subject.
15. No consent, approval, authorization, filing with (including, without limitation, the filing of any prospectus, registration statement or similar document) or order of any court or governmental agency or body in Canada, including without limitation in the Province of Ontario, is required in connection with the transactions contemplated in the Purchase Agreement and the Indenture, except,
- (a) with respect to the purchase of any Notes by any purchasers subject to the securities laws of the Province of Ontario, the filing of a report in Form 45-106F1 – Report of Exempt Distribution, as prescribed by National Instrument 45-106 – *Prospectus and Registration Exemptions*, together with applicable fees and a copy of any offering memorandum and any amendment thereto provided to any prospective purchaser, to the Ontario Securities Commission within 10 days of the date of such purchase; and
 - (b) to the extent that the TSX is considered a governmental agency or body, such filings as may be required to be made to the TSX as set out in the TSX letter.
16. No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable by or on behalf of the Initial Purchasers under the laws of Canada or the Province of Ontario in connection with (A) the execution and delivery of the Purchase Agreement and the Indenture; (B) the issuance, sale and delivery by the Company to or for the account of the Initial Purchasers of the Notes or (C) the sale and delivery by the Initial Purchasers of the Notes to the initial purchasers thereof, provided that (i) each of the Initial Purchasers is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) who does not use or hold, and is not deemed to use or hold, the Notes or the Purchase Agreement in connection with the carrying on of a business in Canada in any taxation year; (ii) in the case of an Initial Purchaser that carries on an insurance business in Canada and elsewhere, the Purchase Agreement and the Notes are not designated insurance property within the meaning of the *Income Tax Act* (Canada) of such Initial Purchasers; and (iii) an Initial Purchaser, together with persons with whom the Initial Purchaser does not deal at arm's length, does not own and has not owned in the preceding

60 months, and is not deemed to own or to have owned in the preceding 60 months, 25% or more of the shares of any class or series of the Company.

17. The Company will not be required under the *Income Tax Act* (Canada) including the regulations promulgated thereunder or the tax legislation of the Province of Ontario (collectively, the "Canadian Tax Law") to withhold tax on account of: (i) any amount paid or credited, or deemed to be paid or credited, by or on behalf of the Company in respect of the principal amount of, or any premium on, the Notes, (ii) the issue or delivery of Common Shares (or other property) upon conversion of the Notes or any adjustment to the conversion rate of the Notes, in each case, in accordance with the terms of the Indenture, or (iii) any amount paid or credited, or deemed to be paid or credited, by or on behalf of the Company as, on account or in lieu of payment of, or in satisfaction of, interest payable (or deemed to be payable) on the Notes to any holder of the Notes who, for the purposes of the Canadian Tax Law, is neither resident nor deemed to be resident in Canada and who is dealing with the Company at arm's length at the time of such payment or crediting (a "Non-Resident Holder"). Under the Canadian Tax Law, no tax on income (including taxable capital gains) is or will be payable by a Non-Resident Holder merely as a result of entering into the Purchase Agreement or the holding, sale, redemption, conversion, or other disposition of the Notes, or in respect of the payment or crediting by or on behalf of the Company of the principal amount outstanding under the Notes or any premium or interest on such amount, provided that, (i) the Non-Resident Holder does not use or hold, and is not deemed to use or hold, the Notes or the Purchase Agreement in connection with the carrying on of a business in Canada in any taxation year; (ii) in the case of a Non-Resident Holder that carries on an insurance business in Canada and elsewhere, the Purchase Agreement and the Notes are not designated insurance property within the meaning of the *Income Tax Act* (Canada) of such Non-Resident Holder; and (iii) at the time of any redemption, conversion or other disposition of a Note by the Non-Resident Holder, the Non-Resident Holder, together with persons with whom the Non-resident does not deal at arm's length, does not own and has not owned in the preceding 60 months, and is not deemed to own or to have owned in the preceding 60 months, 25% or more of the shares of any class or series of the Company.
18. The statements made in the Disclosure Package and the Final Offering Memorandum under the caption "Taxation – Canada" fairly present, subject to the qualifications and limitations set out therein, a general summary of the principal Canadian federal income tax considerations generally applicable to a U.S. Resident (as defined therein) who acquires Notes pursuant to the terms set forth in or contemplated by the Disclosure Package and the Final Offering Memorandum or receives Common Shares upon conversion of the Notes in accordance with the terms of the Indenture.
19. The statements included in the Disclosure Package and the Final Offering Memorandum under the captions "Description of the Notes" and "Transfer Restrictions", insofar as such statements relate to matters of the laws of the Province of Ontario and the federal laws of Canada applicable therein, fairly summarize in all material respects such matters.
20. The statements made in the Disclosure Package and the Final Offering Memorandum under the caption "Description of the Shares", insofar as such statements constitute summaries of principal attributes of the share capital of the Company or summaries of certain provisions of the *Canada Business Corporations Act*, constitute fair summaries of such provisions.
21. The statements made in the Disclosure Package and the Final Offering Memorandum under the captions "Enforcement of Civil Liabilities" and "Risk Factors", insofar as such statements relate

to matters of the laws of the Province of Ontario and the federal laws of Canada applicable therein, are true and accurate.

22. In any proceeding brought before a court of competent jurisdiction in the Province of Ontario (an "Ontario Court") for the enforcement of the Purchase Agreement, the Indenture or the Notes, the Ontario Court would apply New York Law, in accordance with the parties' choice of New York Law in the Purchase Agreement, the Indenture and the Notes, to all issues which, under the laws of the Province of Ontario, are to be determined in accordance with the chosen law of the contract, provided that:
- (a) the parties' choice of New York Law is bona fide and legal and there is no reason for avoiding the choice of law on the grounds of public policy under the laws of the Province of Ontario; and
 - (b) in any such proceeding, and notwithstanding the parties' choice of law, the Ontario Court:
 - (i) will not take judicial notice of the provisions of New York Law but will only apply such provisions if they are pleaded and proven to its satisfaction by expert testimony;
 - (ii) will apply the laws of the Province of Ontario and the federal laws of Canada applicable therein (collectively, "Ontario Law") that under Ontario Law would be characterized as procedural and will not apply any New York Law that under Ontario Law would be characterized as procedural;
 - (iii) will apply provisions of Ontario Law that have overriding effect;
 - (iv) will not apply any New York Law if such application would be characterized under Ontario Law as a direct or indirect enforcement of a foreign revenue, expropriatory, penal or other public law or if its application would be contrary to public policy under Ontario Law; and
 - (v) will not enforce the performance of any obligation that is illegal under the laws of any jurisdiction in which the obligation is to be performed.
23. An Ontario Court would give a judgment based upon a final and conclusive *in personam* judgment of a State or Federal court exercising jurisdiction in the Borough of Manhattan, The City of New York, New York (a "New York Court") for a sum certain, obtained against the Company with respect to a claim arising out of the Purchase Agreement, the Indenture or the Notes without reconsideration of the merits, subject to the following defences that the New York judgment:
- (a) was obtained by fraud or in any manner contrary to the principles of natural justice;
 - (b) was for a claim which under Ontario Law would be characterized as based on a foreign revenue, expropriatory, penal or other public law;
 - (c) is contrary to public policy or to an order made by the Attorney General of Canada under the *Foreign Extraterritorial Measures Act* (Canada) or by the Competition Tribunal

under the *Competition Act* (Canada) in respect of certain judgments referred to in those statutes; and

- (d) has been satisfied or is void or voidable under New York Law; and
- (e) provided that:
 - (i) an action to enforce a judgment of a New York Court must be commenced in the Ontario Court within any applicable limitation period;
 - (ii) the Ontario Court will render judgment only in Canadian dollars;
 - (iii) the Ontario Court has discretion to stay or decline to hear an action in respect of the New York judgment if the New York judgment is under appeal, or there is another subsisting judgment in any jurisdiction relating to the same cause of action as such New York judgment; and
 - (iv) an action in the Ontario Court on the New York judgment may be affected by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally.

24. The submission by the Company to the non-exclusive jurisdiction of a New York Court contained in the Purchase Agreement, the Indenture and the Notes would be recognized and given effect by an Ontario Court as a valid submission to the jurisdiction of such courts, provided that the provisions of the Purchase Agreement, the Indenture and the Notes respecting service of process on the Company are complied with. A judgment of a New York Court would not be contrary to natural justice by reason only that service of process in the proceedings before the New York Court was effected on the agent for service of process appointed by the Company pursuant to the Indenture, the Notes and the Purchase Agreement.

This opinion is addressed to you and is solely for your benefit in connection with the Offering and may not be quoted from or otherwise referred to in any other document or be used or relied upon by you or be communicated or relied upon by any other person.

Yours truly,

SCHEDULE "A"

The opinion expressed in paragraph 7 is subject to the following:

1. the laws of any jurisdiction, other than the Province of Ontario and the federal laws of Canada applicable therein, which may be considered or given effect to under the laws of the Province of Ontario and the federal laws of Canada applicable therein in any such determination;
2. the validity, binding effect and enforceability of the Notes, the Purchase Agreement and the Indenture may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, winding up, moratorium or other laws generally affecting the enforceability of creditors' rights;
3. the validity, binding effect and enforceability of the Notes, the Purchase Agreement and the Indenture may be limited by general principles of equity, such as the principle that the availability of equitable remedies such as specific performance and injunctive relief, is in the discretion of the court and may not be available in circumstances where damages are considered to be an adequate remedy or where other criteria are not met;
4. enforceability of the Notes, the Purchase Agreement and the Indenture will be subject to the limitations contained in the *Limitations Act, 2002* (Ontario);
5. enforcement of the Notes, the Purchase Agreement and the Indenture may be affected or limited by any collateral agreements or arrangements relating thereto entered into between the parties thereto, of which we are not aware, or by the conduct of the parties thereto since the date the Notes, the Purchase Agreement and the Indenture were entered into which may affect the enforceability of the such agreements;
6. the rights of indemnity, contribution and waiver of contribution contained in the Notes, the Purchase Agreement and the Indenture may be limited or unavailable under applicable law;
7. an Ontario court may reserve to itself the right to decline jurisdiction in any action relating to the Notes, Purchase Agreement and the Indenture on the basis that Ontario is an inconvenient forum, notwithstanding any waiver of the right to raise such objection or defence in the Notes, Purchase Agreement and the Indenture;
8. the *Interest Act* (Canada) may limit the rate of interest which a judgment debt bears; the *Interest Act* (Canada) limits the collectability of interest after judgment in those jurisdictions which have not enacted legislation regulating post-judgment interest;
9. the enforcement of the Notes, Purchase Agreement and the Indenture is subject to the discretion of an Ontario court to impose restrictions on the rights of parties to give effect to provisions which deem facts to be binding or conclusive or to exercise rights other than in what the court considers to be a reasonable manner, and the right to exercise any unilateral or unfettered discretion set forth in the Notes, Purchase Agreement and the Indenture will not prevent an Ontario court from requiring such discretion to be exercised reasonably;
10. the costs of and incidental to all proceedings taken in court are in the discretion of such court and the court has full power to determine by whom and to what extent the costs shall be paid;
11. if any provision of the Notes, Purchase Agreement or the Indenture is held to be invalid, illegal, void, voidable or unenforceable or inoperative, the severance of any such provision from the provisions of the relevant section in the manner provided therein specified may be subject to the

discretion of a court and an Ontario court may reserve to itself a decision as to whether any provision is severable or otherwise of no force or effect;

12. the enforceability of any provision of the Notes, Purchase Agreement or the Indenture exculpating a party from a liability or duty otherwise owed by it to another or waiving legal and equitable defences may be limited by law;
13. an Ontario court has the statutory and inherent power to stay proceedings before it;
14. whenever an obligation, act, agreement or instrument is expressed to be "legal, valid and binding", "effective", "enforceable" or words of like effect, we mean that such obligation, act, agreement or instrument is capable of being given legal effect. We express no opinion as to any factors such as financial capacity or title to assets which may make such obligation, act, agreement or instrument unenforceable in fact;
15. we express no opinion on the enforceability of any provision of the Notes, Purchase Agreement or the Indenture which purports to grant rights to or impose obligations on any person not a party thereto;
16. no opinion is expressed as to the enforceability of any provision of the Notes, Purchase Agreement or the Indenture which provides that amendments or waivers that are not in writing will be ineffective; and
17. we express no opinion on the applicability in proceedings commenced in Ontario, in respect of or arising out of a breach of the Notes, Purchase Agreement or the Indenture, of any statute of any other jurisdiction, including the jurisdiction whose law has been chosen by the other parties or is held to govern the transaction, limiting the time within which an action in respect of or arising out of a breach of the Notes, Purchase Agreement or the Indenture may be brought.

Exhibit A-2

FORM OF OPINION OF
LINKLATERS
TO BE DELIVERED PURSUANT TO SECTION 5(a)

FORM OF OPINION OF
LINKLATERS AS UNITED STATES COUNSEL TO THE COMPANY

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010
United States

and

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park, New York, NY
10036
United States

and

TD Securities Inc.
1, Place Ville-Marie, Bureau 2315
Montréal QC H3B 3M5
Canada

(together, the "Initial Purchasers")

December [17], 2008

Our Ref 我所文號 L-172541

Dear Sirs

Sino-Forest Corporation (the "Issuer")

4.25% Convertible Senior Notes due 2016 (the "Notes")

Guaranteed by Sino-Panel Holdings Limited (BVI), Sino-Panel (Asia) Inc. (BVI), Sino-Panel (Gaoyao) Ltd. (BVI), SFR (China) Inc. (BVI), Sino-Wood Partners, Limited (H.K.), Sino-Forest Resources Inc. (BVI), Suri-Wood Inc. (BVI), Sino-Plantation Limited (H.K.), Sino-Wood (Guangxi) Limited (H.K.), Sino-Wood (Jiangxi) Limited (H.K.), Sino-Wood (Guangdong) Limited (H.K.), Sino-Wood (Fujian) Limited (H.K.), Sino-Global Holdings Inc. (BVI), Sinowin Investments Limited (BVI), Sino-Panel (North East China) Limited (BVI), Sino-Panel [Hunan] Limited (BVI), Sino-Panel [Xiangxi] Limited (BVI), Sino-Forest Bio-Science Limited (BVI) (formerly known as Sino-Two Limited), Sino-Panel (Guangzhou) Limited (BVI), Sino-Panel [Suzhou] Limited (BVI), Sino-Panel (Yunnan) Limited (BVI), Sino-Panel (Guangxi) Limited (BVI), Sino-Panel (Guizhou) Limited (BVI), Sino-Panel (Qinzhou) Limited (BVI), Sino-Panel (Shaoyang) Limited (BVI), Sino-Panel (Yongzhou) Limited (BVI), Sino-Panel (Fujian) Limited (BVI), Grandeur Winway Ltd. (BVI), Sinowood Limited (Cayman Islands), Sino-Forest Investments Limited (BVI), Sino-Panel (North Sea) Limited (BVI), Sino-Panel (Huaihua) Limited (BVI), Amplemax Worldwide Limited (BVI), Ace Supreme International Limited (BVI), Express Point Holdings Limited (BVI), Glory Billion

**International Limited (BVI), Smart Sure Enterprises Limited (BVI), Expert Bonus Investment Limited (BVI) and Dynamic Profit Holdings Limited (BVI), (the "Subsidiary Guarantors")
Convertible into common shares, no par value (the "Common Shares"), of the Issuer**

- 1 We have acted as special United States counsel to the Issuer and the Subsidiary Guarantors in connection with the execution by you, the Issuer and the Subsidiary Guarantors of the Purchase Agreement dated December 10, 2009 (the "Purchase Agreement") relating to the offer and sale of the Notes, guaranteed as to payment of principal and interest and all other amounts payable thereunder by the Subsidiary Guarantors (the "Guarantees"). The Notes and the Guarantees are being issued pursuant to the indenture dated as of December [17], 2009 (the "Indenture"), between the Issuer, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee (the "Trustee"). Each capitalized term used but not defined herein shall have the meaning ascribed to it in the Purchase Agreement.
- 2 This opinion is limited to the federal law of the United States and the laws of the State of New York, and we express no opinion as to the effect of the laws of any other State of the United States or any other jurisdiction.
- 3 For the purpose of this opinion, we have examined the Purchase Agreement, the Indenture, such certificates and other documents and such questions of law, as we have considered necessary or appropriate. We have assumed that the Issuer and each of the Subsidiary Guarantors has the power to execute and deliver the Purchase Agreement, the Notes, the Guarantees and the Indenture, and perform its obligations thereunder, that the Purchase Agreement, the Notes, the Guarantees and the Indenture have been duly and validly authorized, executed and delivered under the laws of Canada by the Issuer, under the laws of Hong Kong by Sino-Wood Partners, Limited (H.K.), Sino-Plantation Limited (H.K.), Sino-Wood (Guangxi) Limited (H.K.), Sino-Wood (Jiangxi) Limited (H.K.), Sino-Wood (Guangdong) Limited (H.K.) and Sino-Wood (Fujian) Limited (H.K.), and under the laws of the British Virgin Islands by Sino-Panel Holdings Limited (BVI), Sino-Panel (Asia) Inc. (BVI), Sino-Panel (Gaoyao) Ltd. (BVI), SFR (China) Inc. (BVI), Sino-Forest Resources Inc. (BVI), Suri-Wood Inc. (BVI), Sino-Global Holdings Inc. (BVI), Sinowin Investments Limited (BVI), Sino-Panel (North East China) Limited (BVI), Sino-Panel [Hunan] Limited (BVI), Sino-Panel [Xiangxi] Limited (BVI), Sino-Forest Bio-Science Limited (BVI) (formerly known as Sino-Two Limited), Sino-Panel (Guangzhou) Limited (BVI), Sino-Panel [Suzhou] Limited (BVI), Sino-Panel (Yunnan) Limited (BVI), Sino-Panel (Guangxi) Limited (BVI), Sino-Panel (Guizhou) Limited (BVI), Sino-Panel (Qinzhou) Limited (BVI), Sino-Panel (Shaoyang) Limited (BVI), Sino-Panel (Yongzhou) Limited (BVI), Sino-Panel (Fujian) Limited (BVI), Grandeur Winway Ltd. (BVI), Sinowood Limited (Cayman Islands), Sino-Forest Investments Limited (BVI), Sino-Panel (North Sea) Limited (BVI), Sino-Panel (Huaihua) Limited (BVI), Amplemax Worldwide Limited (BVI), Ace Supreme International Limited (BVI), Express Point Holdings Limited (BVI), Glory Billion International Limited (BVI), Smart Sure Enterprises Limited (BVI), Expert Bonus Investment Limited (BVI) and Dynamic Profit Holdings Limited (BVI), that the Notes and the Guarantees conform to the form examined by us and that the signatures on all documents examined by us are genuine, assumptions that we have not independently verified.

4 In our opinion:

- 4.1 The Purchase Agreement has been duly executed and delivered by each of the Issuer and the Subsidiary Guarantors.
- 4.2 The Notes and the Guarantees have been duly executed, authenticated, issued and delivered and constitute valid and legally binding obligations of the Issuer and the Subsidiary Guarantors, as the case may be, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.
- 4.3 The Indenture has been duly executed and delivered by the Issuer and the Subsidiary Guarantors and, assuming due authorization, execution and delivery thereof by the Trustee, constitutes a valid and legally binding agreement of the Issuer and the Subsidiary Guarantors enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.
- 4.4 Registration of the Notes and the Guarantees under the United States Securities Act of 1933 (the "Securities Act"), and qualification of an indenture under the United States Trust Indenture Act of 1939, are not required for (i) the sale of the Notes by the Issuer to the Initial Purchasers and (ii) the offer and initial resale of the Notes by the Initial Purchasers, in each case in the manner contemplated by the Purchase Agreement, it being understood that we express no opinion as to any subsequent offer or resale of any Notes.
- 4.5 Neither the Issuer nor any of the Subsidiary Guarantors is, and after giving effect only to, the offer and sale of the Notes and the Guarantees and the application of the proceeds thereof as described in the Final Offering Memorandum dated December 10, 2009 (the "Final Offering Memorandum"), will not be, an investment company within the meaning of the United States Investment Company Act of 1940 and the rules and regulations thereunder.
- 4.6 The Preliminary Offering Memorandum dated December 1, 2009, as supplemented by the final pricing term sheet, in the form attached to the Purchase Agreement as Schedule C (the "Pricing Supplement"), is referred to herein as the "Disclosure Package". The statements under the captions "Description of the Notes," "Taxation - Certain U.S. Federal Income Tax Considerations", and "Plan of Distribution" in the Disclosure Package and the Final Offering Memorandum used in connection with the offer and sale of the Notes and the Guarantees, in each case insofar as those statements summarize provisions of documents governed by New York law or provisions of United States Federal tax law therein described, in the case of the Disclosure Package, at the Applicable Time (as defined in the Purchase Agreement) and, in the case of the Final Offering Memorandum, at its date and at the time and date of delivery of this opinion, were fair and accurate summaries in all material respects.

- 4.7 All regulatory consents, authorizations, approvals and filings required to be obtained or made by the Issuer and the Subsidiary Guarantors on or prior to the date hereof under the federal laws of the United States and the laws of the State of New York for the execution and delivery of the Purchase Agreement, the Notes, the Guarantees and the Indenture and the performance of their respective obligations thereunder have been obtained or made; provided, however, that we express no opinion with respect to United States federal or State securities laws.
- 4.8 The execution and delivery by the Issuer and the Subsidiary Guarantors of the Purchase Agreement, the Notes, the Guarantees and the Indenture do not, and the performance by the Issuer and the Subsidiary Guarantors of their respective obligations under the Purchase Agreement, the Notes, the Guarantees and the Indenture will not, violate any existing federal law of the United States or law of the State of New York applicable to the Issuer and the Subsidiary Guarantors or result in a default under or breach of (i) the indenture dated August 17, 2004, between the Issuer, the subsidiary guarantors named therein and Law Debenture Trust Company of New York as trustee thereunder (amended and supplemented as of January 25, 2006, February 24, 2006, November 22, 2006, October 8, 2007, July 14, 2008, July 20, 2009, July 27, 2009 and November 16, 2009), (ii) the Indenture dated July 23, 2008 between the Issuer, the subsidiary guarantors named therein and the Bank of New York Mellon as trustee thereunder (amended and supplemented as of July 20, 2009 and November 16, 2009) or (iii) the indenture dated August July 27, 2009, between the Issuer, the subsidiary guarantors named therein and Law Debenture Trust Company of New York as trustee thereunder (amended and supplemented as of November 16, 2009); provided, however, that for purposes of this paragraph 4.8, we express no opinion with respect to United States federal or State securities laws, other anti-fraud laws, fraudulent transfer laws, the U.S. Employee Retirement Income Security Act of 1974 and related laws; and provided, further, that insofar as performance by the Issuer and the Subsidiary Guarantors of their respective obligations under the Purchase Agreement, the Notes, the Guarantees and the Indenture is concerned, we express no opinion as to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights or as to the effect of general equity principles.
- 4.9 The Issuer and each Subsidiary Guarantor has, pursuant to Section 17 of the Purchase Agreement and Section [●] of the Indenture, validly submitted to the jurisdiction of the courts within the Borough of Manhattan in The City of New York specified therein with respect to the proceedings specified therein, and has, to the fullest extent permitted by applicable law, validly and irrevocably waived any objection to the laying of venue of such proceedings in any such court, and has validly and irrevocably appointed Law Debenture Corporate Services Inc. as its authorised agent for the purpose described in such section, and service of process effected in the manner set forth in Section 17(b) of the Purchase Agreement and Section [●] of the Indenture will be effective to confer valid personal jurisdiction over the Issuer and each Subsidiary Guarantor in such proceedings.

- 5 In connection with our opinion set forth in paragraph 4.4 above, we have relied to the extent we believe is appropriate upon the representations, warranties, agreements and undertakings of the Issuer, the Subsidiary Guarantors and the Initial Purchasers in the Purchase Agreement with respect to other securities transactions of the Issuer, the absence of any form of general solicitation or general advertising in the United States in connection with the offering of the Notes and the Guarantees, the absence of any directed selling efforts (as defined in Regulation S under the Securities Act) and certain other matters.
- 6 In connection with our opinion in paragraph 4.9 above, we note that the designation in Section 17 of the Purchase Agreement and Section [●] of the Indenture of the United States federal courts set forth therein as venues for proceedings relating to the Purchase Agreement, the Notes, the Guarantees and the Indenture are subject to the power of United States federal courts to transfer proceedings pursuant to Section 1404(a) of Title 28 of the United States Code or to dismiss such proceedings on the grounds that such United States federal court is an inconvenient forum for such actions. We express no opinion as to the subject matter jurisdiction of any United States federal court to adjudicate any action where jurisdiction based on diversity of citizenship under Section 1332 of Title 28 of the United States Code does not exist.
- 7 *U.S. Internal Revenue Service Circular 230 Disclosure: Any U.S. tax advice contained herein is not intended or written by us to be used, and it cannot be used by any person, for the purpose of avoiding U.S. tax penalties that may be imposed on any person. Any such U.S. tax advice was written to support the promotion or marketing of the transaction(s) or matter(s) addressed by it. Each person should seek U.S. tax advice based on the person's particular circumstances from an independent tax adviser.*
- 8 This opinion is addressed to you solely for your benefit in connection with the offer and sale of the Notes and the Guarantees. It is not to be transmitted to anyone else nor is it to be relied upon by anyone else or for any other purpose or quoted or referred to in any public document or filed with anyone without our express consent. This opinion may however be disclosed by the addressees hereof to the extent required by law, regulation or any governmental or competent regulatory authority or in connection with legal proceedings relating to the offer and sale of the Notes and the Guarantees, provided that no such party to whom the opinion is disclosed may rely on the opinion without our express consent.

Yours faithfully

Linklaters

FORM OF DISCLOSURE LETTER OF
LINKLATERS AS UNITED STATES COUNSEL TO THE COMPANY

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010
United States of America

and

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park, New York, NY
10036
United States

and

TD Securities Inc.
1, Place Ville-Marie, Bureau 2315
Montréal QC H3B 3M5
Canada

(together, the "Initial Purchasers")

December [17], 2009

Our Ref 我所文號 L-172541

Dear Sirs

Sino-Forest Corporation (the "Issuer")

4.25% Convertible Senior Notes due 2016 (the "Notes")

Guaranteed by Sino-Panel Holdings Limited (BVI), Sino-Panel (Asia) Inc. (BVI), Sino-Panel (Gaoyao) Ltd. (BVI), SFR (China) Inc. (BVI), Sino-Wood Partners, Limited (H.K.), Sino-Forest Resources Inc. (BVI), Suri-Wood Inc. (BVI), Sino-Plantation Limited (H.K.), Sino-Wood (Guangxi) Limited (H.K.), Sino-Wood (Jiangxi) Limited (H.K.), Sino-Wood (Guangdong) Limited (H.K.), Sino-Wood (Fujian) Limited (H.K.), Sino-Global Holdings Inc. (BVI), Sinowin Investments Limited (BVI), Sino-Panel (North East China) Limited (BVI), Sino-Panel [Hunan] Limited (BVI), Sino-Panel [Xiangxi] Limited (BVI), Sino-Forest Bio-Science Limited (BVI) (formerly known as Sino-Two Limited), Sino-Panel (Guangzhou) Limited (BVI), Sino-Panel [Suzhou] Limited (BVI), Sino-Panel (Yunnan) Limited (BVI), Sino-Panel (Guangxi) Limited (BVI), Sino-Panel (Guizhou) Limited (BVI), Sino-Panel (Qinzhou) Limited (BVI), Sino-Panel (Shaoyang) Limited (BVI), Sino-Panel (Yongzhou) Limited (BVI), Sino-Panel (Fujian) Limited (BVI), Grandeur Winway Ltd. (BVI), Sinowood Limited (Cayman Islands), Sino-Forest Investments Limited (BVI), Sino-Panel (North Sea) Limited (BVI), Sino-Panel (Huaihua) Limited (BVI), Amplemax Worldwide Limited (BVI), Ace Supreme International Limited (BVI), Express Point Holdings Limited (BVI), Glory Billion

International Limited (BVI), Smart Sure Enterprises Limited (BVI), Expert Bonus Investment Limited (BVI) and Dynamic Profit Holdings Limited (BVI), (the "Subsidiary Guarantors") Convertible into common shares, no par value (the "Common Shares"), of the Issuer

We have acted as special United States counsel to the Issuer and the Subsidiary Guarantors in relation to the preparation of the Final Offering Memorandum dated December 10, 2009 (the "Final Offering Memorandum") used in connection with the offer and sale of the Notes, guaranteed as to payment of principal and interest and all other amounts payable thereunder by the Subsidiary Guarantors (the "Guarantees"). The Preliminary Offering Memorandum dated December 1, 2009, together with the final pricing term sheet, dated December 10, 2009 and attached as Schedule C (the "Pricing Supplement") to the Purchase Agreement dated December 10, 2009 by and between you, the Issuer and the Subsidiary Guarantors (the "Purchase Agreement"), is referred to herein as the "Disclosure Package".

In our capacity as such counsel, we have, along with representatives of the Issuer and the Subsidiary Guarantors, the Company's independent accountants, and their Canadian, PRC, British Virgin Islands, Cayman Islands, Hong Kong and English counsel, and representatives of the Initial Purchasers, and their United States, Canadian and PRC counsel, participated in discussions concerning the contents of the Disclosure Package and the Final Offering Memorandum and related matters, reviewed the contents of the Disclosure Package and the Final Offering Memorandum and carried out such further enquiries and procedures as we have deemed necessary or appropriate in the circumstances.

On the basis of the information that we gained in the performance of the work referred to above, considered in the light of our understanding of the applicable United States federal securities laws and the experience we have gained through our practice in this field, we confirm to you that nothing that has come to our attention in the course of our acting in our capacity as such counsel has caused us to believe that the Disclosure Package, at the Applicable Time (as defined in the Purchase Agreement), and the Final Offering Memorandum, at its date and at the time and date of delivery of this letter, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of disclosure documents are such, however, that we do not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Disclosure Package or the Final Offering Memorandum except as provided in paragraph 4.6 of our opinion with respect to certain matters of U.S. law addressed to you and dated the date hereof. With your agreement, we express no opinion or belief as to the financial statements or as to any of the financial data contained in the Disclosure Package and the Final Offering Memorandum. Furthermore, we express no opinion or belief as to the reports of Pöyry Forest Industry Pte Ltd. entitled "Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2007" dated March 14, 2008 and "Sino-Forest Corporation Valuation of China Forest Crop Assets as at 31 December 2008" dated April 1, 2009 incorporated by reference in the Disclosure Package and the Final Offering Memorandum.

This letter is addressed to you solely for your benefit. It is not to be relied upon by anyone else for any purpose without our express consent.

Yours faithfully

Linklaters

FORM OF OPINION OF
LINKLATERS AS HONG KONG COUNSEL TO THE COMPANY

[Note: The contents of this opinion letter are subject to any change to Hong Kong law and the results of the examination of the documents described or any other relevant documents examined.]

The searches shall be dated near to the date of this opinion and the Certificates of Directors shall be dated on the date of this opinion.]

[17] December 2009

To: Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and TD Securities Inc. (together the "Initial Purchasers")

Dear Sir

SINO-FOREST CORPORATION – CONVERTIBLE SENIOR NOTES

- 1 This opinion letter is being delivered to the Initial Purchasers pursuant to section 5(a) of the Purchase Agreement between Sino-Forest Corporation (the "Issuer"), the subsidiary guarantors named therein (the "Subsidiary Guarantors") and the Initial Purchasers dated 10 December 2009 (the "Purchase Agreement"). Our engagement as Hong Kong counsel to the Issuer in connection with (i) the proposed issue and sale by the Issuer and the purchase by the Initial Purchasers, acting severally and not jointly, of the respective principal amounts of the Issuer's US\$400,000,000 Convertible Senior Notes due 2016 (the "Notes") and (ii) the proposed grant by the Issuer to the Initial Purchasers, acting severally and not jointly, of the option described in section 2(b) of the Purchase Agreement to purchase all or any part of an additional US\$60,000,000 principal amount of Notes to cover over-allotments, if any, is in respect of the issue of this opinion letter only. For the purpose of this opinion letter, the "Hong Kong Subsidiary Guarantors" means Sino-Wood Partners, Limited, Sino-Plantation Limited, Sino-Wood (Guangxi) Limited, Sino-Wood (Jiangxi) Limited, Sino-Wood (Guangdong) Limited and Sino-Wood (Fujian) Limited, and the guarantees proposed to be given by the Hong Kong Subsidiary Guarantors to the holders of the Notes and the Trustee (as defined below) pursuant to the Indenture (as defined below) are referred to as the "Hong Kong Subsidiary Guarantees".

- 2 This opinion letter is limited to the laws of the Hong Kong Special Administrative Region ("Hong Kong" or the "HKSAR") of the People's Republic of China (the "PRC") in force at the date of this opinion letter and is given on the basis that it will be governed by and construed in accordance with Hong Kong law. We express no opinion on any law other than Hong Kong law. We have not made any investigation or enquiry other than as stated in paragraph 3. Our opinion is limited to the matters specifically and expressly stated in paragraph 5. All references to dates in this opinion letter shall be construed in accordance with Hong Kong time.

- 3 We have examined the following for the purpose of rendering this opinion:
 - (a) an executed copy of the Purchase Agreement;

- (b) an executed copy of the indenture between the Issuer, the Subsidiary Guarantors and The Bank of New York Mellon in its capacity as trustee (the "Trustee") dated [17] December 2009 (the "Indenture");
- (c) an executed copy of each of the Hong Kong Subsidiary Guarantees;
- (d) the public records disclosed by the search made by us in respect of each of the Hong Kong Subsidiary Guarantors on [●] 2009 at the Hong Kong Business Registration Office (the "Business Registration Search");
- (e) the public records disclosed by the search made by us in respect of each of the Hong Kong Subsidiary Guarantors on [●] 2009 at the Hong Kong Companies Registry (the "Company Search");
- (f) the public records disclosed by the search made by us in respect of each of the Hong Kong Subsidiary Guarantors on [●] 2009 at the Official Receiver's office of Hong Kong (the "Official Receiver Search");
- (g) the results disclosed by the search made by Target On-Line Financial Ltd. ("Tolfin") in respect of each of the Hong Kong Subsidiary Guarantors on [●] 2009 against the Cause Book of the Registry of the High Court of Hong Kong and the Cause Book of the Registry of the District Court of Hong Kong set out in the Appendix [●] to this letter (the "Cause Book Enquiry");
- (h) the following documents provided to us by or on behalf of the Issuer:
 - (i) the board resolutions dated [●] 2009 of Sino-Wood Partners, Limited;
 - (ii) the board resolutions dated [●] 2009 of Sino-Plantation Limited;
 - (iii) the board resolutions dated [●] 2009 of Sino-Wood (Guangxi) Limited;
 - (iv) the board resolutions dated [●] 2009 of Sino-Wood (Jiangxi) Limited;
 - (v) the board resolutions dated [●] 2009 of Sino-Wood (Guangdong) Limited;
 - (vi) the board resolutions dated [●] 2009 of Sino-Wood (Fujian) Limited;
 - (vii) the shareholder resolutions dated [●] 2009 of Sino-Wood Partners, Limited;
 - (viii) the shareholder resolutions dated [●] 2009 of Sino-Plantation Limited;
 - (ix) the shareholder resolutions dated [●] 2009 of Sino-Wood (Guangxi) Limited;
 - (x) the shareholder resolutions dated [●] 2009 of Sino-Wood (Jiangxi) Limited;
 - (xi) the shareholder resolutions dated [●] 2009 of Sino-Wood (Guangdong) Limited;
 - (xii) the shareholders resolutions dated [●] 2009 of Sino-Wood (Fujian) Limited;
 - (xiii) the register of members of each of the Hong Kong Subsidiary Guarantors as at [●] 2009;

(xiv) a declaration of trust made by Tak Yuen Chan dated 17 March 1994 in respect of 1 share in the capital of Sino-Wood Partners, Limited in favour of Sino-Forest Corporation; a declaration of trust made by Chan Tak Yuen dated 26 October 2002 in respect of 1 share in the capital of Sino-Plantation Limited in favour of Sino-Wood Partners, Limited; a declaration of trust made by Chan Tak Yuen dated 13 December 2002 in respect of 1 share in the capital of Sino-Wood (Guangxi) Limited in favour of Sino-Plantation Limited; a declaration of trust made by Chan Tak Yuen dated 13 December 2002 in respect of 1 share in the capital of Sino-Wood (Jiangxi) Limited in favour of Sino-Plantation Limited; a declaration of trust made by Chan Tak Yuen dated 4 October 2002 in respect of 1 share in the capital of Sino-Wood (Guangdong) Limited in favour of Sino-Plantation Limited; and a declaration of trust made by Chan Tak Yuen dated 4 October 2002 in respect of 1 share in the capital of Sino-Wood (Fujian) Limited in favour of Sino-Plantation Limited,

(the documents set out in (i) to (xii), together, the "Resolutions");

- (i) a consent summons dated 21 February 2000 in respect of HCA5439/1998 approved and ordered in terms by a Master of the High Court of the Hong Kong SAR for the discontinuance of the action (the "HCA5439/1998 Consent Summons"); and
- (j) a certificate of a director of Sino-Wood Partners, Limited dated [●] 2009; a certificate of a director of Sino-Plantation Limited dated [●] 2009; a certificate of a director of Sino-Wood (Guangxi) Limited dated [●] 2009; a certificate of a director of Sino-Wood (Jiangxi) Limited dated [●] 2009; a certificate of a director of Sino-Wood (Guangdong) Limited dated [●] 2009; and a certificate of a director of Sino-Wood (Fujian) Limited dated [●] 2009 (collectively the "Certificates of Directors").

4 For the purpose of this opinion letter, we have assumed without further inquiry that:

- (a) the information disclosed by the Business Registration Search is true and complete as at [●] 2009 and has not since then been altered and that the Business Registration Search did not fail to disclose any information which had been delivered for registration but did not appear on the public file at the time of our search; it should be noted that there can be a delay between the delivery to the Hong Kong Business Registration Office of information or documents for filing and the appearance of that information or those documents on the public file of the Hong Kong Subsidiary Guarantors;
- (b) the information disclosed by the Company Search is true and complete as at [●] 2009 and has not since then been altered and that the Company Search did not fail to disclose any information which had been delivered for registration but did not appear on the public file at the time of our search; it should be noted that there can be a delay between the delivery to the Hong Kong Companies Registry of information or documents for filing and the appearance of that information or those documents on the public file of the Hong Kong Subsidiary Guarantors;

- (c) the information disclosed by the Official Receiver Search is true and complete as at [●] 2009 and has not since then been altered and that the Official Receiver Search did not fail to disclose any information which had been delivered for registration but did not appear on the public file at the time of our search; it should be noted that there can be a delay between the delivery to the Official Receiver's office of Hong Kong of information or documents for filing and the appearance of that information or those documents on the public file of the Hong Kong Subsidiary Guarantors;
- (d) the information disclosed by the Cause Book Enquiry described in paragraph 3(g) above is true and complete as at [●] 2009 and has not since then been altered and the Cause Book Enquiry did not fail to disclose any proceeding or action or other information which had been issued or published by the High Court or any District Court or any office or department or other part of the Government of Hong Kong (or which appeared on the Cause Book of the Registry of the High Court of Hong Kong or the Cause Book of the Registry of the District Courts of Hong Kong) at the time of either enquiry; the information disclosed by the Cause Book Enquiry included all details of the subject matter, jurisdiction, parties, status and all other facts and circumstances of the proceedings and other disputes so disclosed; it should be noted that there can be a delay between the issue or publication of information and the appearance of that information on the Cause Book of the Registry of the High Court of Hong Kong or the Cause Book of the Registry of the District Courts of Hong Kong;
- (e) the HCA5439/1998 Consent Summons is in form and substance identical to the document in Appendix [●] to this letter;
- (f) each of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture (including its execution, delivery and performance) is within the capacity, authority and powers of each party thereto (other than the Hong Kong Subsidiary Guarantors), and each of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture has been validly authorised, executed and delivered by each party (other than the Hong Kong Subsidiary Guarantors); the execution, delivery and performance of each of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture by any person who is a party to such agreement and the consummation of the transactions contemplated therein will not (A) conflict with or result in a breach of any term or provision of any other agreement to which such person is a party; or (B) result in any violation of the memorandum and articles of association or any other constitution document of such person (other than the Hong Kong Subsidiary Guarantors) or (C) be illegal, ineffective or result in any violation of any provision of any law of any jurisdiction (other than Hong Kong in respect of the Hong Kong Subsidiary Guarantors);
- (g) each of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture has the same meaning and effect under the law by which it is expressed to be governed as it would if it were governed by and interpreted in accordance with Hong Kong law by a Hong Kong court and there is nothing in the governing law of the Purchase Agreement, the Hong

Kong Subsidiary Guarantees and the Indenture respectively which would affect this opinion letter;

- (h) the obligations of each of the Hong Kong Subsidiary Guarantors under the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture respectively have been given in good faith by the relevant Hong Kong Subsidiary Guarantor and the execution, delivery and performance of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture have been authorised and approved in good faith and in accordance with fiduciary duties by the board of directors of the relevant Hong Kong Subsidiary Guarantor and in furtherance of the objects and for the purpose of carrying on the business of the relevant Hong Kong Subsidiary Guarantor and that, when they were given, the relevant Hong Kong Subsidiary Guarantor and its board of directors had reasonable grounds for believing that giving the guarantee referred to in the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture would benefit the relevant Hong Kong Subsidiary Guarantor; and all necessary corporate action in connection with the execution, delivery and performance of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture respectively has been taken on the part of the relevant Hong Kong Subsidiary Guarantor;
- (i) the Resolutions were validly passed and remain in full force and effect without modification;
- (j) all certificates, agreements, corporate records and other documents provided to us expressed to be signed, sealed, delivered and/or issued have been duly signed, sealed, delivered and/or issued;
- (k) each signature, seal or chop is the genuine signature, seal or chop respectively of the individual or the company concerned, and the identity and legal capacity of all signatories and corporate officers are correct;
- (l) each declaration of trust described in paragraph 3(h)(xiv) above was when made and is legal, valid, binding and enforceable and no such declaration of trust has been revoked or modified;
- (m) Chan Tak Yuen and Tak Yuen Chan refer to the same person;
- (n) all persons signing, sealing, delivering and/or issuing the certificates, agreements, corporate records and other documents provided to us had due power and authority to do so and had taken all necessary corporate and other action to sign, seal, deliver and/or issue such certificates, agreements, corporate records and documents; in particular, each of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture has been executed on behalf of the Hong Kong Subsidiary Guarantors by the person(s) authorised by the Resolutions;
- (o) each of the members of the board of directors of each of the Hong Kong Subsidiary Guarantors has been duly appointed in accordance with the memorandum and articles of association and regulations (if any) of the relevant Hong Kong Subsidiary Guarantor and

all relevant laws and regulatory requirements and each such appointment has remained valid and effective;

- (p) all certificates, agreements, corporate records and other documents provided to us are authentic, accurate and complete, whether as originals or copies; and that, in particular, all agreements, corporate records and other documents presented as copies are accurate and complete as at the date of this opinion letter and in conformity with their respective originals;
- (q) the register of members of each of the Hong Kong Subsidiary Guarantors as described in paragraph 3(h)(xiii) that was provided to us was as at [●] 2009 and remains accurate, complete and up to date and there has been no change to the register of members of each of the Hong Kong Subsidiary Guarantors since [●] 2009 and no cause to make any such change;
- (r) there has been no general meeting of and no board meeting of any of the Hong Kong Subsidiary Guarantors and no written resolution by the members or the directors of any of the Hong Kong Subsidiary Guarantors in which the members or the directors of such Hong Kong Subsidiary Guarantors have passed a resolution or resolutions and the record of which has not been brought specifically to our attention in writing and/or not delivered to the Hong Kong Companies Registry for registration;
- (s) the accuracy, currency and completeness of all statements and information contained in all certificates, agreements, corporate records and other documents examined by us; and
- (t) there has been no change in the circumstances or prospects of the Issuer or any member of its group of companies (including the Hong Kong Subsidiary Guarantors) which is material to the statements herein which has not been brought specifically to our attention in writing.

5 Based on and subject to and relying on the foregoing and the qualifications and reservations in paragraph 6, we are of the following opinion:

- (a) Each of the Hong Kong Subsidiary Guarantors is duly incorporated in Hong Kong under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and is validly existing as a limited liability company under the laws of Hong Kong.
- (b) Based solely on the memorandum and articles of association as revealed by the Company Search, the business registration certificate as revealed by the Business Registration Search and the Certificate of Directors, in respect of a particular Hong Kong Subsidiary Guarantor, that Hong Kong Subsidiary Guarantor has the corporate power and authority to own its real property/properties (if any), to hold shares in other companies and to carry on its business as a holding company.
- (c) The Company Search revealed no order or resolution for the winding-up of any of the Hong Kong Subsidiary Guarantors and no notice of appointment of a receiver; however, such search is not capable of revealing a winding-up order or resolution made, or an appointment of a receiver, immediately prior to the conduct of the Company Search.

- (d) The Official Receiver Search revealed that no petition for the winding-up of any of the Hong Kong Subsidiary Guarantors had been presented; however, a winding-up petition may be presented but not filed at the Official Receiver's Office immediately upon such presentation.
- (e) Other than the matters disclosed in the Cause Book Enquiry set out in Appendix [●] to this letter, the Cause Book Enquiry revealed (i) no proceeding before the High Court of Hong Kong against any of the Group Companies and (ii) no action before the District Court of Hong Kong against any of the Group Companies; however, such an enquiry is not capable of revealing any proceeding or action commenced immediately prior to the making of the Cause Book Enquiry. Based solely on the results of the Cause Book Enquiry and the HCA5439/1998 Consent Summons, the action in HCA5439/1998 has been discontinued pursuant to the HCA5439/1998 Consent Summons.
- (f) Based solely on the memorandum and articles of association revealed by the Company Search and the Certificate of Directors, in respect of a particular Hong Kong Subsidiary Guarantor, the issue of shares in the capital of that Hong Kong Subsidiary Guarantor has been duly authorised.
- (g) Based solely on the register of members of Sino-Wood Partners, Limited as at [●] 2009, 2,999,999 Ordinary Shares and 129,927 Class B Shares in the capital of Sino-Wood Partners, Limited were held by Sino-Forest Corporation and 1 Ordinary Share in the capital of Sino-Wood Partners, Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 17 March 1994 in favour of Sino-Forest Corporation, the 1 share in the capital of Sino-Wood Partners, Limited held by Chan Tak Yuen was held by Chan Tak Yuen as nominee for Sino-Forest Corporation. Based solely on a special resolution of Sino-Wood Partners, Limited passed on 10 March 2003 revealed by the Company Search, such share had been designated and registered as an Ordinary Share.
- (h) Based solely on the register of members of Sino-Plantation Limited as at [●] 2009, 9,999 shares in the capital of Sino-Plantation Limited were held by Sino-Wood Partners, Limited and 1 share in the capital of Sino-Plantation Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 26 October 2002 in favour of Sino-Wood Partners, Limited, the 1 share in the capital of Sino-Plantation Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Wood Partners, Limited.
- (i) Based solely on the register of members of Sino-Wood (Guangxi) Limited as at [●] 2009, 1 share in the capital of Sino-Wood (Guangxi) Limited was held by Sino-Plantation Limited and 1 share in the capital of Sino-Wood (Guangxi) Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 13 December 2002 in favour of Sino-Plantation Limited, the 1 share in the capital of Sino-Wood (Guangxi) Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Plantation Limited.

- (j) Based solely on the register of members of Sino-Wood (Jiangxi) Limited as at [●] 2009, 1 share in the capital of Sino-Wood (Jiangxi) Limited was held by Sino-Plantation Limited and 1 share in the capital of Sino-Wood (Jiangxi) Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 13 December 2002 in favour of Sino-Plantation Limited, the 1 share in the capital of Sino-Wood (Jiangxi) Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Plantation Limited.
- (k) Based solely on the register of members of Sino-Wood (Guangdong) Limited as at [●] 2009, 1 share in the capital of Sino-Wood (Guangdong) Limited was held by Sino-Plantation Limited and 1 share in the capital of Sino-Wood (Guangdong) Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 4 October 2002 in favour of Sino-Plantation Limited, the 1 share in the capital of Sino-Wood (Guangdong) Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Plantation Limited.
- (l) Based solely on the register of members of Sino-Wood (Fujian) Limited as at [●] 2009, 1 share in the capital of Sino-Wood (Fujian) Limited was held by Sino-Plantation Limited and 1 share in the capital of Sino-Wood (Fujian) Limited was held by Chan Tak Yuen. Based solely on a declaration of trust made by Chan Tak Yuen dated 4 October 2002 in favour of Sino-Plantation Limited, the 1 share in the capital of Sino-Wood (Fujian) Limited held by Chan Tak Yuen was held by Chan Tak Yuen as trustee for the benefit of Sino-Plantation Limited.
- (m) Each of the Hong Kong Subsidiary Guarantors has the corporate power and authority, in compliance with its memorandum and articles of association, to execute, deliver and perform, and has taken all necessary corporate action to authorise the execution, delivery and performance by it of each of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture to which the relevant Hong Kong Subsidiary Guarantor is a party.
- (n) Under Hong Kong law, there is no governmental or regulatory consent, approval or authorisation required by any of the Hong Kong Subsidiary Guarantors for the relevant Hong Kong Subsidiary Guarantor's execution, delivery and performance of the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture to which the relevant Hong Kong Subsidiary Guarantor is a party.
- (o) Under Hong Kong law, there is no registration, filing or similar formalities required to ensure the validity, binding effect and enforceability against any of the Hong Kong Subsidiary Guarantors of the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture to which the relevant Hong Kong Subsidiary Guarantor is a party, except as referred to in paragraph 6.

- (p) Under Hong Kong law, the choice of New York law as the governing law of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture will be recognised by the Hong Kong courts.

6 Qualifications

This opinion is subject to the following qualifications:

- (a) This opinion is subject to limitations arising from bankruptcy, insolvency, liquidation, moratorium, reorganisation and other laws of general application relating to or affecting the rights of creditors.
- (b) The enforcement in Hong Kong of the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture will be subject to Hong Kong rules of civil procedure.
- (c) In Hong Kong, remedies such as specific performance and injunction may not be available.
- (d) A Hong Kong court may not give effect to any provision in the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture in respect of the costs of litigation brought before a Hong Kong court.
- (e) A certificate, determination, notification, opinion or the like might be held by the Hong Kong courts not to be conclusive, final or binding if it could be shown to have an unreasonable or arbitrary basis or in the event of manifest error despite any provision in the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture to the contrary.
- (f) Claims may become barred under the Limitation Ordinance (Chapter 347 of the Laws of Hong Kong).
- (g) Where obligations are to be performed in a jurisdiction outside Hong Kong, they may not be enforceable in Hong Kong to the extent that performance would be illegal under the laws of that jurisdiction.
- (h) Any term of the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture may be amended or terminated orally or in writing by or by course of conduct of the parties, despite any provision in the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture to the contrary.
- (i) Any provision of the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture which constitutes, or purports to constitute, a restriction on the exercise of any statutory power may be ineffective.
- (j) Default interest or amounts in the nature of default interest provided under the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture may not be recoverable if it amounts to a penalty under Hong Kong law.
- (k) An agreement to negotiate is unenforceable.

- (l) Any provision in respect of partial illegality, invalidity or unenforceability in the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture may not be effective - it depends in part on the nature of the illegality, invalidity or unenforceability in question and whether it would accord with public policy or would involve the court in making a new contract for the parties.
- (m) Our opinion that each of the Hong Kong Subsidiary Guarantors is existing is based on the Companies Search. It should be noted that the Companies Search is not capable of revealing conclusively whether or not a winding-up petition or order has been presented or made, a receiver appointed or any other insolvency proceeding commenced.
- (n) We do not express any opinion as to any taxation matters.
- (o) Subject to the Foreign Judgments (Restrictions on Recognition and Enforcement) Ordinance (Chapter 46 of the Laws of Hong Kong) (the “Cap. 46 Ordinance”), a judgment obtained in the New York courts against a Hong Kong company would be entitled to recognition and may be relied upon in proceedings in Hong Kong if:
 - (i) it is for a definite sum of money (and not relating to taxes or penalties);
 - (ii) it is final and conclusive between the parties;
 - (iii) the foreign court had jurisdiction to grant the judgment according to Hong Kong conflict of law rules;
 - (iv) the foreign judgment was not obtained by fraud or obtained in proceedings which contravene the rules of natural justice; and
 - (v) enforcement of the judgment would not be contrary to public policy in Hong Kong.
- (p) The choice of New York law to govern the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture would not be recognised or upheld by the Hong Kong courts if its application contravenes Hong Kong law or would be manifestly incompatible with public policy. The choice of New York law to govern the Purchase Agreement, the Hong Kong Subsidiary Guarantees and the Indenture would not be upheld, for example, if it was made with the intention of evading the law of a jurisdiction with which the agreement had its most substantial connection and which, in the absence of New York law, would have invalidated the agreement or been inconsistent therewith.
- (q) By virtue of the Cap. 46 Ordinance, a New York judgment cannot be enforced or recognised in Hong Kong if the bringing of the proceedings in the New York courts was contrary to an agreement under which the dispute was to be settled otherwise than by proceedings in those courts, except where:
 - (i) the person against whom judgment was given brought or agreed to the bringing of those proceedings in that court, counterclaimed in the proceedings or otherwise submitted to the jurisdiction of that court within the meaning of the Cap. 46 Ordinance; or

- (ii) such agreement was illegal, void or enforcement or was incapable of being performed for reasons not attributable to the fault of the plaintiff in the proceedings in which the judgment was given.
- (r) The term “enforce”, “enforceable” and “enforcement” as used above or below mean that the obligations assumed by the relevant party are of a type which may be enforced by the Hong Kong courts. It does not mean that those obligations will necessarily be enforced in all circumstances in accordance with their terms. In particular:
- (i) Enforcement may be limited by bankruptcy, insolvency, liquidation, reorganisation and other laws of general application relating to or affecting the rights of creditors. Claims may become barred under the Limitation Ordinance or may be or become subject to set-off or counterclaim.
 - (ii) An undertaking or indemnity may not be enforceable insofar as it purports to require payment or reimbursement of the costs of any unsuccessful litigation.
 - (iii) Enforcement may be limited by general principles of equity. We express no opinion as to whether the equitable remedies of specific performance or injunctive relief would be available in respect of any obligation of any party to the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture. The availability of certain equitable remedies, such as injunction and specific performance, will be at the discretion of the court and the court might make an award of damages where specific performance of an obligation or some other equitable remedy is sought, notwithstanding any agreement of the parties to the contrary. This opinion is not to be taken to imply that the Hong Kong courts will necessarily grant any remedy, the availability of which is subject to general principles of equity or which is otherwise in the discretion of the Hong Kong courts.
 - (iv) Where any obligation of any of the Hong Kong Subsidiary Guarantors under the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture is to be performed in any jurisdiction other than Hong Kong, it may not be enforceable in Hong Kong to the extent that such performance would be illegal, invalid, non-binding, unenforceable or contrary to public policy under the laws of such jurisdiction.
 - (v) To the extent that any fee or expense is expressed to be in an amount to be agreed, or any other matter is expressed to be determined by agreement, between the respective parties to the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture, the relevant provision may be unenforceable for uncertainty in default of agreement (although, in default of agreement of any fee or expense, a claim may be made on a quantum meruit basis in quasi-contract for reasonable remuneration in respect of services rendered).
 - (vi) We express no opinion as to any provision prohibiting or restricting modification, amendment or waiver, insofar as it suggests that oral or any other modification,

amendment or waiver could not effectively be agreed upon or granted between the parties.

- (vii) Where a party to the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture is vested with a discretion or may determine a matter in its opinion, Hong Kong law may require that such discretion is exercised reasonably or that such opinion is based upon reasonable grounds. Any provision that certain calculations or certificates or factual determinations will be conclusive and binding, will not be effective if such calculations or certificates or factual determinations (as the case may be) are shown to be incorrect, unreasonable or arbitrary or not to have been given or made in good faith, and will not necessarily prevent judicial or regulatory inquiry into the merits of any claim by an aggrieved party.
- (viii) Hong Kong courts will not enforce any foreign judgment which provides for the payment of multiple or penalty damages or which is otherwise regarded as being contrary to public policy in Hong Kong.
- (ix) Hong Kong courts can give judgments in currencies other than Hong Kong dollars if, subject to the terms of the relevant contract, it is the currency which most validly expresses the plaintiff's loss.
- (x) The enforcement of the obligations of parties may be limited by the provisions of Hong Kong law applicable to agreements held to have been frustrated by events happening after their execution.
- (xi) Hong Kong courts may refuse to give effect to any provision of the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture (A) for the payment of expenses in respect of the costs of enforcement (actual or contemplated) or where the court has itself made an order for costs or (B) which would involve the enforcement of foreign revenue or penal laws or (C) which would be inconsistent with Hong Kong public policy.
- (xii) In some circumstances, a Hong Kong court would not give effect to any provision of the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture which provides that in the event of any invalidity, illegality or unenforceability of any provision of any such document the remaining provisions thereof shall not be affected or impaired, in particular if to do so would not accord with public policy or would involve the court in making a new contract for the parties.
- (xiii) Failure to exercise a right may operate as a waiver of that right notwithstanding any provision which purports to provide to the contrary and failure to exercise a right of action within the relevant limitation period will operate as a bar to the exercise of such right.
- (xiv) We express no opinion on the circumstances in which the Hong Kong courts would exercise their jurisdiction in connection with a dispute under or in connection with

the Purchase Agreement, the Hong Kong Subsidiary Guarantees or the Indenture, although we note that both (a) the incorporation in a place outside Hong Kong of a party and (b) the governing law of the agreement under which the claim is made, are ordinarily relevant factors considered by the Hong Kong courts in deciding whether to exercise jurisdiction in respect of such claim.

- (s) On 1 July 1997, Hong Kong became the Hong Kong Special Administrative Region of the PRC. On 4 April 1990, the National People's Congress (the "NPC") of the PRC adopted the Basic Law of the HKSAR (the "Basic Law"). Under Article 8 of the Basic Law, the laws of Hong Kong in force at 30 June 1997 (that is, the common law, rules of equity, ordinances, subordinate legislation and customary law) shall be maintained, except for any that contravene the Basic Law and subject to any amendment by the legislature of the HKSAR. Under Article 160 of the Basic Law, the laws of Hong Kong in force at 30 June 1997 shall be adopted as laws of the HKSAR unless they are declared by the Standing Committee of the NPC (the "Standing Committee") to be in contravention of the Basic Law and, if any laws are later discovered to be in contravention of the Basic Law, they shall be amended or cease to have force in accordance with the procedure prescribed by the Basic Law.
- (t) On 23 February 1997, the Standing Committee adopted a decision (the "Decision") on the treatment of laws previously in force in Hong Kong. Under paragraph 1 of the Decision, the Standing Committee decided (as translated by us) that "the laws previously in force in Hong Kong, which include the common law, rules of equity, ordinances, subsidiary legislation and customary law, except for those which contravene the Basic Law, are to be adopted as the laws of the HKSAR". Under paragraph 2 of the Decision, the Standing Committee decided that the ordinances and subsidiary legislation set out in Annex 1 to the Decision "which are in contravention of the Basic Law" are not to be adopted as the laws of the HKSAR. One of the ordinances set out in that Annex is the Application of English Law Ordinance (Chapter 88 of the Law of Hong Kong) (the "English Law Ordinance"). The English Law Ordinance applied the common law and rules of equity of England to Hong Kong. We have assumed in giving this opinion letter that the effect of paragraph 2 of the Decision, insofar as it relates to the English Law Ordinance, is to repeal the English Law Ordinance prospectively and that the common law and rules of equity of England which applied in Hong Kong on 30 June 1997 continue to apply, subject to their subsequent independent development which will rest primarily with the courts of the HKSAR which are empowered by the Basic Law to refer to precedents of other common law jurisdictions when adjudicating cases.

- 7 This letter is addressed to you solely for your benefit for the purpose of sections 5(a) and 5(l)(ii) of the Purchase Agreement. It may not be transmitted to anyone else and cannot be relied upon by anyone else or to or by anyone for any other purpose or quoted or referred to in any other document or filed with anyone and neither its contents nor its existence may be disclosed without our prior written consent, save that: (i) reference may be made to it in the Purchase Agreement and in any list

of closing documents pertaining to (a) the proposed issue and sale by the Issuer and the purchase by the Initial Purchasers, acting severally and not jointly, of the respective principal amounts of the Notes and (ii) the proposed grant by the Issuer to the Initial Purchasers, acting severally and not jointly, of the option described in section 2(b) of the Purchase Agreement to purchase all or any part of an additional US\$60,000,000 principal amount of Notes to cover over-allotments, if any; and (ii) this letter may be disclosed by you if you are required to do so by relevant law and regulation, but only on the basis that (a) the disclosure is made for the sole purpose of compliance with such law and regulation; (b) this letter will not be relied upon by any person to whom disclosure is made; (c) the person to whom disclosure is made is prohibited from providing a copy of this letter to any other person; (d) disclosure is made only to the extent required by relevant law and regulation, and (e) to the extent permitted by the relevant law and regulation, written notice of the disclosure is delivered to us before such disclosure is made.

Yours faithfully

FORM OF OPINION OF
LINKLATERS AS ENGLISH COUNSEL TO THE COMPANY

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York NY 10010
United States
("Credit Suisse")

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park, New York, NY
10036, United States

and

TD Securities Inc.
1, Place Ville-Marie, Bureau 2315
Montréal QC H3B 3M5
Canada

(together, the "Initial Purchasers")

[17] December 2009

Our Ref 我所文號 L-172541

Dear Sirs

Sino-Forest Corporation (the "Issuer")

4.25% Convertible Senior Notes due 2016 (the "Notes")

Guaranteed by Sino-Panel Holdings Limited (BVI), Sino-Panel (Asia) Inc. (BVI), Sino-Panel (Gaoyao) Ltd. (BVI), SFR (China) Inc. (BVI), Sino-Wood Partners, Limited (H.K.), Sino-Forest Resources Inc. (BVI), Suri-Wood Inc. (BVI), Sino-Plantation Limited (H.K.), Sino-Wood (Guangxi) Limited (H.K.), Sino-Wood (Jiangxi) Limited (H.K.), Sino-Wood (Guangdong) Limited (H.K.), Sino-Global Holdings Inc. (BVI), Sinowin Investments Limited (BVI), Sino-Panel (North East China) Limited (BVI), Sino-Panel [Hunan] Limited (BVI), Sino-Panel [Xiangxi] Limited (BVI), Sino-Forest Bio-Science Limited (BVI) (formerly known as Sino-Two Limited), Sino-Panel (Guangzhou) Limited (BVI), Sino-Panel [Suzhou] Limited (BVI), Sino-Panel (Yunnan) Limited (BVI), Sino-Panel (Guangxi) Limited (BVI), Sino-Panel (Guizhou) Limited (BVI), Sino-Panel (Qinzhou) Limited (BVI), Sino-Panel (Shaoyang) Limited (BVI), Sino-Panel (Yongzhou) Limited (BVI), Sino-Panel (Fujian) Limited (BVI), Grandeur Winway Ltd. (BVI), Sinowood Limited (Cayman Islands), Sino-Forest Investments Limited (BVI), Sino-Wood (Fujian) Limited (HK),

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Sino-Panel (North Sea) Limited (BVI), Sino-Panel (Huaihua) Limited (BVI), Amplemax Worldwide Limited (BVI), Ace Supreme International Limited (BVI), Express Point Holdings Limited (BVI), Glory Billion International Limited (BVI), Smart Sure Enterprises Limited (BVI), Expert Bonus Investment Limited (BVI) and Dynamic Profit Holdings Limited (BVI) (the "Subsidiary Guarantors")

Convertible into common shares, no par value (the "Common Shares"), of the Issuer

1 Introduction

We have acted as English legal advisers to the Issuer and the Subsidiary Guarantors in connection with the execution by you, the Issuer and the Subsidiary Guarantors of the Purchase Agreement dated 10 December 2009 (the "Purchase Agreement") relating to the offer and sale of the Notes, guaranteed as to payment of principal and interest and all other amounts payable thereunder by the Subsidiary Guarantors (the "Guarantees"). The Notes and the Guarantees are being issued pursuant to the Indenture dated as of [17] December 2009 (the "Indenture"), between the Issuer, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee. Capitalised terms used in this opinion, unless specifically defined, shall have the same meanings as such terms are defined in the Barclays Facility Agreement.

2 English Law

This opinion is limited to English law as applied by the English courts and published and in effect on the date of this opinion. It is given on the basis that all matters relating to it will be governed by, and that it (including all terms used in it) will be construed in accordance with, English law.

3 Scope of Inquiry

For the purpose of this opinion, we have examined the following documents:

- 3.1 An executed copy of the US\$150,000,000 term loan facility agreement dated 24 February 2006 between the Issuer as borrower, the original subsidiary guarantors, the mandated lead arrangers and the original lenders named in it and Barclays Bank PLC as agent (the "Barclays Facility Agreement").
- 3.2 The final forms of the Purchase Agreement, the Indenture, the Notes and the Guarantees (together the "Notes Documents").

4 Assumptions

For the purpose of this opinion, we have made the following assumptions:

- 4.1 All copy documents conform to the originals and all originals are genuine and complete.
- 4.2 The Notes Documents conform to the forms examined by us.
- 4.3 There are no dealings between the parties that affect the Barclays Facility Agreement and the Notes Documents.

- 4.4 Clause 20.2 (*Financial condition*) of the Barclays Facility Agreement will be complied with following the issue of the Notes by the Issuer.
- 4.5 The Notes Documents have the same meaning and effect under the laws of the State of New York as they would have if they were interpreted under English law by an English court and there are no provisions of the laws of the State of New York which would affect this opinion.
- 4.6 The Repeating Representations, as if made by the Issuer and the Subsidiary Guarantors on the date of this opinion and on the date of the Notes Documents, are or will be true and correct.
- 4.7 Except with respect to matters referred to in paragraph 5, the Issuer and the Subsidiary Guarantors are in compliance with their respective obligations under the Finance Documents.

5 Opinion

Based on the documents referred to and assumptions in paragraphs 3 and 4 and subject to the qualifications in paragraph 6 and to any matters not disclosed to us, the execution and delivery by the Issuer and any Subsidiary Guarantor of the Notes Documents and the performance by the Issuer and any Subsidiary Guarantor of its respective obligations thereunder, do not in each case constitute a contravention by the Issuer or any Subsidiary Guarantor on the date of this opinion of its obligations under:

- 5.1 Clause 21.12 (*Indebtedness*) of the Barclays Facility Agreement as it relates to (i) the Issuer incurring Indebtedness under the Notes and (ii) the Subsidiary Guarantors issuing guarantees in respect of the Notes provided that the Fixed Charge Coverage Ratio would be not less than 3:1 upon incurrence of Indebtedness by the Issuer under the Notes and each guarantee in respect of the Notes granted by a Subsidiary Guarantor ranks *pari passu* with each Subsidiary Guarantee (as defined in the Barclays Facility Agreement and as defined in the Note Instrument) granted by that Subsidiary Guarantor;
- 5.2 Clause 21.14 (*Restricted Payments*) of the Barclays Facility Agreement as it relates to (i) the ability of the Issuer to purchase any of its shares from its shareholders for the purpose of delivering shares to satisfy the obligations of the Issuer with respect to conversion of the Notes and (ii) the ability of the Issuer to undertake a buyback or redemption of the Notes provided that any of the transactions mentioned in this paragraph 5.2 are carried out in accordance with and are not otherwise restricted by the provisions in Schedule 14 (*Restricted Payments*) of the Barclays Facility Agreement; and
- 5.3 Clause 7.2 (*Change of Control*) and Clause 22.14 (*Change of Control*) of the Barclays Facility Agreement as they relate to the obligations of the Issuer to prepay in full the facility provided under the Barclays Facility Agreement provided that any conversion, share buyback, purchase or delivery of shares pursuant to or in connection with the Notes Documents will not lead to a Change of Control Triggering Event.

6 Qualifications

This opinion is subject to the following qualifications:

- 6.1 This opinion is subject to any limitations arising from bankruptcy, insolvency, liquidation, moratorium, reorganisation and other laws of general application relating to or affecting the rights of creditors.
- 6.2 We do not express any opinion as to any taxation matters.
- 6.3 The opinions expressed herein derive from a review of the documents referred to in paragraph 3 only and we have not sought any input from the Issuer, the Subsidiary Guarantors or any other person or carried out any independent verification in relation to the matters referred to herein. Further, we do not express any opinion on any matter relating to any question of fact and we have not carried out any investigation or review with respect to questions of fact relating to the matters discussed in this opinion.

7 Reliance

This opinion is addressed to you solely for your benefit in connection with the offer and sale of the Notes and the Guarantees. It is not to be transmitted to anyone else nor is it to be relied upon by anyone else or for any other purpose or quoted or referred to in any public document or filed with anyone without our express consent. This opinion may however be disclosed by the addressees hereof to the extent required by law, regulation or any governmental or competent regulatory authority or court proceedings relating to the offer and sale of the Notes and the Guarantees, provided that no such party to whom the opinion is disclosed may rely on the opinion without our express consent.

Yours faithfully

Linklaters

Exhibit A-3

FORM OF OPINION OF
APPLEBY
TO BE DELIVERED PURSUANT TO SECTION 5(a)

"a"

FORM OF OPINION OF
APPLEBY AS BRITISH VIRGIN ISLANDS COUNSEL TO THE COMPANY

[17] December 2009

Credit Suisse (USA) LLC
Eleven Madison Avenue
New York, NY 10010
United States

The Bank of New York Mellon
101 Barclay Street
Floor 4-E
New York, NY 10286
United States of America

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park, New York, NY
10036, United States

TD Securities Inc.
1, Place Ville-Marie, Bureau 2315
Montréal QC H3B 3M5

Dear Sirs,

Re: Sino-Panel Holdings Limited, Sino-Panel (Asia) Inc., Sino-Panel (Gaoyao) Ltd., SFR (China) Inc., Sino-Forest Resources Inc., Suri-Wood Inc., Sino-Global Holdings Inc., Sinowin Investments Limited, Sino-Panel (North East China) Limited, Sino-Panel [Hunan] Limited, Sino-Panel [Xiangxi] Limited, Sino-Forest Bio-Science Limited (formerly known as Sino-Two Limited), Sino-Panel (Guangzhou) Limited, Sino-Panel [Suzhou] Limited, Sino-Panel (Yunnan) Limited, Sino-Panel (Guangxi) Limited, Sino-Panel (Guizhou) Limited, Sino-Panel (Qinzhou) Limited, Sino-Panel (Shaoyang) Limited, Sino-Panel (Yongzhou) Limited, Sino-Panel (Fujian) Limited, Dynamic Profit Holdings Limited, Sino-Forest Investments Limited, Grandeur Winway Limited, Sino-Panel (North Sea) Limited, Sino-Panel (Huaihua) Limited, Express Point Holdings Limited, Smart Sure Enterprises Limited, Ace Supreme International Limited, Glory Billion International Limited, Amplemax Worldwide Limited, Sino-Capital Global Inc. and Expert Bonus Investment Limited (each a "Company" and together the "Companies")

This opinion as to the laws of British Virgin Islands is addressed to you in connection with:

- (a) a purchase agreement dated 10 December 2009 (the "Purchase Agreement"), amongst the subsidiary guarantors named therein including the Companies party thereto (the "Subsidiary Guarantors"), Sino-Forest Corporation and Credit

Suisse (USA) LLC, in its own name and as representative of the other Initial Purchasers listed in Schedule A thereto (collectively, the “Initial Purchasers”) in relation to the purchase of Sino-Forest Corporation’s 4.25% Convertible Senior Notes due 2016 (the “Notes”); and

- (b) an indenture dated as of [17] December 2009 (the “Indenture”), amongst Sino-Forest Corporation, The Bank of New York Mellon (as trustee) (the “Trustee”), and the Subsidiary Guarantors (including the Companies party thereto), and incorporating the Subsidiary Guarantees (as defined therein) of the Notes,

(the Purchase Agreement and the Indenture are collectively referred to as the “Subject Agreements”).

For the purposes of this opinion we have examined and relied upon the following:

1. The public records of the Companies on file and available for inspection at the Registry of Corporate Affairs, Road Town, Tortola, British Virgin Islands, as revealed by a search on [] December 2009 (the “Company Search”).
2. The records of proceedings on file with, and available for inspection at the High Court of Justice, Road Town, Tortola, British Virgin Islands, as revealed by a search on [] December 2009 in respect of the Companies (the “Litigation Search”).
3. Copies of the Memorandum and Articles of Association and Certificate of Incorporation of each Company, obtained from the Registry of Corporate Affairs, Road Town, Tortola, British Virgin Islands, on [] December 2009 (collectively referred to as the “Constitutional Documents”).
4. Copies of the unanimous written resolutions of the Directors and Shareholders of each Company (with the exception of Sino-Capital Global Inc.) effective [] December 2009 (the “Resolutions”).
5. A Certificate of Incumbency for each Company issued by its Registered Agent on [] December 2009.
6. A Certificate of Good Standing, dated [] December 2009 issued by the Registrar of Corporate Affairs of the British Virgin Islands in respect of each Company.
7. Copies of the executed Subject Agreements.
8. A copy of the preliminary offering memorandum dated 1 December 2009 (the “Preliminary Offering Memorandum”) as supplemented by the final pricing term sheet attached as Schedule C to the Purchase Agreement (together with the Preliminary Offering Memorandum, the “Disclosure Package”) and the Final Offering Memorandum dated 10 December 2009 (the “Final Offering Memorandum”) in relation to the offer by Sino-Forest Corporation of the Notes.
9. A Director’s Certificate confirming certain matters of fact and opinion in respect of each Company all dated [] December 2009 (the “Director’s Certificates”),

(collectively hereinafter referred to as the "Documents").

Unless otherwise defined herein, capitalised terms have the meanings assigned to them in the Subject Agreements.

Assumptions

In stating our opinion we have assumed:

- (a) the authenticity, accuracy and completeness of all Documents and other documentation examined by us submitted to us as originals and the conformity to authentic original documents of all Documents and other such documentation submitted to us as certified, conformed, notarised, faxed or photostatic copies;
- (b) that each of the Documents and other such documentation which was received by electronic means is complete, intact and in conformity with the transmission as sent;
- (c) the genuineness of all signatures and seals on the Documents;
- (d) the authority, capacity and power of each of the persons signing the Documents (other than the Companies in respect of the Subject Agreements);
- (e) that any representation, warranty or statement of fact or law, other than as to the laws of the British Virgin Islands, made in any of the Documents is true, accurate and complete;
- (f) that the Subject Agreements constitute the legal, valid and binding obligations of each of the parties thereto, other than the Companies party thereto, under the laws of its jurisdiction of incorporation or its jurisdiction of formation;
- (g) that the Subject Agreements have been validly authorised, executed and delivered by each of the parties thereto, other than the Companies party thereto, and the performance thereof is within the capacity and powers of each such party thereto, and that each such party to which the Companies party thereto purportedly delivered the Subject Agreements has actually received and accepted delivery of such Subject Agreements;
- (h) that the Subject Agreements will effect, and will constitute legal, valid and binding obligations of each of the parties thereto, enforceable in accordance with their terms, under the laws of the State of New York by which they are expressed to be governed;
- (i) that the Subject Agreements are in the proper legal form to be admissible in evidence and enforced in the courts of the State of New York and in accordance with the laws of the State of New York;
- (j) that there are no provisions of the laws or regulations of any jurisdiction other than the British Virgin Islands which would be contravened by the execution or delivery of the Subject Agreements or which would have any implication in relation to the opinions expressed herein and that, in so far as any obligation under, or action to be taken under, the Subject Agreements is required to be performed or taken in any jurisdiction outside the British Virgin Islands, the performance of such obligation or the taking of such action will constitute a valid and binding obligation of each of the parties thereto under the laws of that jurisdiction and will not be illegal by virtue of the laws of that jurisdiction;

- (k) that the records which were the subject of the Company Search and Litigation Search were complete and accurate at the time of such search and disclosed all information which is material for the purposes of this opinion and such information has not since the date of the Company Search nor the date of the Litigation Search been materially altered;
- (l) that the Resolutions are in full force and effect, have not been rescinded, either in whole or in part, and accurately record the resolutions adopted by all the Directors and Shareholders of each Company (with the exception of Sino-Capital Global Inc.) as unanimous written resolutions of the Board and the Shareholders and that there is no matter affecting the authority of the Directors of such Companies to effect their entry into the Subject Agreements to which they are a party, not disclosed by the Constitutional Documents or the Resolutions, which would have any adverse implication in relation to the opinions expressed herein;
- (m) that no Director of any of the Companies (with the exception of Sino-Capital Global Inc.) has a financial interest in or other relationship to a party to any transaction to be entered into pursuant to the Subject Agreements or if such an interest does exist, the material facts of the interest of each Director has been disclosed in good faith or is known by the other Directors and/or that the material facts of the interest of each director has been disclosed to the Shareholders and Shareholder approval or ratification has been obtained; and
- (n) that there are no matters of fact or law (other than matters of British Virgin Islands law) affecting the enforceability of the Subject Agreements that have arisen since the execution of the Subject Agreements which would affect the opinions expressed herein.

Opinion

Based upon and subject to the foregoing and subject to the reservations set out below and to any matters not disclosed to us, we are of the opinion that:

- (1) (a) Each of SFR (China) Inc., Sino-Forest Bio-Science Limited, Sino-Forest Resources Inc., Sino-Global Holdings Inc., Sino-Panel (Asia) Inc., Sino-Panel (Gaoyao) Ltd., Sino-Panel Holdings Limited, Sino-Panel (North East China) Limited, Sinowin Investments Limited, Suri-Wood Inc., Dynamic Profit Holdings Limited, Sino-Capital Global Inc. and Sino-Forest Investments Limited was a company duly incorporated with limited liability under the International Business Companies Act (Cap. 291) and that on 1 January 2007, each such Company was deemed to be automatically re-registered under the British Virgin Islands Business Companies Act, 2004 (the "BVIBC Act"), is validly existing and in good standing under the laws of the British Virgin Islands. Each such Company is a separate legal entity and possess the capacity to sue and be sued in its own name.
- (b) Each of Grandeur Winway Limited, Sino-Panel [Hunan] Limited, Sino-Panel [Suzhou] Limited and Sino-Panel [Xiangxi] Limited was a company duly incorporated with limited liability under the International Business Companies Act (Cap.291) and that on 24 November 2006, 27 November 2006, 20 October 2006 and 27 November 2006, respectively, each such Company re-registered under the BVIBC Act, is validly existing and in good standing under the laws of the British Virgin

Islands. Each such Company is a separate legal entity and possess the capacity to sue and be sued in its own name.

- (c) Each of Sino-Panel (Huaihua) Limited, Sino-Panel (North Sea) Limited, Amplemax Worldwide Limited, Glory Billion International Limited, Smart Sure Enterprises Limited, Expert Bonus Investment Limited, Ace Supreme International Limited, Express Point Holdings Limited, Sino-Panel (Fujian) Limited, Sino-Panel (Guangxi) Limited, Sino-Panel (Guangzhou) Limited, Sino-Panel (Guizhou) Limited, Sino-Panel (Qinzhou) Limited, Sino-Panel (Shaoyang) Limited, Sino-Panel (Yunnan) Limited and Sino-Panel (Yongzhou) Limited is a company limited by shares, duly incorporated under the BVIBC Act, validly existing and in good standing under the laws of the British Virgin Islands. Each Company is a separate legal entity and possesses the capacity to sue and be sued in its own name.
- 2) Each of the Companies has all requisite corporate power and authority to enter into, execute, deliver, and perform its obligations under the Subject Agreements to which it is a party and to take all action as may be necessary to complete the transactions contemplated thereby.
 - 3) The execution, delivery and performance by each Company of the Subject Agreements to which it is a party and the transactions contemplated thereby have been duly authorised by all necessary corporate action on the part of such Company.
 - 4) The obligations of the Companies as set out in the Subject Agreements to which they are a party constitute legal, valid and binding obligations of such Companies, enforceable against such Companies in accordance with their terms and would be so treated in courts of the British Virgin Islands.
 - 5) No consent, licence or authorisation of or by any governmental authority of the British Virgin Islands is required to be obtained by the Companies in connection with the execution, delivery or performance by the Companies of the Subject Agreements to which they are a party.
 - 6) The execution, delivery and performance by the Companies of the Subject Agreements to which they are a party and the transactions contemplated thereby do not and will not violate, conflict with or constitute a default under (i) any requirement of any law or any regulation of the British Virgin Islands or (ii) the Constitutional Documents.
 - 7) No stamp duties or similar documentary taxes imposed by or in the British Virgin Islands are payable in respect of the Subject Agreements and the Companies party thereto will not be required by any laws of the British Virgin Islands to make any deduction or withholding from any payment they may make under the Subject Agreements. There are no government controls or exchange controls in relation to the performance by the Companies of their obligations under the Subject Agreements to which they are a party.
 - 8) There is no applicable usury or interest limitation law in the British Virgin Islands which would restrict the recovery of payments or the performance by the Companies of their obligations under the Subject Agreements to which they are a party.

- 9) Any monetary judgment in a court of the British Virgin Islands in respect of a claim brought in connection with the Subject Agreements is likely to be expressed in the currency in which such claim is made, since such courts have power to grant a monetary judgment expressed otherwise than in the currency of the British Virgin Islands, but they may not necessarily do so.
- 10) It is not necessary in order to ensure the legality, validity, enforceability or admissibility in evidence in proceedings of the obligations of the Companies under the Subject Agreements to which they are a party that the Subject Agreements or any other document be notarised, filed, registered or recorded in the British Virgin Islands.
- 11) The financial obligations of the Companies under the Subject Agreements to which they are a party rank at least pari passu in priority of payment with all other unsecured and unsubordinated indebtedness (whether actual or contingent) issued, created or assumed by such Companies other than indebtedness which is preferred by virtue of any provision of the British Virgin Islands law of general application.
- 12) The choice of the laws of the State of New York as the proper law to govern the Subject Agreements would be recognised, upheld and applied by the courts of the British Virgin Islands as a valid choice of law and the proper law of the Subject Agreements in proceedings brought before them in relation to the Subject Agreements, except for those laws (i) which such courts consider to be procedural in nature; (ii) which are revenue or penal laws; or (iii) the application of which would be inconsistent with public policy, as that term is interpreted under British Virgin Islands law.
- 13) The submission by the Companies to the jurisdiction of the courts of the State of New York pursuant to the Subject Agreements to which they are a party would be recognised by the courts of the British Virgin Islands as a legal, valid and binding submission to the jurisdiction of such courts, if such submission is accepted by such courts and is legal, valid and binding under the laws of the State of New York. The appointment by such Companies of an agent in New York to accept service of process in respect of proceedings before such courts is a valid and effective appointment, if such appointment is valid and binding under the laws of the State of New York and if no other procedural requirements are necessary in order to validate such appointment.
- 14) Any final and conclusive monetary judgment of a competent foreign court for a definite sum against any of the Companies based upon the Subject Agreements to which it is a party (other than a court of jurisdiction to which the Reciprocal Enforcement of Judgments Act (1922) or the Foreign Judgments (Reciprocal Enforcement) Act (1964) applies, and neither Act applies to the courts of the State of New York) may be the subject of enforcement proceedings in the courts of the British Virgin Islands under the common law doctrine of obligation by action on the debt evidenced by the judgment of such competent foreign court. A final opinion as to the availability of this remedy should be sought when the facts surrounding the foreign court's judgment are known, but, on general principles, we would expect such proceedings to be successful provided that:

- (a) the foreign court had jurisdiction in the matter and the relevant Company either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process;
 - (b) the judgment given by the foreign court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations;
 - (c) the judgment was not obtained by fraud;
 - (d) recognition or enforcement of the judgment would not be contrary to British Virgin Islands public policy; and
 - (e) the proceedings pursuant to which judgment was obtained were not contrary to natural justice.
- 15) The Companies are not entitled to immunity from suit or enforcement of a judgment on the ground of sovereignty or otherwise in the courts of the British Virgin Islands in respect of proceedings against them in relation to the Subject Agreements to which they are a party and the execution of the Subject Agreements and performance of their obligations under the Subject Agreements by such Companies constitute private and commercial acts.
- 16) Under the laws of the British Virgin Islands, the Initial Purchasers and the Trustee will not be deemed to be resident, domiciled or carrying on any commercial activity in the British Virgin Islands or subject to any tax in the British Virgin Islands by reason only of the execution, delivery and performance of the Subject Agreements nor is it necessary for the execution, delivery, performance and enforcement of the Subject Agreements that the Initial Purchasers or the Trustee be authorised or qualified to carry on business in the British Virgin Islands.
- (17) Service of process in the British Virgin Islands on the Companies may be effected by leaving at the registered office of the Companies the relevant document to be served. Based on the Company Search, the registered office of each Company is situated as follows:
- (a) in the case of Sino-Panel (Guizhou) Limited, Sino-Panel (Guangzhou) Limited, Sino-Panel (Guangxi) Limited, Sino-Panel (Gaoyao) Ltd., Sino-Panel (Fujian) Limited, Sino-Panel (Asia) Inc., Sino-Global Holdings Inc., Sino-Forest Resources Inc., SFR (China) Inc., Sino-Panel [Hunan] Limited, Sino-Panel (North East China) Limited, Sino-Panel (Qinzhou) Limited, Sino-Panel (Shaoyang) Limited, Sino-Panel [Suzhou] Limited, Sino-Panel [Xiangxi] Limited, Sino-Panel (Yongzhou) Limited, Sino-Panel (Yunnan) Limited, Sino-Panel (Huaihua) Limited, Sino-Panel (North Sea) Limited, Sino-Capital Global Inc. and Suri-Wood Inc., the registered office is located at the offices of Offshore Incorporation Limited, PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands;
 - (b) in the case of Dynamic Profit Holdings Limited, Sino-Forest Investments Limited, Grandeur Winway Limited and Sinowin Investments Limited, the registered office is located at the offices of Commonwealth Trust Limited, PO Box 3321, Road Town, Tortola, British Virgin Islands;

- (c) in the case of Sino-Panel Holdings Limited, the registered office is located at Harneys Corporate Services Limited, PO Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands;
 - (d) in the case of Sino-Forest Bio-Science Limited, the registered office is located at the offices of Trident Trust Company (BVI) Limited, Trident Chambers, PO Box 146, Road Town, Tortola, British Virgin Islands; and
 - (e) in the case of Amplemax Worldwide Limited, Glory Billion International Limited, Smart Sure Enterprises Limited, Expert Bonus Investments Limited, Ace Supreme International Limited and Express Point Holdings Limited, the registered office is located at the offices of Overseas Management Company Trust (BVI) Ltd, OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.
- (18) Based solely upon the Company Search, the Litigation Search and the Director's Certificates:
- (a) no court proceedings are pending against any of the Companies; and
 - (b) no currently valid order or resolution for winding up of any of the Companies and no current notice of appointment of a receiver over any of the Companies or any of their assets appears, but it should be noted that failure to file notice of appointment of a receiver with the Registrar of Corporate Affairs does not invalidate the receivership but merely gives rise to penalties on the part of the receiver.
- (19) The statements included in the Disclosure Package and the Final Offering Memorandum under the caption "Risk Factors", insofar as such statements constitute summaries of the laws or regulations of the British Virgin Islands, fairly summarize in all material respects such matters.
- (i) Reservations

Our opinion is subject to the following reservations:

- (a) We express no opinion as to any law other than British Virgin Islands law and none of the opinions expressed herein relate to compliance with or matters governed by the laws of any jurisdiction except the British Virgin Islands. This opinion is limited to British Virgin Islands law as applied by the courts of the British Virgin Islands at the date hereof.
- (b) We express no opinion as to the validity, binding effect or enforceability of any provision incorporated into any of the Subject Agreements by reference to a law other than that of the British Virgin Islands, or as to the availability in the British Virgin Islands of remedies which are available in other jurisdictions.
- (c) The term "good standing" as used in this opinion means solely that the Companies have received a Certificate of Good Standing from the Registrar of Corporate Affairs.
- (d) The term "enforceable" as used in this opinion means that there is a way of ensuring that each party performs an agreement or that there are remedies available for breach.
- (e) Enforcement of the obligations of the Companies under the Subject Agreements to which they are a party may be limited or affected by applicable laws from time

to time in effect relating to bankruptcy, insolvency or liquidation or any other laws or other legal procedures affecting generally the enforcement of creditors' rights.

- (f) Enforcement of the obligations of the Companies may be the subject of a statutory limitation of the time within which such proceedings may be brought or may be or become subject to defences of set-off or counterclaim.
- (g) We express no opinion as to the validity or binding effect of any provision in the Subject Agreements which provides that the Companies party thereto will not exercise their statutory powers. This may constitute an unlawful fetter on the statutory powers of such Companies.
- (h) We express no opinion as to the validity or binding effect of any provision of the Subject Agreements which provides for the severance of illegal, invalid or unenforceable provisions.
- (i) Any provision in the Subject Agreements that certain calculations or certificates will be conclusive and binding will not be effective if such calculations or certificates are fraudulent or erroneous on their face and will not necessarily prevent juridical enquiries into the merits of any claim by an aggrieved party.
- (j) Where a person is vested with a discretion or may determine a matter in his, her or its opinion, such discretion may have to be exercised reasonably or such an opinion may have to be based on reasonable grounds.
- (k) Obligations that are to be performed in a jurisdiction outside the British Virgin Islands may not be enforceable under the laws of the British Virgin Islands to the extent that such performance would be contrary to public policy under the laws of the British Virgin Islands.
- (l) We express no opinion as to the availability of equitable remedies such as specific performance or injunctive relief, or as to any matters which are within the discretion of the courts of the British Virgin Islands in respect of any obligations of the Companies as set out in the Subject Agreements to which they are a party. In particular, we express no opinion as to the enforceability of any present or future waiver of any provision of law (whether substantive or procedural) or of any right or remedy which might otherwise be available presently or in the future under the Subject Agreements.
- (m) A British Virgin Islands court may refuse to give effect to any provisions of the Subject Agreements in respect of costs of unsuccessful litigation brought before the British Virgin Islands court or where that court has itself made an order for costs.
- (n) We express no opinion as to the validity or binding effect of any provision in the Subject Agreements for the payment of a specified rate of interest on the amount of a judgment after the date of judgment.
- (o) In order to issue this opinion we have carried out the Company Search and have not enquired as to whether there has been any change since the date of such search.
- (p) In order to issue this opinion we have carried out the Litigation Search and have not enquired as to whether there has been any change since the date of such search.

- (q) The Company Search and the Litigation Search are not conclusive and it should be noted that the Company Search and the Litigation Search do not reveal:
- (i) details of matters which have not been lodged for registration or have been lodged for registration but not actually registered at the time of the searches;
 - (ii) details of any proceedings which have been filed but not actually entered in the records of proceedings at the time of the searches.
- (r) The Company Search did not reveal the existence of a Register of Mortgages, Charges and other Encumbrances in respect of certain Companies. Such a Register of Mortgages, Charges and other Encumbrances may, however, be maintained at a Company's registered office without a copy being necessarily filed at the Registry of Corporate Affairs.

Disclosure

This opinion is addressed to you solely for your benefit and is neither to be transmitted to any other person, nor relied upon by any other person (other than your counsel and solicitors Davis Polk & Wardwell LLP and Stikeman Elliott LLP) or for any other purpose nor quoted or referred to in any public document nor filed with any governmental agency or person, without our prior written consent, except as may be required by law or regulatory authority. Further, this opinion speaks as of its date and is strictly limited to the matters stated herein and we assume no obligation to review or update this opinion if applicable law or the existing facts or circumstances should change.

This opinion is governed by and is to be construed in accordance with British Virgin Islands law. It is given on the basis that it will not give rise to any legal proceedings with respect thereto in any jurisdiction other than the British Virgin Islands.

Yours faithfully

Appleby

FORM OF OPINION OF
APPLEBY AS CAYMAN ISLANDS COUNSEL TO THE COMPANY

[17] December 2009

Credit Suisse (USA) LLC
Eleven Madison Avenue
New York, NY 10010
United States

The Bank of New York Mellon
101 Barclay Street
Floor 4-E
New York, NY 10286
United States of America

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park, New York, NY
10036, United States

TD Securities Inc.
1, Place Ville-Marie, Bureau 2315
Montréal QC H3B 3M5

Dear Sirs

Re: Sinowood Limited ("Company")

This opinion as to Cayman Islands law is addressed to you in connection with:

(a) a purchase agreement dated 10 December 2009 (the "**Purchase Agreement**"), amongst the subsidiary guarantors named therein including the Company (the "**Subsidiary Guarantors**"), Sino-Forest Corporation and Credit Suisse (USA) LLC, in its own name and as representative of the other Initial Purchasers listed in the Schedule A thereto (collectively, the "**Initial Purchasers**") in relation to the purchase of Sino-Forest Corporation's 4.25% Convertible Senior Notes due 2016 (the "**Notes**"); and

(b) an indenture dated as of [17] December 2009 (the "**Indenture**"), amongst Sino-Forest Corporation, The Bank of New York Mellon (as trustee) (the "**Trustee**"), and the Subsidiary Guarantors (including the Company), and incorporating the Subsidiary Guarantees (as defined therein) of the Notes,

(the Purchase Agreement and the Indenture are collectively referred to as the "**Subject Agreements**").

For the purposes of this opinion we have examined and relied upon the documents listed, and in some cases defined, in the First Schedule to this opinion ("**Documents**") Unless otherwise defined herein, capitalised terms have the meanings assigned to them in the Subject Agreements.

Assumptions

In stating our opinion we have assumed:

- (a) the authenticity, accuracy and completeness of all Documents and other documents examined by us submitted to us as originals and the conformity to authentic original documents of all Documents and other such documents submitted to us as certified, conformed, notarised, faxed, scanned or photostatic copies;
- (b) that each of the Documents and other such documents which was received by us by electronic means is complete, intact and in conformity with the transmission as sent;
- (c) the genuineness of all signatures on the Documents;
- (d) the authority, capacity and power of each of the persons signing the Documents (other than the Company in respect of the Subject Agreements);
- (e) that any representation, warranty or statement of fact or law, other than as to the laws of Cayman Islands, made in any of the Documents is true, accurate and complete;
- (f) that the Subject Agreements constitute the legal, valid and binding obligations of each of the parties thereto, other than the Company, under the laws of its jurisdiction of incorporation or its jurisdiction of formation;
- (g) that the Subject Agreements have been validly authorised, executed and delivered by each of the parties thereto, other than the Company, and the performance thereof is within the capacity and powers of each such party thereto, and that each such party to which the Company purportedly delivered the Subject Agreements has actually received and accepted delivery of such Subject Agreements;
- (h) that the Subject Agreements will effect, and will constitute legal, valid and binding obligations of each of the parties thereto, enforceable in accordance with their terms, under the laws of the State of New York, by which they are expressed to be governed and that the choice of the laws of the State of New York, as the governing law of the Subject Agreements has been made in good faith and is valid and binding under the laws of the State of New York;
- (i) that the Subject Agreements are in the proper legal form to be admissible in evidence and enforced in the courts of the State of New York and in accordance with the laws of the State of New York;
- (j) that there are no provisions of the laws or regulations of any jurisdiction other than the Cayman Islands which would be contravened by the execution or delivery of the Subject Agreements or which would have any implication in relation to the opinion expressed herein and that, in so far as any obligation under, or action to be taken under, the Subject Agreements is required to be performed or taken in any jurisdiction outside the Cayman Islands, the performance of such obligation or the taking of such action will constitute a valid and binding obligation of each of the parties thereto under the laws of that jurisdiction and will not be illegal by virtue of the laws of that jurisdiction;
- (k) that the records which were the subject of the Litigation Search were complete and accurate at the time of such search and disclosed all information which is material for the purposes of this opinion and such information has not since the date of the Litigation Search been materially altered;

- (l) that the Resolutions are in full force and effect, have not been rescinded, either in whole or in part, and accurately record the resolutions passed by the directors and shareholders of the Company adopted by all the directors and shareholders of the Company as unanimous written resolutions of the directors and shareholders of the Company and that there is no matter affecting the authority of the directors to effect entry by the Company into the Subject Agreements, not disclosed by the Constitutional Documents or the Resolutions, which would have any adverse implication in relation to the opinions expressed herein;
- (m) that the Initial Purchasers and the Trustee have no express or constructive knowledge of any circumstance whereby any director of the Company, when the directors of the Company adopted the Resolutions, failed to discharge his fiduciary duty owed to the Company and to act honestly and in good faith with a view to the best interests of the Company;
- (n) that the Company has entered into its obligations under the Subject Agreements in good faith for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing that the transactions contemplated by the Subject Agreements would benefit the Company;
- (o) that each transaction to be entered into pursuant to the Subject Agreements is entered into in good faith and for full value and will not have the effect of preferring one creditor over another; and
- (p) that there are no matters of fact or law (other than matters of Cayman Islands law) affecting the enforceability of the Subject Agreements that have arisen since the execution of the Subject Agreements, which would affect the opinions expressed herein.

Opinion

Based upon and subject to the foregoing and subject to the reservations set out below and to any matters not disclosed to us, we are of the opinion that:

1. The Company is a limited liability company duly incorporated with limited liability and existing under the laws of the Cayman Islands. The Company possesses the capacity to sue and be sued in its own name and is in good standing under the laws of the Cayman Islands.
2. The Company has all requisite corporate power and authority to enter into, execute, deliver, and perform its obligations under the Subject Agreements and to take all action as may be necessary to complete the transactions contemplated thereby.
3. The execution, delivery and performance by the Company of the Subject Agreements and the transactions contemplated thereby have been duly authorised by all necessary corporate action on the part of the Company.
4. The Subject Agreements have been duly executed by the Company and each constitutes legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms.
5. Subject as otherwise provided in this opinion, no consent, licence or authorisation of, filing with, or other act by or in respect of, any governmental authority or court of the Cayman Islands is required to be obtained by the Company in connection with the execution, delivery or performance by the

Company of the Subject Agreements or to ensure the legality, validity, admissibility into evidence or enforceability as to the Company, of the Subject Agreements.

6. The execution, delivery and performance by the Company of the Subject Agreements and the transactions contemplated thereby do not and will not violate, conflict with or constitute a default under (a) any requirement of any law or any regulation of the Cayman Islands or (b) the Constitutional Documents.
7. The transactions contemplated by the Subject Agreements are not subject to any currency deposit or reserve requirements in the Cayman Islands. There is no restriction or requirement of the Cayman Islands binding on the Company which limits the availability or transfer of foreign exchange (i.e. monies denominated in currencies other than Cayman Islands dollars) for the purposes of the performance by the Company of its obligations under the Subject Agreements.
8. The financial obligations of the Company under the Subject Agreements rank at least *pari passu* in priority of payment with all other unsecured and unsubordinated indebtedness (whether actual or contingent) issued, created or assumed by the Company other than indebtedness which is preferred by virtue of any provision of Cayman Islands law of general application.
9. The choice of the laws of the State of New York as the proper law to govern the Subject Agreements is a valid choice of law under Cayman Islands law and such choice of law would be recognised, upheld and applied by the courts of the Cayman Islands as the proper law of the Subject Agreements in proceedings brought before them in relation to the Subject Agreements, provided that (a) the point is specifically pleaded; (b) such choice of law is valid and binding under the laws of the State of New York; and (c) recognition would not be contrary to public policy as that term is understood under Cayman Islands law.
10. The submission by the Company to the jurisdiction of the courts of the State of New York pursuant to the Subject Agreements is not contrary to Cayman Islands law and would be recognised by the courts of Cayman Islands as a legal, valid and binding submission to the jurisdiction of the courts of the State of New York, if such submission is accepted by such courts and is legal, valid and binding under the laws of the State of New York.
11. A final and conclusive judgment *in personam* of a competent foreign court against the Company based upon the Subject Agreements under which a definite sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or, in respect of a fine or other similar penalty), may be the subject of enforcement proceedings in the Grand Court of the Cayman Islands under the common law doctrine of obligation by action on the debt evidenced by the judgment of such competent foreign court. A final opinion as to the availability of this remedy should be sought when the facts surrounding the foreign court's judgment are known, but, on general principles, we would expect such proceedings to be successful provided that:
 - (a) the court which gave the judgment was competent to hear the action in accordance with private international law principles as applied in the Cayman Islands; and

- (b) the judgment is not contrary to public policy in Cayman Islands, has not been obtained by fraud or in proceedings contrary to natural justice and is not based on an error in Cayman Islands law.
12. The appointment by the Company of agents for the receipt of any service of process in respect of any court in the State of New York in connection with any matter arising out of or in connection with the Subject Agreements is a valid and effective appointment, if such appointment is valid and binding under the laws of the State of New York and if no other procedural requirements are necessary in order to validate such appointment.
13. Neither the Company nor any of its assets or property enjoys, under Cayman Islands law, immunity on the grounds of sovereignty from any legal or other proceedings whatsoever or from enforcement, execution or attachment in respect of its obligations under the Subject Agreements.
14. Based solely upon the Litigation Search and the Officer's Certificate:
- (a) no litigation, arbitration or administrative or other proceeding of or before the Grand Court of the Cayman Islands is pending against the Company; and
- (b) no resolution of members has been passed to wind up or appoint a liquidator or receiver of the Company and no petition to wind up the Company or application to reorganise its affairs pursuant to a scheme of arrangement and no application for the appointment of a receiver has been filed with the Grand Court of the Cayman Islands.
15. There are, subject as otherwise provided in this opinion, no taxes, stamp or documentary taxes, duties or similar charges under the laws of the Cayman Islands now due, or which could in the future become due to any governmental authority of or in the Cayman Islands, in connection with the execution, delivery, performance or enforcement of the Subject Agreements or the transactions contemplated thereby, or in connection with the admissibility in evidence thereof and the Company is not required by any Cayman Islands law or regulation to make any deductions or withholdings in the Cayman Islands from any payment it may make thereunder.
16. The details of charges by Cayman Islands companies over their assets wherever situated, are capable of being entered on the register of mortgages and charges required to be kept by the Company at its registered office in the Cayman Islands pursuant to the Companies Law. Registration in such register is the only method of registration of charges over the assets of Cayman Islands companies in the Cayman Islands except charges over real property in the Cayman Islands or ships or aircraft registered in the Cayman Islands. Failure by the Company to enter in such register the details of any charge as required by the Companies Law does not affect the validity or enforceability of a charge and there is no time limit within which registration of a charge must be effected. However, in the event that questions of priority fall to be determined by reference to Cayman Islands law, such entry may in our opinion assist in establishing the priority of such charge, as a matter of common law, over any subsequent mortgage or charge which is registered subsequently in regard to the same assets. On the basis that they create a charge, as that term is understood under the laws of the Cayman Islands, under the laws of the State of New York, by which the Subject

Agreements are expressed to be governed, the Subject Agreements create a charge over the assets of the Company capable of registration in its register of mortgages and charges in the Cayman Islands aforesaid.

17. Under the laws of the Cayman Islands, neither the Initial Purchasers nor the Trustee will be deemed to be resident, domiciled or carrying on business in the Cayman Islands by reason only of their execution, delivery and performance of the Subject Agreements nor is it necessary for the execution, delivery, performance and enforcement of the Subject Agreements that the Initial Purchasers or the Trustee be licensed or qualified to carry on business in the Cayman Islands.
18. The statements included in the Disclosure Package and the Final Offering Memorandum under the caption "Risk Factors", insofar as such statements constitute summaries of the laws or regulations of the Cayman Islands, fairly summarize in all material respects such matters.

Reservations

We have the following reservations:

- (a) The term "enforceable" as used in this opinion means that there is a way of ensuring that each party performs an agreement or that there are remedies available for breach.
- (b) We express no opinion as to the availability of equitable remedies such as specific performance or injunctive relief, or as to any matters which are within the discretion of the courts of the Cayman Islands in respect of any obligations of the Company as set out in the Subject Agreements. In particular, we express no opinion as to the enforceability of any present or future waiver of any provision of law (whether substantive or procedural) or of any right or remedy which might otherwise be available presently or in the future under the Subject Agreements.
- (c) Enforcement of the obligations of the Company under the Subject Agreements may be limited or affected by applicable laws from time to time in effect relating to bankruptcy, insolvency, liquidation, reorganisation or fraudulent dispositions or any other laws or other legal procedures affecting generally the enforcement of creditors' rights. Claims may become subject to the defence of set off or to counter claims.
- (d) Enforcement of the obligations of the Company may be the subject of a statutory limitation of the time within which such proceedings may be brought.
- (e) We express no opinion as to any law other than Cayman Islands law and none of the opinions expressed herein relates to compliance with or matters governed by the laws of any jurisdiction except the Cayman Islands. This opinion is limited to Cayman Islands law as applied by the Courts of the Cayman Islands at the date hereof.
- (f) Where an obligation is to be performed in a jurisdiction other than the Cayman Islands, the courts of the Cayman Islands may refuse to enforce it to the extent that such performance would be illegal under the laws of, or contrary to public policy of, such other jurisdiction.
- (g) We express no opinion as to the validity, binding effect or enforceability of any provision incorporated into any of the Subject Agreements by reference to a law

other than that of the Cayman Islands, or as to the availability in the Cayman Islands of remedies which are available in other jurisdictions.

- (h) The Cayman Islands Grand Court Rules 1995 expressly contemplate that judgements may be granted by the Grand Court of the Cayman Islands in currencies other than Cayman Islands dollars or United States dollars. Such Rules provide for various specific rates of interest payable upon judgement debts according to the currency of the judgement. In the event the Company is placed into liquidation, the Grand Court is likely to require that all debts are converted (at the official exchange rate at the date of conversion) into and paid in a common currency which is likely to be Cayman Islands or United States dollars.
- (i) The courts of the Cayman Islands are likely to award costs and disbursements in litigation in accordance with the relevant contractual provisions in the Subject Agreements. There is some uncertainty, however, with regard to the recoverability of post-judgement costs which, if recoverable at all, are likely to be limited to an amount determined upon taxation or assessment of those costs pursuant to the Grand Court Rules 1995. In the absence of contractual provisions as to costs, the reasonable costs (as determined by taxation as aforesaid) of the successful party will normally be recoverable, subject to the limits laid down in guidelines made under such Rules as to the type and amount of fees and expenses that may be recovered. Such orders are in the discretion of the court and may be made to reflect particular circumstances of the case and the conduct of the parties.
- (j) Where a person is vested with a discretion or may determine a matter in his or its opinion, such discretion may have to be exercised reasonably or such an opinion may have to be based on reasonable grounds.
- (k) Any provision in the Subject Agreements that certain calculations or certificates will be conclusive and binding will not be effective if such calculations or certificates are fraudulent or erroneous on their face and will not necessarily prevent juridical enquiries into the merits of any claim by an aggrieved party.
- (l) We express no opinion as to the validity or binding effect of any provision in the Subject Agreements for the payment of interest at a higher rate on overdue amounts than on amounts which are current, to pay additional amounts on prepayment of any sums due or that liquidated damages are or may be payable. Such a provision may not be enforceable if it could be established that the amount expressed as being payable was in the nature of a penalty; that is to say a requirement for a stipulated sum to be paid irrespective of, or necessarily greater than, the loss likely to be sustained. If it cannot be demonstrated to the Cayman Islands court that the higher payment was a reasonable pre-estimate of the loss suffered, the court will determine and award what it considers to be reasonable damages.
- (m) We express no opinion as to the validity or binding effect of any provision of the Subject Agreements which provides for the severance of illegal, invalid or unenforceable provisions.
- (n) The Registry of Companies in the Cayman Islands is not public in the sense that copies of the Constitutional Documents and information on directors and shareholders is not publicly available. We have therefore obtained the corporate

documents specified in the First Schedule hereto and relied exclusively on the Officer's Certificate for the verification of such corporate information.

- (o) The Litigation Searches may not be conclusive and it should be noted that the Grand Court Causes Book does not reveal:
- (i) details of matters which have been lodged for filing or registration which as a matter of best practice of the Clerk of Courts Office would have or should have been disclosed on the Causes Book, but for whatever reason have not actually been filed or registered or are not disclosed or which, notwithstanding filing or registration, at the date and time the search is concluded are for whatever reason not disclosed or do not appear on the Causes Book;
 - (ii) details of matters which should have been lodged for filing or registration at the Clerk of Courts Office but have not been lodged for filing or registration at the date the search is concluded;
 - (iii) whether an application to the Grand Court for a winding-up petition or for the appointment of a receiver or manager has been prepared but not yet been presented or has been presented but does not appear in the Causes Book at the date and time the search is concluded;
 - (iv) whether any arbitration or administrative proceedings are pending or whether any proceedings are threatened, or whether any arbitrator has been appointed; or
 - (v) whether a receiver or manager has been appointed privately pursuant to the provisions of a debenture or other security.

We have not enquired as to whether there has been any change since the date of the Litigation Search.

- (p) In paragraph 1 above, the term "good standing" means that the Company has received a Certificate of Good Standing from the Registrar of Companies which means that it has filed its annual return and paid its annual fees as required to date, failing which might make it liable to be struck off the Register of Companies and thereby cease to exist under the laws of the Cayman Islands.
- (q) With respect to this opinion, we have relied upon statements and representations made to us in the Officer's Certificate provided to us by an authorised officer of the Company for the purposes of this opinion. We have made no independent verification of the matters referred to in the Officer's Certificate, and we qualify our opinion to the extent that the statements or representations made in the Officer's Certificate are not accurate in any respect.
- (r) Service on the Company overseas of process in connection with proceedings in a Cayman Islands court by means of post, as contemplated in Clause [] of the Purchase Agreement, would be effective only if made with leave of the court.
- (s) To be enforceable in the courts of the Cayman Islands, stamp duty will be chargeable as follows:-
- (i) on agreements such as the Purchase Agreement, in the sum of CI\$2.00;
 - (ii) on deeds such as the Indenture, in the sum of CI\$25.00;

- (iii) on promissory notes, in the sum of CI\$500 if paid on execution or, if the fixed sum of CI\$500 is not paid on the promissory notes on execution, at the *ad valorem* rate of CI\$0.25 (US\$0.30) for each CI\$100 (US\$121.95) covenanted to be paid thereunder with a maximum duty on each of the promissory notes of CI\$250.00 (US\$304.88);
- (iv) on mortgages or other documents creating a security interest, where the moveable property charged thereunder is located outside of the Cayman Islands, in the sum of up to CI\$25.00 each as a deed or agreement; and
- (v) on any other mortgages or other documents creating a security interest, where the property charged thereunder is located in the Cayman Islands, at the *ad valorem* rate of up to 1.5% of the principal sum secured, with a maximum duty of CI\$500.00 in the case of a charge granted by an exempted company, an ordinary non-resident company or an exempted trust or a body corporate incorporated outside the Cayman Islands of moveable property situated in the Cayman Islands or over shares in such exempted company or an ordinary non-resident company, (or in the case of any charge determined to be collateral to a charge on which the *ad valorem* duty aforesaid has been paid, in the sum of CI\$30.00 per collateral charge).

Ad valorem stamp duty is payable within 45 days of execution or, if executed outside of the Cayman Islands, within 45 days of an executed, completed and delivered original of such document being brought into the Cayman Islands, for example, for enforcement. Otherwise stamp duty is payable on execution in order to avoid penalties if such document is to be admitted in evidence in a Cayman Islands court.

- (t) We express no opinion as to any provision in the Documents that they may only be varied by written instrument or agreement.
- (u) Any provisions purporting to create rights in favour of, or obligations on, persons who are not party to the relevant Subject Agreements may not be enforceable by or against such persons.

Disclosure

This opinion is addressed to you solely for your benefit and is neither to be transmitted to any other person, nor relied upon by any other person (other than your counsel and solicitors Davis Polk & Wardwell LLP and Stikeman Elliott LLP) or for any other purpose nor quoted or referred to in any public document nor filed with any governmental agency or person, without our prior written consent, except as may be required by law or regulatory authority. Further, this opinion speaks as of its date and is strictly limited to the matters stated herein and we assume no obligation to review or update this opinion if applicable law or the existing facts or circumstances should change.

This opinion is governed by and is to be construed in accordance with Cayman Islands law. It is given on the basis that it will not give rise to any legal proceedings with respect thereto in any jurisdiction other than the Cayman Islands.

Yours faithfully

Appleby

FIRST SCHEDULE

1. Copies of the executed Subject Agreements.
2. A copy of the preliminary offering memorandum dated 1 December 2009 (the "**Preliminary Offering Memorandum**") as supplemented by the final pricing term sheet attached as Schedule C to the Purchase Agreement (together with the Preliminary Offering Memorandum, the "**Disclosure Package**") and the Final Offering Memorandum dated 10 December 2009 (the "**Final Offering Memorandum**") in relation to the offer by Sino-Forest Corporation of the Notes.
3. Copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Company (collectively referred to as the "**Constitutional Documents**") as issued by or registered with the Registrar of Companies of the Cayman Islands with all amendments.
4. A copy of the unanimous written resolutions of the directors and shareholders of the Company effective [] December 2009 ("**Resolutions**").
5. A Certificate of Incumbency dated [] December 2009 issued by the Secretary of the Company.
6. An Officers Certificate ("**Officer's Certificate**") dated [] December 2009 and signed by [NAME], a Director of the Company.
7. The entries and filings shown in respect of the Company in the Grand Court Cause Book maintained at the Clerk of the Courts Office in George Town, Cayman Islands, as revealed by a search on [] December 2009 for the period of one year preceding such search in respect of the Company ("**Litigation Search**").

Exhibit A-4

FORM OF OPINION OF
JINGTIAN & GONGCHENG
TO BE DELIVERED PURSUANT TO SECTION 5(a)

December [17], 2009

Sino-Forest Corporation
3815-29, 38th Floor, Sun Hung Kai Centre
30 Harbour Road,
Wanchai, Hong Kong SAR

Dear Sirs/Mesdames:

Re: Sino-Forest Corporation - Offering of 4.25% Convertible Senior Notes Due 2016

We are qualified lawyers registered in the People's Republic of China and as such are qualified to issue this legal opinion on the laws of the PRC.

We have acted as PRC legal counsel for Sino-Forest Corporation (the "Company"), in connection with the offering of 4.25% Convertible Senior Notes Due 2016 by the Company in accordance with the terms and conditions as set out in the Offering Memorandum dated December 10, 2009.

In connection with the offering, the Company and the Subsidiary Guarantors have entered into a Purchase Agreement dated December 10 2009 with the Company, the Subsidiary Guarantors named therein and Credit Suisse Securities (USA) LLC. We have been requested by the Company to give this legal opinion with respect to the laws of the PRC pursuant to Section 5(a) of the Purchase Agreement.

We have examined the originals or copies, certified or otherwise identified to our satisfaction, of all documents provided to us by the Company and all such other documents, corporate records, papers and agreements and certificates or approvals issued by officials of government departments and other public organizations and such other agreements or documents as we have deemed necessary or appropriate as a basis for the opinions.

In such examination, we have assumed that (a) all documents submitted to us as copies conform to their originals and all documents submitted to us as originals are authentic; (b) all signatures, seals and chops on such documents are genuine; (c) other than the persons of the PRC (including the Company) and entities relevant to any of the documents or to such other documents as referred to in this opinion which entities are incorporated or established or organized under the laws of the PRC, all parties have the requisite power and authority to enter into, and have duly executed and delivered the documents and performed their obligations thereunder; and (d) these documents constitute legal, valid and binding obligations on the parties thereto under the laws (other than the laws of the PRC) by which they are expressed to be governed.

This opinion is rendered on the basis of the PRC laws effective as at the date hereof and there is no assurance that any of such laws will not be changed, amended or replaced in the immediate future or in the longer term with or without retrospective effect. Any such changes, amendments or replacements may be made by an order of the President of the PRC or the State Council or, in the case of provincial laws and regulations, by the relevant provincial government and may become effective immediately on promulgation.

We do not purport to be an expert on or to be generally familiar with or qualified to express legal opinions based on any laws other than the PRC laws. Accordingly, we express or imply no opinion on the laws of any jurisdiction other than the PRC.

The following terms as used in this opinion are defined as follows:

“Disclosure Package” means the Preliminary Offering Memorandum as of the Applicable Time (as defined in the Purchase Agreement) as supplemented by the final pricing term sheet.

“Final Offering Memorandum” means the final offering memorandum dated December 10, 2009 in connection with the offering of the Notes.

“Indenture” means the indenture dated December [17], 2009 among Sino-Forest Corporation, the Subsidiary Guarantors named therein and the Trustee.

“Initial Purchasers” means Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and TD Securities Inc.

“Notes” means US\$400 million 4.25% Convertible Senior Notes due 2016 and up to an additional US\$60 million of such Notes pursuant to an over-allotment option.

“PRC” means the People’s Republic of China, excluding Hong Kong, Macao and Taiwan.

“Preliminary Offering Memorandum” means the preliminary offering memorandum dated December 1, 2009 in connection with the offering of the Notes.

“Purchase Agreement” means the Purchase Agreement date December 10, 2009 among Sino-Forest Corporation, the Subsidiary Guarantors named therein and the Initial Purchasers.

“Subsidiary Guarantors” means the subsidiary guarantors named in Schedule D-1 to the Purchase Agreement.

“Trustee” means The Bank of New York Mellon.

Based on and subject to the foregoing, we are of the opinion that:

1. Except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, each of the wholly foreign owned enterprises listed in Schedule 1 (each a “WFOE”; collectively, the “WFOEs”), and each of the entities listed in Schedule 2 (each a “PRC Limited Company Invested by WFOE”; collectively, the “PRC Limited Companies Invested by WFOE”, and together with the WFOEs, the “PRC Subsidiaries”) has been duly incorporated under the laws of the PRC as a wholly foreign owned enterprise or a PRC limited company invested by WFOE with the status of a Chinese legal person, is validly existing under the laws of the PRC, has the corporate power and authority to own its property (including plantation land use rights) and to conduct business as described in the Disclosure Package and the Final Offering Memorandum and constitutive documents of such PRC Subsidiary, including articles of association, approval certificate and business license, as the case may be, and is in good standing and duly qualified to transact business in each jurisdiction in which the conduct of its business, or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the PRC Subsidiaries, taken as a whole; the business operations of each PRC Subsidiary as described or contemplated in the Disclosure Package and the Final Offering Memorandum are in compliance with, and do not violate or conflict with, any applicable laws and regulations or any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over it or over any of its properties or assets, and each of the business licenses of each of the PRC Subsidiaries is valid and in full force and effect

and has not been revoked, withdrawn, suspended or cancelled, except as otherwise disclosed in the Disclosure Package and the Final Offering Memorandum. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, the relevant PRC subsidiaries listed in Schedule 3 are non-material active companies.

2. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, each of the entities listed in Schedule 4 (each a "BVI Subsidiary", collectively, the "BVI Subsidiaries") has the right to conduct business in the PRC in the manner as presently conducted and as described in the Disclosure Package and the Final Offering Memorandum, and has the right to own the purchased tree plantations (as set forth in the Disclosure Package and the Final Offering Memorandum) and as approved by the relevant forestry bureaus, has the right to log, transport, and sell the purchased tree plantations in accordance with the PRC laws and regulations.
3. Each of the entities listed in Schedule 5 is the owner of 100% of the registered capital of each of the PRC Subsidiaries, respectively, as set forth in the Disclosure Package and the Final Offering Memorandum, free and clear of all liens, encumbrances, equities, claims, restrictions on transfer (other than as required under applicable PRC law) or other defect of title whatsoever; the ownership of such registered capital is valid and lawful under all applicable PRC laws, rules or regulation of any governmental or regulatory agency or body.
4. The registered capital of each of the PRC Subsidiaries has been subscribed in full and all government approvals relating to the subscription thereof have been issued and are in full force and effect, except for Sino-Panel (Fujian) Co., Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd. and Shaoyang Jiading Wood Products Co., Ltd. whose registered capital has not been fully paid as permitted by PRC law.
5. All descriptions in the Disclosure Package and the Final Offering Memorandum of contracts and other material documents to which any PRC Subsidiary is a party or are governed by PRC law are true and accurate in all material respects, fairly summarize the contents of such contracts or documents and do not omit any material information which affects the import of such descriptions; to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, except as otherwise disclosed in paragraph 18 herein, there are no franchises, contracts, indentures, mortgages, loan agreements, notes, leases or other instruments other than those described or referred to in the Disclosure Package and the Final Offering Memorandum, and the descriptions thereof or references thereto are correct in all material respects; each PRC Subsidiary has legal right and/or corporate power to enter into and to perform its obligations under the contracts and other documents set forth in the Disclosure Package and the Final Offering Memorandum to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of such contracts and documents. Each of such contracts and documents has been duly authorized, executed and delivered by the relevant PRC Subsidiary and constitutes a valid and legally binding agreement of such PRC Subsidiary.
6. The ownership structure of the PRC Subsidiaries as set out in the Disclosure Package and the Final Offering Memorandum is true and accurate and such ownership structure is in compliance with applicable laws and regulations. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there is no other company in which any of the PRC Subsidiaries directly or indirectly owns or controls or proposes to own or control a majority interest (whether by way of shareholding, trust arrangement or otherwise), and none of the PRC Subsidiaries has entered into any

agreement for the establishment of any company or undertaking in which any of the PRC Subsidiaries will, or agrees to own or control, a majority interest.

7. The events and transactions (the "CJV Conversion") set forth in the Disclosure Package and the Final Offering Memorandum relating to the conversion of the corporate form of certain PRC Subsidiaries of the Company from cooperative joint venture into wholly foreign owned enterprise, as listed in Schedule 6 (the "Original CJVs"), have been duly effected in accordance with applicable laws and regulations, and the description of the CJV Conversion set forth therein is an accurate and fair summary of such transactions in all material respects.
8. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, none of the PRC Subsidiaries is in violation of or in default under (i) any provision of PRC law or regulation or the articles of association of the respective PRC Subsidiary, (ii) any agreement governed by PRC law by which any of the PRC Subsidiaries is bound or to which any of the properties or assets of the PRC Subsidiaries is subject or (iii) any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over any of the PRC Subsidiaries or over any of the properties or assets of the PRC Subsidiaries, except for such violations or defaults that would not have a material adverse effect on the PRC Subsidiaries as a whole or on any of the PRC Subsidiaries individually.
9. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, under the current business model as presently conducted, none of the BVI Subsidiaries is in violation of or in default under (i) any provision of PRC law or regulation, (ii) any agreement governed by PRC law by which it is bound or to which any of its properties or assets is subject or (iii) any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over it or over any of its properties or assets, except for such violations or defaults that would not have a material adverse effect on the BVI Subsidiaries as a whole or on any of the BVI Subsidiaries individually.
10. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, each of the PRC Subsidiaries has paid all material PRC taxes which it is required to have paid, except for taxes payment of which is being contested in good faith by appropriate proceedings and for which reserves and tax provisions deemed by it to be adequate have been set aside or made on its books. For the relevant BVI Subsidiaries conducting authorized trading operations, the PRC taxes which are required to be paid by the relevant BVI Subsidiaries shall be withheld and paid by the respective authorized intermediaries as the withholding and paying agents in accordance with the relevant agreements, and as confirmed by the Company, adequate tax provisions have been made to meet such tax liabilities of the relevant BVI Subsidiaries.
11. Except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, the articles of association of each PRC Subsidiary comply with the requirements of applicable law of the PRC and are in full force and effect.
12. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any public, regulatory or governmental authority, agency, body or court of the PRC or any subdivision thereof (a "PRC Governmental Authority") is necessary or required in connection with the due authorization, execution and delivery of the Purchase Agreement and the offering, issuance or delivery of the Notes (and the Subsidiary Guarantees) pursuant to the terms of thereof.
13. The carrying on of the authorized trading operations by the BVI Subsidiaries pursuant to the relevant purchase agreements and the authorised sales agreements between the relevant BVI Subsidiaries and

the authorized intermediaries does not contravene any provision of applicable PRC law, rule or regulation in all material respects. Each of the sample purchase agreement and authorised sales agreement is valid and legally binding, in full force and effect, and enforceable in accordance with its terms and the relevant BVI Subsidiaries have and will have good and valid title to the after-tax profits generated by or derived from such operations.

14. According to the relevant Plantation Rights Certificates and relevant approvals provided by the Company, as of September 30, 2009, the relevant WFOEs including Sino-Forest (Heyuan) Co., Ltd., the successor of one of the Original CJVs, Heyuan Jiahe Forestry Development Co., Ltd. and the other three Original CJVs have the right to use approximately 66,700 hectares of plantation land. Since the Original CJVs have been duly converted into WFOEs and Sino-Forest (Heyuan) Co., Ltd. has obtained the new Plantation Rights Certificates for the relevant plantation land use rights originally held by Heyuan Jiahe Forestry Development Co., Ltd., with respect to approximately 19,100 hectares among the plantation land that is currently used by the three Original CJVs, they will need to negotiate with the original plantation land owners or holders to enter into new plantation land transfer agreements or lease agreements, go through the requisite legal formalities for the transfer of plantation land and obtain the Plantation Rights Certificates for those plantation lands in accordance with the relevant PRC laws and regulations.
15. According to the relevant purchased tree contracts entered into by the BVI Subsidiaries and the relevant PRC Subsidiaries as of September 30, 2009 and as confirmed by the relevant local forestry bureaus in their respective approvals or Plantations Rights Certificates, the BVI Subsidiaries and the relevant PRC Subsidiaries have the right to own approximately 391,000 hectares of the purchased trees plantations acquired by the BVI Subsidiaries and the relevant PRC Subsidiaries. According to the relevant purchased tree contracts entered into by the BVI Subsidiaries, the BVI Subsidiaries have the right, but not the obligation, to acquire plantation land use rights for the lands underlying the purchased trees acquired pursuant to the purchased tree contracts entered into by the BVI Subsidiaries as of September 30, 2009, subject to the execution of definitive agreements and requisite governmental approval and plantation rights registration procedures in accordance with relevant PRC laws and regulations.
16. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no legal or governmental proceedings pending in the PRC to which, the Company, any of the BVI Subsidiaries or any of the PRC Subsidiaries is a party or to which any of their respective properties or assets is subject; there are no legal or governmental proceedings pending in the PRC which could, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Company, the BVI Subsidiaries and the PRC Subsidiaries taken as a whole or individually, the validity or enforceability of the Purchase Agreement or the transactions contemplated therein and as disclosed in the Disclosure Package and the Final Offering Memorandum; and no such proceedings are threatened.
17. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no outstanding guarantees or contingent payment obligations of each of the PRC Subsidiaries in respect of indebtedness of third parties except as described in the Disclosure Package and the Final Offering Memorandum.
18. Each of the PRC Subsidiaries owns or has been granted all necessary rights to use all of the properties and assets owned or used by it or transferred, assigned or otherwise conveyed to it in connection with its formation or thereafter, to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, free and clear of all claims, liens, security interests or other encumbrances except for the mortgages on the relevant real property of Jiafeng Wood (Suzhou) Co.,

Ltd. and the relevant plantation rights of Sino-Forest (Heyuan) Co., Ltd., and as otherwise described in the Disclosure Package and the Final Offering Memorandum or those that are not material, individually or in the aggregate, to the business of the Company and the PRC Subsidiaries, taken as a whole or individually; except as otherwise described in the Disclosure Package and the Final Offering Memorandum and in this opinion, each of the PRC Subsidiaries, as the case may be, has the right to use all such plantation lands or has obtained the land use rights to conduct their respective business now being conducted, all such plantation land-use rights or land use rights are free and clear of all encumbrances and defects and all such plantation land-use rights or land use rights are valid, binding and enforceable in accordance with their respective terms; and all real property and buildings held under lease, if any, by each of the PRC Subsidiaries are held by each of them under valid, binding and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such real property, buildings and equipment.

19. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, each of the PRC Subsidiaries (i) is in compliance in all material respects with all applicable laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) has received all material permits, licenses and approvals which are currently required under applicable Environmental Laws to conduct its business now being conducted, including to construct, own and operate its respective plant facilities, as described in the Disclosure Package and the Final Offering Memorandum, and (iii) is in compliance with the PRC environmental laws and regulations in all material respects. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no pending or threatened judicial actions, suits, claims, liens or proceedings relating to environmental protection laws and regulations against any PRC Subsidiaries. The description of the PRC environmental laws, orders, rules and regulations in the Disclosure Package and the Final Offering Memorandum are true and accurate in all material respects.
20. All descriptions in the Disclosure Package and the Final Offering Memorandum of PRC laws or regulations are correct in all material respects. Other than as disclosed in the Disclosure Package and the Final Offering Memorandum, there are no existing or announced laws, policies, regulatory, administrative or other government initiatives or measures regarding the commercial forestry plantations industry and wood products manufacturing industry which would have a material adverse effect on the Company.
21. The issue and delivery of the Notes (and the Subsidiary Guarantees as described in the Disclosure Package and the Final Offering Memorandum) and the execution and delivery by the Company of the Purchase Agreement, the performance of its obligations under the Purchase Agreement and the consummation by the Company of the transactions contemplated therein and in the Disclosure Package and the Final Offering Memorandum (a) will not contravene (i) any provision of PRC law or regulations, (ii) any articles of association, business license, business permit or other constitutional documents of any of the PRC Subsidiaries, (iii) to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, any agreement governed by PRC law by which any of the PRC Subsidiaries is bound or to which any of the properties or assets of the PRC Subsidiaries is subject, (iv) to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, any material agreement governed by PRC law by which the Company or any of the BVI Subsidiaries is bound or to which any of the properties or assets of the Company or any of the BVI Subsidiaries is subject, or (b) will not result in the creation or imposition of any claim, lien, mortgage, security interest or other encumbrance on any property or assets of the PRC Subsidiaries or on any purchased tree plantations of the BVI Subsidiaries, except such as pursuant to the Purchase Agreement.

22. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, no tax or duty (including any stamp or other issuance or transfer tax or duty and any tax or duty on capital gains or income, whether chargeable on a withholding basis or otherwise) is payable by or on behalf of holders of the Notes under any applicable laws and regulations of the PRC, or of any political subdivision, department or agency thereof in connection with (a) the offering, issuance or delivery of the Notes by the Company (and the Subsidiary Guarantees by the Subsidiary Guarantors) to or for the account of the holders thereof in the manner contemplated in the Purchase Agreement or the Disclosure Package and the Final Offering Memorandum; (b) the offer or delivery by the holders of the Notes to the subsequent holders thereof; (c) the execution and delivery of the Purchase Agreement or any other document relating to the offering of the Notes (and the Subsidiary Guarantees); or (d) the consummation of the transactions contemplated in the Purchase Agreement or the performance by the Company of its obligations thereunder or the transactions contemplated by the Disclosure Package and the Final Offering Memorandum.
23. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, all licenses, consents, approvals, authorizations, permits, certificates or orders of or from, or filings, declarations or qualifications with or to, any governmental body, court, agency or official in the PRC as are currently required for (i) the PRC Subsidiaries' ownership and use of their properties and assets, the construction of their plant facilities and the conduct of their business in the manner as described in the Disclosure Package and the Final Offering Memorandum, and (ii) the BVI Subsidiaries to own the purchased tree plantations and conduct business in the manner as described in the Disclosure Package and the Final Offering Memorandum, and (iii) the performance by the Company of its obligations under the Purchase Agreement have been obtained or made and are in full force and effect, except for those that are not material in the case of (i) and (ii), individually or in the aggregate, to the business, operations and financial conditions of the Company, the BVI Subsidiaries or the PRC Subsidiaries, taken as a whole or individually. To the best of our knowledge after reasonable investigation and inquiry, we have no reason to believe that any PRC Governmental Authority is considering modifying, suspending or revoking such PRC licenses, consents, authorizations, approvals, certificates and permits, except as disclosed herein.
24. The application of the net proceeds from the offering, as contemplated by the Disclosure Package and the Final Offering Memorandum, will not (i) contravene any provision of applicable PRC law, rule or regulation or the articles of association and any amendment thereof or the business license of any of PRC Subsidiaries or (ii) to the best of our knowledge after reasonable investigation and inquiry, contravene the terms or provisions of, or constitute a default under, (A) any indenture, mortgage, loan agreement, lease or other agreement binding upon any PRC Subsidiaries, (B) any indenture, mortgage, loan agreement, lease or other agreement governed by PRC law by which the Company, any of the BVI Subsidiaries or any of the PRC Subsidiaries is bound or to which any properties or assets of any of the BVI Subsidiaries or any of the PRC Subsidiaries is subject or (C) any judgment, order or decree of any governmental body, agency or court in the PRC.
25. Except as otherwise disclosed in paragraph 27 herein, each WFOE has full power and authority to effect dividend payments and remittances thereof outside the PRC in Unites States dollars, except for the withholding tax required under the Enterprise Income Tax Law of the PRC and other exceptions, in each case as disclosed in the Disclosure Package and the Final Offering Memorandum, free of deduction or withholding on account of income tax and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC.
26. Under current PRC tax laws (including the Enterprise Income Tax Law of the PRC), regulations and rulings, holders of the Notes that are non-residents of the PRC are not subject to withholding tax,

income tax or any other taxes or duties imposed by any of the PRC Government Authorities in respect of (a) any interest or principal payments or other distributions paid or made on the Notes, (b) gains made on sales of the Notes between non-residents of the PRC consummated outside the PRC, or (c) any dividend or other distribution paid or made on the Notes.

27. Except for Sino-Panel (Fujian) Co., Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd. and Shaoyang Jiading Wood Products Co., Ltd. whose registered capital has not been fully paid as permitted under PRC law, and for whom the dividend payments and remittances thereof shall be made in proportion to the paid-up contribution of their registered capital, and except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, no WFOE is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such WFOE's registered capital, or from repaying to the Company any loans or advances to such WFOE from the Company, except as otherwise described in the Disclosure Package and the Final Offering Memorandum.
28. Except for Sino-Panel (Fujian) Co., Ltd., Sino-Panel (Heilongjiang) Trading Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd. and Shaoyang Jiading Wood Products Co., Ltd. whose registered capital has not been fully paid as permitted under PRC law, and except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, each WFOE has full power and authority to borrow shareholder loans from the Company or any of its non-PRC subsidiaries as contemplated and described in the Disclosure Package and the Final Offering Memorandum. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, no other licenses, consents, approvals, authorizations, permits, certificates or orders of or from, or filings, declarations or qualifications with or to, any governmental body, court, agency or official in the PRC are required for a WFOE to borrow shareholder loans. Each WFOE will be able to repay such shareholder loans in, and remit, United States dollars, except for the withholding tax required under the Enterprise Income Tax Law of the PRC and other exceptions, in each case as disclosed in the Disclosure Package and the Final Offering Memorandum, free of deduction or withholding on account of income taxes and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC.
29. To the best of our knowledge after reasonable investigation and inquiry, and except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, none of the PRC Subsidiaries nor other person has taken any action nor have any other steps been taken or legal proceedings been started or threatened against any of the PRC Subsidiaries for its winding up or dissolution, or for the withdrawal, revocation or cancellation of the business license of any of the PRC Subsidiaries; and no notice of appointment of a receiver of any of the PRC Subsidiaries or any of its assets has been issued and no declaration or order of insolvency has been or is threatened to be made.
30. The statements in the Disclosure Package and the Final Offering Memorandum under the headings "Summary", "Risk Factors", "Recent Developments", "Government Regulation", "Certain Financial Information", "Corporate Structure" and "Business" insofar as such statements constitute summaries of the laws or regulations of the PRC or documents governed by PRC law as of the date hereof, fairly present the information called for with respect to such legal matters and documents and fairly summarize matters referred to therein.

31. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, no labor dispute, or disturbance involving the employees of any PRC Subsidiary in the PRC, exists or is imminent or threatened, except as would not, individually or in the aggregate, have a material adverse effect on the Company; each of the PRC Subsidiaries has complied in all material respects with all employment, labor and similar laws applicable to the PRC Subsidiaries and has made welfare contributions for its employees as required under PRC law.
32. Under PRC law, there is no restriction for the transfer of the Notes by the Company to or for the account of the holders of such Notes, and the subsequent purchasers thereof, assuming that such subsequent purchasers are not entities organized under the laws of, or residents of, the PRC.
33. Each of the PRC Subsidiaries owns or has valid licenses in full force and effect or otherwise has the legal right to use all material registered trademarks currently employed by it and, to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, none of the PRC Subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in any material adverse effect.
34. The tax rates applicable to each of the PRC Subsidiaries disclosed in the Disclosure Package and the Final Offering Memorandum is true and accurate in all material respects; the description of the tax laws and regulations applicable to the PRC Subsidiaries described in "Risk Factors" and "Certain Financial Information" of the Disclosure Package and the Final Offering Memorandum is true and accurate under relevant PRC tax laws and regulations. There are no material PRC fees or taxes that are applicable to the Company and its subsidiaries as a consequence of completion of the offering of the Notes that have not been described in the Disclosure Package and the Final Offering Memorandum.
35. The entry into, and performance or enforcement of the Purchase Agreement in accordance with its terms will not subject the Initial Purchasers or holders of the Notes to a requirement to be licensed or otherwise qualified to do business in the PRC, nor will the Initial Purchasers or such holders be deemed to be resident, domiciled, carrying on business through an establishment or place in the PRC or in breach of any PRC law by reason of entry into, performance or enforcement of the Purchase Agreement or of or the consummation of the transactions contemplated in the Purchase Agreement or the performance by the Company of its obligations thereunder or the transactions contemplated by the Disclosure Package and the Final Offering Memorandum.
36. Each of the WFOEs has complied with all the required registration with the relevant State Administration of Foreign Exchange of the PRC, except for those the absence of which would not have a material adverse effect on such WFOEs, taken as a whole or individually.
37. Each of the Purchase Agreement, the Indenture and the Notes is in a proper legal form under PRC laws for the enforcement thereof against the Company, as the case may be, in the PRC except the voluntary application of enforcement as required by applicable PRC laws. It is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of the Purchase Agreement, the Indenture, the Notes or any other document or instrument related to the transactions contemplated in the Disclosure Package and the Final Offering Memorandum for such documents to be filed or recorded or enrolled with any court or authority in the PRC or any political subdivision thereof or that any stamp, registration or similar tax be paid in the PRC or any political subdivision thereof. Any final judgment for a fixed or readily calculable sum of money rendered by any court of the State of New York or of the United States located in the State of New York having jurisdiction under its own domestic laws in respect of any suit, action or proceeding against the Company based upon the

Purchase Agreement would be recognized and enforced by the courts of the PRC in accordance with the requirements of PRC Civil Procedures Law based either on treaties between the PRC and the United States of America (if any) or on reciprocity between jurisdictions, subject to the public policy considerations.

38. We have generally reviewed and discussed with the Initial Purchasers' representatives and with certain officers and employees of, and counsel and independent accountants for, the Company the information furnished, and the Company has confirmed such information to us. On the basis of such consideration, review and discussion with ordinary care and due diligence as a PRC legal counsel, but without independent checking or verification except as stated above, nothing has come to our attention that causes us to reasonably believe that the Disclosure Package and the Final Offering Memorandum or any amendment or supplement thereto (except for the report of Pöyry Forest Industry Pte Ltd. incorporated by reference in the Offering Documents and the financial statements and schedules and other financial data included therein or omitted therefrom, as to which we need make no statement), at the date of the Disclosure Package, at the date of the Final Offering Memorandum or at the date of the commencement of the Offering, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, in all material respects, not misleading.

Schedule 1

List of WFOEs

1. Sino-Forest (Guangzhou) Co., Ltd. (嘉汉林业(广州)有限公司)
 2. Sino-Forest (Heyuan) Co., Ltd. (嘉汉林业(河源)有限公司)
 3. Sino-Forest (Anhui) Co., Ltd. (嘉汉林业(安徽)有限公司)
 4. Sino-Forest (China) Investments Limited (嘉汉林业(中国)投资有限公司)
 5. Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业(广州)商贸有限公司)*
 6. Sino-Forest (Suzhou) Trading Co., Ltd. (嘉汉林业(苏州)商贸有限公司)
 7. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业(苏州)有限公司)
 8. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
 9. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
 10. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)
 11. Zhangzhou Jiannin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司)
 12. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木(苏州)有限公司)
 13. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情(上海)贸易有限公司)
 14. Sino-Maple (Shanghai) Co., Ltd. (北美枫情(上海)商贸有限公司)
 15. Guangdong Jiayao Wood Products Development Co., Ltd. (广东嘉耀木业发展有限公司)
- * Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业(广州)商贸有限公司) is in the process of deregistration.)
16. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司)
 17. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司)
 18. Xiangxi Autonomous State Jiayi Forestry Development Co., Ltd. (湘西自治州嘉熙林业发展有限公司)
 19. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd. (湖南嘉裕木业(洪江市)有限公司)
 20. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd. (张家港保税区嘉森国际贸易有限公司)

21. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)
22. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业(耿马)有限公司)
23. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
24. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业(鹿寨)有限公司)
25. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业(三江)有限公司)
26. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业(北海)发展有限公司)
27. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
28. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
29. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
30. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业(广州)商贸有限公司)
31. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
32. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
33. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
34. Sino-Panel (China) Investments Limited (嘉汉板业(中国)投资有限公司)
35. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业(福建)有限公司)
36. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
37. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司)

Schedule 2**List of PRC Limited Companies Invested by WFOE**

1. Suzhou City Lvyun Garden Engineering Co., Ltd.(苏州市绿韵园林工程有限公司)
2. Beihai Changqing Wooden Co., Ltd.(北海常青木业有限公司)

Schedule 3**List of non-Material PRC Subsidiaries**

1. Sino-Biotechnology (Guangzhou) Co., Ltd.(嘉汉生物科技(广州)有限公司)
2. Sino-Panel (Hezhou) Co., Ltd.(嘉汉板业(贺州)有限公司)
3. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业(三江)有限公司)
4. Sino-Panel (Yunnan) Trading Co., Ltd.(嘉汉板业(云南)贸易有限公司)
5. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
6. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
7. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
8. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
9. Suzhou City Lvyun Garden Engineering Co., Ltd.(苏州市绿韵园林工程有限公司)
10. Beihai Changqing Wooden Co., Ltd.(北海常青木业有限公司)
11. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业(福建)有限公司)
12. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
13. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情(上海)贸易有限公司)
14. Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业(广州)商贸有限公司)

Schedule 4**List of BVI Subsidiaries**

1. Suri-Wood Inc.
2. ACE Supreme International Ltd.
3. Amplemax Worldwide Ltd.
4. Expert Bonus Investment Ltd.
5. Express Point Holdings Ltd.
6. Glory Billion International Ltd.
7. Smart Sure Enterprises Ltd.
8. Sino-Panel (Yunnan) Limited

Schedule 5

List of Shareholders of PRC Subsidiaries

1. Sino-Wood (Jiangxi) Limited
2. Sino-Forest Investments Limited
3. Grandeur Winway Ltd.
4. Sinowin Investments Ltd.
5. Sino-Forest Bio-Science Limited
6. Sino-Panel (Asia) Inc.
7. Sino-Panel (Gaoyao) Ltd.
8. SFR (China) Inc.
9. Sino-Panel (Guangxi) Ltd.
10. Sino-Panel (North Sea) Ltd.
11. Sino-Panel [Suzhou] Ltd.
12. Sino-Panel (Yunnan) Ltd.
13. Sino-Panel [Hunan] Ltd.
14. Sino-Panel [Xiangxi] Ltd.
15. Sino-Panel (North East China) Ltd.
16. Sino-Panel (Guangzhou) Ltd.
17. Sino-Panel (Huaihua) Ltd.
18. Sino-Panel (Yongzhou) Ltd.
19. Sino-Forest (China) Investments Limited (嘉汉林业(中国)投资有限公司)
20. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木(苏州)有限公司)
21. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业(苏州)有限公司)
22. Sino-Panel (China) Investments Limited (嘉汉板业(中国)投资有限公司)

Schedule 6**List of Original CJVs**

1. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
2. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
3. Heyuan Jiahe Forestry Development Co., Ltd.* (河源嘉河林业发展有限公司)
4. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)

*After being converted from a CJV to a WFOE, Heyuan Jiahe Forestry Development Co., Ltd. has been merged into Sino-Forest (Heyuan) Co., Ltd. and has been dissolved.

Exhibit A-5

FORM OF OPINION OF
STIKEMAN ELLIOTT LLP
TO BE DELIVERED PURSUANT TO SECTION 5(b)

Definitions:

“**Common Shares**” means the common shares, without par value, of the Company.

“**Company**” means Sino-Forest Corporation, a Canada Business Corporations Act corporation.

“**Disclosure Package**” means the Preliminary Offering Memorandum as of the Applicable Time (as defined in the Purchase Agreement) as supplemented by the final pricing term sheet.

“**Final Offering Memorandum**” means the preliminary offering memorandum dated December 10, 2009 in connection with the offering of the Notes.

“**Indenture**” means the indenture dated December [17], 2009 among Sino-Forest Corporation, the Subsidiary Guarantors named therein and the Trustee.

“**Initial Purchasers**” means Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated and TD Securities Inc.

“**Notes**” means US\$400 million 4.25% Convertible Senior Notes due 2016

“**PRC**” means the People's Republic of China, excluding Hong Kong, Macao and Taiwan.

“**Preliminary Offering Memorandum**” means the final offering memorandum dated December 1, 2009 in connection with the offering of the Notes.

“**Purchase Agreement**” means the Purchase Agreement date December 10, 2009 among Sino-Forest Corporation, the Subsidiary Guarantors named therein and the Initial Purchasers.

“**Trustee**” means The Bank of New York Mellon.

Opinions:

1. The Company is existing under the laws of Canada.
2. The Company has all requisite corporate power, capacity and authority to carry on its business and to own, lease and operate its property and assets as described in the Disclosure Package and the Final Offering Memorandum, and to offer and issue the Notes, and to execute, deliver and perform its obligations under the Purchase Agreement, the Indenture and the Notes.
3. The Common Shares issuable upon conversion of the Notes in accordance with the terms of the Indenture have been conditionally approved for listing on the TSX, subject to compliance by the Company with the terms and conditions contained in the TSX Letter.
4. The Purchase Agreement, the Indenture and the Notes have been duly authorized, executed and delivered by the Company.
5. No consent, approval, authorization, filing with (including, without limitation, the filing of any prospectus, registration statement or similar document) or order of any court or governmental agency or body in the Jurisdiction is required in connection with the transactions contemplated in the Purchase Agreement and the Indenture, except with respect to the purchase of any Notes by any Purchasers, the filing of a report of such purchase in prescribed form with, and the delivery of a copy of any offering memorandum and any amendment thereto provided to such Purchasers to, together

with the applicable fees, the Ontario Securities Commission, within 10 days after the date of such purchase.

6. No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable by or on behalf of the Initial Purchasers under the laws of Canada or the Jurisdiction in connection with:
 - (a) the execution and delivery of the Purchase Agreement and the Indenture;
 - (b) the issuance, sale and delivery by the Company to or for the account of the Initial Purchasers of the Notes; or
 - (c) the sale and delivery by the Initial Purchasers of the Notes to the initial purchasers thereof;

provided that:

- (a) each of the Initial Purchasers is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) who does not use or hold, and is not deemed to use or hold, the Notes or the Purchase Agreement in connection with the carrying on of a business in Canada in any taxation year;
 - (b) in the case of an Initial Purchaser that carries on an insurance business in Canada and elsewhere, the Purchase Agreement and the Notes are not designated insurance property within the meaning of the *Income Tax Act* (Canada) of such Initial Purchaser; and
 - (c) the Initial Purchasers do not own, in the last 60 months have not owned, and are not deemed to own, together with persons with whom such Initial Purchasers do not deal at arm's length, 25% or more of the shares of any class or series of the Company.
7. Neither the Initial Purchasers nor the Trustee will be deemed to be resident in Canada for the purposes of the *Income Tax Act* (Canada) solely (including on the assumption that the Trustee is not otherwise resident in Canada) by reason of the execution, delivery or consummation of any of the Purchase Agreement, the Indenture or the Notes or by reason of ownership of the Notes or the Common Shares issuable upon conversion of the Notes.
 8. The Company will not be required under the *Income Tax Act* (Canada), including the regulations promulgated thereunder, or the tax legislation of the Jurisdiction (collectively, the "Canadian Tax Law") to withhold tax on account of: (i) any amount paid or credited, or deemed to be paid or credited, by or on behalf of the Company in respect of the principal amount of, or any premium on, the Notes, (ii) the issue or delivery of Common Shares (or other property) upon conversion of the Notes or any adjustment to the conversion rate of the Notes, in each case, in accordance with the terms of the Indenture, or (iii) any amount paid or credited, or deemed to be paid or credited, by or on behalf of the Company as, on account or in lieu of payment of, or in satisfaction of, interest payable (or deemed to be payable) on the Notes to any holder of the Notes who, for the purposes of the Canadian Tax Law, is neither resident nor deemed to be resident in Canada and who is dealing with the Company at arm's length at the time of such payment or crediting (a "Non-Resident Holder"). Under the Canadian Tax Law, no tax on income (including taxable capital gains) is or will be payable by a Non-Resident Holder merely as a result of entering into the Purchase Agreement or the holding, sale, redemption, conversion or other disposition of the Notes, or in respect of the payment or crediting by or on behalf of the Company of the principal amount outstanding under the Notes or any premium or interest on such amount, provided that (i) the Non-Resident Holder does not use or hold, and is not deemed to use or hold, the Notes or the Purchase

Agreement in connection with the carrying on of a business in Canada in any taxation year, (ii) in the case of a Non-Resident Holder that carries on an insurance business in Canada and elsewhere, the Purchase Agreement and the Notes are not designated insurance property within the meaning of the *Income Tax Act* (Canada) of such Non-Resident Holder, and (iii) the Non-Resident Holder does not own, in the last 60 months has not owned, and is not deemed to own, together with persons with whom the Non-Resident does not deal at arm's length, 25% or more of the shares of any class or series of the Company.

9. The statements made in the Disclosure Package and the Final Offering Memorandum under the caption "Taxation – Canada" fairly present, subject to the qualifications and limitations set out therein, a general summary of the principal Canadian federal income tax considerations generally applicable to a U.S. Resident (as defined therein) who acquires Notes pursuant to the terms set forth in or contemplated by the Disclosure Package and the Final Offering Memorandum or receives Common Shares upon conversion of the Notes in accordance with the terms of the Indenture.
10. The statements included in the Disclosure Package and the Final Offering Memorandum under the captions "Description of the Notes" and "Transfer Restrictions", insofar as such statements relate to matters of the laws of the Jurisdiction and the federal laws of Canada applicable therein, fairly summarize in all material respects such matters.
11. The statements made in the Disclosure Package and the Final Offering Memorandum under the captions "Enforcement of Civil Liabilities" and "Risk Factors", insofar as such statements relate to matters of the laws of the Jurisdiction and the federal laws of Canada applicable therein, are true and accurate in all material respects.
12. In any proceeding brought before a court of competent jurisdiction in the Jurisdiction (an "Ontario Court") for the enforcement of the Purchase Agreement, the Indenture or the Notes, the Ontario Court would apply the laws of the State of New York ("New York Law"), in accordance with the parties' choice of New York Law in the Purchase Agreement, the Indenture and the Notes, to all issues which under the laws of the Jurisdiction are to be determined in accordance with the chosen law of the contract, provided that:
 - (a) the parties' choice of New York Law is bona fide and legal and there is no reason for avoiding the choice of law on the grounds of public policy under the laws of the Jurisdiction; and
 - (b) in any such proceeding, and notwithstanding the parties' choice of law, the Ontario Court:
 - (i) will not take judicial notice of the provisions of New York Law but will only apply such provisions if they are pleaded and proven to its satisfaction by expert testimony;
 - (ii) will apply the laws of the Jurisdiction and the federal laws of Canada applicable therein (collectively, "Ontario Law") that under Ontario Law would be characterized as procedural and will not apply any New York Law that under Ontario Law would be characterized as procedural;
 - (iii) will apply provisions of Ontario Law that have overriding effect;
 - (iv) will not apply any New York Law if such application would be characterized under Ontario Law as a direct or indirect enforcement of a foreign revenue, expropriatory, penal or other public law or if its application would be contrary to public policy under Ontario Law; and

- (v) will not enforce the performance of any obligation that is illegal under the laws of any jurisdiction in which the obligation is to be performed.

13. An Ontario Court would give a judgment based upon a final and conclusive *in personam* judgment of a State or Federal court exercising jurisdiction in the Borough of Manhattan, The City of New York, New York (a "New York Court") for a sum certain, obtained against the Company with respect to a claim arising out of the Purchase Agreement, the Indenture or the Notes without reconsideration of the merits, subject to the following defences that the New York judgment:

- (a) was obtained by fraud or in any manner contrary to the principles of natural justice;
- (b) was for a claim which under Ontario Law would be characterized as based on a foreign revenue, expropriatory, penal or other public law;
- (c) is contrary to public policy or to an order made by the Attorney General of Canada under the *Foreign Extraterritorial Measures Act* (Canada) or by the Competition Tribunal under the *Competition Act* (Canada) in respect of certain judgments referred to in those statutes; and
- (d) has been satisfied or is void or voidable under New York Law;

provided that:

- (a) an action to enforce a judgment of a New York Court must be commenced in the Ontario Court within any applicable limitation period;
 - (b) the Ontario Court will render judgment only in Canadian dollars;
 - (c) the Ontario Court has discretion to stay or decline to hear an action in respect of the New York judgment if the New York judgment is under appeal or there is another subsisting judgment in any jurisdiction relating to the same cause of action as such New York judgment; and
 - (d) an action in the Ontario Court on the New York judgment may be affected by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally.
14. The submission by the Company to the non-exclusive jurisdiction of a New York Court contained in the Purchase Agreement, the Indenture and the Notes would be recognized and given effect by an Ontario Court as a valid submission to the jurisdiction of such courts, provided that the provisions of the Purchase Agreement, the Indenture and the Notes respecting service of process on the Company are complied with. A judgment of a New York Court would not be contrary to natural justice by reason only that service of process in the proceedings before the New York Court was effected on the agent for service of process appointed by the Company pursuant to the Indenture, the Notes and the Purchase Agreement.

Exhibit A-6

FORM OF OPINION OF
DAVIS POLK & WARDWELL LLP
TO BE DELIVERED PURSUANT TO SECTION 5(b)

FORM OF OPINION OF
DAVIS POLK & WARDWELL LLP

December [17], 2009

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010
United States

(as Representative of the several Initial Purchasers
named in Schedule A to the Purchase Agreement)

Ladies and Gentlemen:

We have acted as special United States counsel for you and the other several initial purchasers (collectively, the “Initial Purchasers”) named in Schedule A to the Purchase Agreement dated December 10, 2009 (the “Purchase Agreement”), with Sino-Forest Corporation, a Canada Business Corporations Act corporation (the “Company”), and each of the subsidiary guarantors named in Schedule D-1 thereto (each a “Subsidiary Guarantor”), under which you and such other Initial Purchasers have severally agreed to purchase from the Company US\$400,000,000 aggregate principal amount of its 4.25% Convertible Senior Notes due 2016 (the “Notes”). The Notes are to be issued pursuant to the provisions of an Indenture dated as of December [17], 2009 (the “Indenture”) among the Company, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee, and are convertible on the terms set forth in the Indenture into common shares of the Company without par value (the “Common Shares”), cash or a combination of cash and Common Shares, at the Company’s election. The Notes will be guaranteed by each of the Subsidiary Guarantors (the “Subsidiary Guarantees” and, together with the Notes, the “Securities”).

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary or advisable for the purpose of rendering this opinion.

We have participated in the preparation of the preliminary offering memorandum dated December 1, 2009 (the “Preliminary Offering Memorandum”) and the final offering memorandum dated December 10, 2009, other than the documents incorporated by reference therein (the “Incorporated Documents”), relating to the Securities, and have reviewed the Incorporated Documents. The final offering memorandum, including the Incorporated Documents, is hereinafter referred to as the “Final Memorandum.”

Based upon the foregoing, we are of the opinion that:

- (1) Assuming that the Purchase Agreement has been duly authorized, executed and delivered by the Company and each of the Subsidiary Guarantors insofar as the laws of Canada, the British Virgin Islands, the Cayman Islands and Hong Kong are concerned, the Purchase Agreement has been duly executed and delivered by the Company and the Subsidiary Guarantors.

- (2) Assuming that the Indenture has been duly authorized, executed and delivered by the Company and each of the Subsidiary Guarantors insofar as the laws of Canada, the British Virgin Islands, the Cayman Islands and Hong Kong are concerned, the Indenture has been duly executed and delivered by the Company and the Subsidiary Guarantors, and the Indenture is a valid and binding agreement of the Company and each Subsidiary Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability; *provided* that we express no opinion as to the (x) enforceability of any waiver of rights under any usury or stay law and (y) validity, legally binding effect or enforceability of any provision that permits holders to collect any portion of stated principal amount upon acceleration of the Securities to the extent determined to constitute unearned interest.
- (3) Assuming that the Securities have been duly authorized, executed and delivered by the Company and each of the Subsidiary Guarantors insofar as the laws of Canada, the British Virgin Islands, the Cayman Islands and Hong Kong are concerned, when the Notes and the Subsidiary Guarantees are authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers pursuant to the Purchase Agreement, the Notes and the Subsidiary Guarantees will be valid and binding obligations of the Company and the Subsidiary Guarantors, respectively, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability, and will be entitled to the benefits of the Indenture pursuant to which such Securities are to be issued; *provided* that we express no opinion as to the (x) enforceability of any waiver of rights under any usury or stay law or (y) validity, legally binding effect or enforceability of any provision that permits holders to collect any portion of stated principal amount upon acceleration of the Notes to the extent determined to constitute unearned interest.
- (4) Assuming that the Purchase Agreement has been duly authorized, executed and delivered by the Company and each of the Subsidiary Guarantors insofar as the laws of Canada, the British Virgin Islands, the Cayman Islands and Hong Kong are concerned, under the laws of the State of New York relating to personal jurisdiction, each of the Company and the Subsidiary Guarantor has, pursuant to Section 17 of the Purchase Agreement and Section [●] of the Indenture, validly and irrevocably submitted to the non-exclusive personal jurisdiction of any state or United States federal court located in the Borough of Manhattan, the City of New York, New York (each, a "New York Court") in any action arising out of or relating to the Indenture and the Purchase Agreement or the transactions contemplated thereby, has validly and irrevocably waived to the fullest extent it may effectively do so any objection to the venue of a proceeding in any such New York Court, and has validly and irrevocably appointed the Authorized Agent as its authorized agent for the purpose described in Section 17 of the Purchase Agreement and Section [●] of the Indenture; and service of process effected on such agent in the manner set forth in Section 17 of the Purchase Agreement and Section [●] of the Indenture will be effective to confer valid personal jurisdiction on the Company and each of the Subsidiary Guarantors.

- (5) It is not necessary in connection with the offer, sale and delivery of the Securities to the Initial Purchasers under the Purchase Agreement or in connection with the initial resale of such Securities by the Initial Purchasers in the manner contemplated by the Purchase Agreement and the Final Memorandum to register the Securities under the Securities Act of 1933, as amended, or to qualify the Indenture under the Trust Indenture Act of 1939, as amended, it being understood that no opinion is expressed as to any subsequent offer or resale of any Securities.

We have considered the statements included in the Final Memorandum under the captions "Description of the Notes" and "Plan of Distribution" insofar as they summarize provisions of the Indenture and the Purchase Agreement. In our opinion, such statements fairly summarize these provisions in all material respects.

In rendering the opinions in paragraphs (1), (2), (3) and (4) above, we have assumed that each party to the Purchase Agreement, the Indenture and the Securities (collectively, the "Documents") has been duly incorporated and is validly existing under the laws of the jurisdiction of its organization. In addition, we have assumed that (i) the execution, delivery and performance by each party thereto of the Documents (a) are within its corporate powers, (b) do not contravene, or constitute a default under, the certificate of incorporation or bylaws or other constitutive documents of such party, (c) require no action by or in respect of, or filing with, any governmental body, agency or official and (d) do not contravene, or constitute a default under, any provision of applicable law or regulation or any judgment, injunction, order or decree or any agreement or other instrument binding upon such party, and (ii) each Document (other than the Purchase Agreement) is a valid, binding and enforceable agreement of each party thereto (other than as expressly covered above in respect of the Company and the Subsidiary Guarantors).

In rendering the opinions set forth in paragraph (5) above, we have assumed the accuracy of, and compliance with, the representations, warranties and covenants of the Company, the Subsidiary Guarantors and the Initial Purchasers in the Purchase Agreement relating to the offering and initial resale of the Securities.

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York and the federal laws of the United States, except that we express no opinion as to any law, rule or regulation that is applicable to the Company or any of the Subsidiary Guarantors, the Documents or such transactions solely because such law, rule or regulation is part of a regulatory regime applicable to any party to the Documents or any of its affiliates due to the specific assets or business of such party or such affiliate. With respect to all matters of the laws of Canada, the British Virgin Islands, Cayman Islands, England, Hong Kong, or the People's Republic of China (the "PRC"), you have received, and we understand that you are relying upon, the opinions of (a) Appleby, British Virgin Islands and Cayman Islands counsel for the Company and the Subsidiary Guarantors, Linklaters, England and Hong Kong counsel for the Company and the Subsidiary Guarantors, Aird & Berlis LLP, Canadian counsel for the Company and the Subsidiary Guarantors and Jingtian & Gongcheng, PRC counsel for the Company and the Subsidiary Guarantors and (b) Stikeman Elliot LLP, Canadian counsel to the Initial Purchasers and Commerce & Finance Law Offices, PRC counsel to the Initial Purchasers, each delivered to you today pursuant to Sections 5(a) and (b), respectively, of the Purchase Agreement.

This opinion is rendered solely to you and the other several Initial Purchasers in connection with the Purchase Agreement. This opinion may not be relied upon by you for any other purpose or relied upon by any other person (including any person acquiring Securities from the several Initial Purchasers) or furnished to any other person without our prior written consent.

Very truly yours,

FORM OF DISCLOSURE LETTER OF
DAVIS POLK & WARDWELL LLP

December [17], 2009

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010
United States

(as Representative of several Initial Purchasers
named in Schedule A to the Purchase Agreement)

Ladies and Gentlemen:

We have acted as special United States counsel for you and the other several Initial Purchasers (collectively, the "Initial Purchasers") named in Schedule A to the Purchase Agreement dated December 10, 2009 (the "Purchase Agreement"), with Sino-Forest Corporation, a Canada Business Corporations Act corporation (the "Company"), and each of the subsidiary guarantors named in Schedule D-1 thereto (each a "Subsidiary Guarantor"), under which you and such other Initial Purchasers have severally agreed to purchase from the Company, US\$400,000,000 aggregate principal amount of its 4.25% Convertible Senior Notes due 2016 (the "Notes"). The Notes are to be issued pursuant to the provisions of an Indenture dated as of December [17], 2009 (the "Indenture") among the Company, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee, and are convertible on the terms set forth in the Indenture into common shares of the Company without par value (the "Common Shares"), cash or a combination of cash and Common Shares, at the Company's election. The Notes will be guaranteed by each of the Subsidiary Guarantors (the "Subsidiary Guarantees" and, together with the Notes, the "Securities").

We have participated in the preparation of the preliminary offering memorandum dated December 1, 2009 (the "Preliminary Offering Memorandum") and the final offering memorandum dated December 10, 2009, other than the documents incorporated by reference therein (the "Incorporated Documents") relating to the Securities, and have reviewed the Incorporated Documents. The final offering memorandum, including the Incorporated Documents, is hereinafter referred to as the **Final Memorandum**. The Preliminary Offering Memorandum, including the Incorporated Documents, together with the pricing term sheet attached as Schedule C to the Purchase Agreement, is hereinafter referred to as the "Disclosure Package."

The primary purpose of our professional engagement was not to establish or confirm factual matters or financial, accounting or quantitative information. Furthermore, many determinations involved in the preparation of the Final Memorandum and the Disclosure Package are of a wholly or partially non-legal character or relate to legal matters outside the scope of our opinion separately delivered to you today in respect of certain matters under the laws of the State of New York and the federal laws of the United States of America. As a result, we are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Final Memorandum and the Disclosure Package, and we have not ourselves checked the accuracy, completeness or fairness of, or otherwise verified, the information furnished in such documents (except to the extent expressly set forth in our opinion letter separately delivered to you today as to statements included in the Final Memorandum under the captions "Description of the Notes" and "Plan of Distribution"). However, in the course of our acting as counsel to you in connection with the preparation of the Final Memorandum and the Disclosure

Package, we have generally reviewed and discussed with your representatives and with certain officers and employees of, and counsel, including Canada, the British Virgin Islands, the Cayman Islands, England, Hong Kong and the People's Republic of China counsel, and independent public accountants for, the Company the information furnished, whether or not subject to our check and verification. We have also reviewed and relied upon certain corporate records and documents, letters from counsel and accountants and oral and written statements of officers and other representatives of the Company and others as to the existence and consequence of certain factual and other matters.

On the basis of the information gained in the course of the performance of the services rendered above, but without independent check or verification except as stated above, nothing has come to our attention that causes us to believe that:

- (a) at ___:___ A/P.M Hong Kong time on the date of the Purchase Agreement, the Disclosure Package contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or
- (b) the Final Memorandum as of its date or as of the date hereof contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In providing this letter to you and the other several Initial Purchasers, we have not been called to pass upon, and we express no view regarding, (i) the financial statements or financial schedules or other financial or accounting data included in the Disclosure Package and the Final Memorandum and (ii) the statements included in the Pöyry report entitled "Sino-Forest Corporation Valuation of China Forest Crop Assets as at 31 December 2008" (the "Valuation Report") and any statements included in the Disclosure Package or the Final Memorandum that are derived from the Valuation Report. In addition, we express no view as to the conveyance of the Disclosure Package or the information contained therein to investors.

This letter is delivered solely to you and the other several Initial Purchasers in connection with the Purchase Agreement. This letter may not be relied upon by you for any other purpose or relied upon by any other person (including any person acquiring Securities from the several Initial Purchasers) or furnished to any other person without our prior written consent.

Very truly yours,

Exhibit A-7

FORM OF OPINION OF
COMMERCE & FINANCE LAW OFFICES
TO BE DELIVERED PURSUANT TO SECTION 5(b)

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010
United States

**Merrill Lynch, Pierce, Fenner & Smith
Incorporated**
One Bryant Park, New York, NY
10036, United States

TD Securities Inc.
1, Place Ville-Marie, Bureau 2315
Montréal QC H3B 3M5
Canada

December [17], 2009

Dear Sirs/Mesdames:

**Re: Offering by Sino-forest Corporation of US\$400,000,000 principal amount of its 4.25%
Convertible Senior Notes due 2016**

We are qualified lawyers of the People's Republic of China (the "PRC" excluding, for the purpose of this opinion only and except where the context otherwise requires, Hong Kong, Macao and Taiwan) and as such are qualified to issue this opinion on the laws of the PRC.

We are acting as PRC legal counsel for Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated and TD Securities Inc. (the "Initial Purchasers") in connection with the offering by Sino-Forest Corporation, a company incorporated under the laws of Canada (the "Company"), of US\$400,000,000 principal amount of its 4.25% Convertible Senior Notes due 2016 (the "Initial Notes") and the grant by the Company to the Initial Purchasers of the option to purchase all or any part of an additional US\$60,000,000 principal amount of Notes (the "Option Notes", together with the Initial Notes, the "Notes") pursuant to a purchase agreement (the "Purchase Agreement") dated December 10, 2009 among the Company, the Subsidiary Guarantors defined therein and the Initial Purchasers. The Notes are to be issued pursuant to an indenture dated December 10, 2009 (the "Indenture") among the Company, the Subsidiary Guarantors named therein and The Bank of New York Mellon, as trustee. This opinion is delivered to you pursuant to Section 5(b) of the Purchase Agreement.

For the purpose of this opinion, we have examined the copies, certified or otherwise identified to our satisfaction, of documents provided to us by the Company and such other documents, corporate records, papers, certificates issued by officials of government departments and other public organizations and other instruments as we deem necessary or appropriate for the purpose of rendering this opinion. We have also examined a preliminary offering memorandum dated December 1, 2009 (the "Preliminary Offering Memorandum" together with the Pricing Supplement, the "Disclosure Package") and a final offering memorandum dated December 10, 2009 (the "Final Offering Memorandum") and conducted such searches and made such inquiries as we consider necessary or relevant for us to provide this opinion.

In the examination of these documents, we have assumed that (A) all documents submitted to us as copies conform to their originals and all documents submitted to us as originals are authentic; (B) all signatures, seals and chops on such documents are genuine; (C) other than the PRC residents and entities relevant to any of the documents or to such other documents as referred to in this opinion which are incorporated or established or organized under the laws of the PRC, all parties have the requisite power and authority to enter into, and have duly executed and delivered the documents and performed their obligations thereunder; and (D) these documents constitute legal, valid and binding obligations on the parties thereto under the laws (other than the laws of the PRC) by which they are expressed to be governed.

This opinion is rendered on the basis of the PRC laws effective as at the date hereof and there is no assurance that any of such laws will not be changed, amended or replaced in the immediate future or in the longer term with or without retrospective effect. Any such changes, amendments or replacements may be made by an order of the President of the PRC or the State Council or, in the case of provincial laws and regulations, by the relevant provincial government and may become effective immediately on promulgation.

We do not purport to be an expert on or to be generally familiar with or qualified to express legal opinions based on any laws other than the PRC laws. Accordingly, we express or imply no opinion on the laws of any jurisdiction other than the PRC.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

Based on the foregoing, we are of the opinion that on the date hereof:

1. Except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, each of the wholly foreign owned enterprises listed in Schedule 1 (each a "WFOE", collectively, the "WFOEs"), and each of the entities listed in Schedule 2 (each a "PRC Limited Company Invested by WFOE", collectively, the "PRC Limited Companies Invested by WFOE", and together with the WFOEs, the "PRC Subsidiaries") has been duly incorporated under the laws of the PRC as a wholly foreign owned enterprise or a PRC limited company invested by WFOE with the status of a Chinese legal person, is validly existing under the laws of the PRC, has the corporate power and authority to own its property (including plantation land use rights) and to conduct business as described in the Disclosure Package and the Final Offering Memorandum and constitutive documents of such PRC Subsidiary, including articles of association, approval certificate and business license, as the case may be, and is in good standing and duly qualified to transact business in each jurisdiction in which the conduct of its business, or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the PRC Subsidiaries, taken as a whole; the business operations of each PRC Subsidiary as described or contemplated in the Disclosure Package and the Final Offering Memorandum are in compliance with, and do not violate or conflict with, any applicable laws and regulations or any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over it or over any of its properties or assets, and each of the business licenses of each of the PRC Subsidiaries is valid and in full force and effect and has not been revoked, withdrawn, suspended or cancelled, except as otherwise disclosed in the Disclosure Package and the Final Offering Memorandum. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, the relevant PRC Subsidiaries listed in Schedule 3 are non-material active companies.
2. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, each of the entities listed in Schedule 4 (each a "BVI Subsidiary", collectively, the "BVI

Subsidiaries") has the right to conduct business in the PRC in the manner as presently conducted and as described in the Disclosure Package and the Final Offering Memorandum, and has the right to own the purchased tree plantations (as set forth in the Disclosure Package and the Final Offering Memorandum) and as approved by the relevant forestry bureaus, has the right to log, transport, and sell the purchased tree plantations in accordance with the PRC laws and regulations.

3. Each of the entities listed in Schedule 5 is the owner of 100% of the registered capital of each of the PRC Subsidiaries, respectively, as set forth in the Disclosure Package and the Final Offering Memorandum, free and clear of all liens, encumbrances, equities, claims, restrictions on transfer (other than as required under applicable PRC law) or other defect of title whatsoever; the ownership of such registered capital is valid and lawful under all applicable PRC laws, rules or regulation of any governmental or regulatory agency or body.
4. The registered capital of each of the PRC Subsidiaries has been subscribed in full and all government approvals relating to the subscription thereof have been issued and are in full force and effect, except for Sino-Panel (Fujian) Co., Ltd., Hunan Jiayu Wood Products Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Shaoyang Jiading Wood Products Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd. and Sino-Panel (Heilongjiang) Trading Co., Ltd. whose registered capital has not been fully paid as permitted by PRC law.
5. All descriptions in the Disclosure Package and the Final Offering Memorandum of contracts and other material documents to which any PRC Subsidiary is a party or are governed by PRC law are true and accurate in all material respects, fairly summarize the contents of such contracts or documents and do not omit any material information which affects the import of such descriptions; to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, except as otherwise disclosed in paragraph 18 herein, there are no franchises, contracts, indentures, mortgages, loan agreements, notes, leases or other instruments other than those described or referred to in the Disclosure Package and the Final Offering Memorandum; and the descriptions thereof or references thereto are correct in all material respects; each PRC Subsidiary has legal right and/or corporate power to enter into and to perform its obligations under the contracts and other documents set forth in the Disclosure Package and the Final Offering Memorandum to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of such contracts and documents. Each of such contracts and documents has been duly authorized, executed and delivered by the relevant PRC Subsidiary and constitutes a valid and legally binding agreement of such PRC Subsidiary.
6. The ownership structure of the PRC Subsidiaries as set out in the Disclosure Package and the Final Offering Memorandum is true and accurate and such ownership structure is in compliance with applicable laws and regulations. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there is no other company in which any of the PRC Subsidiaries directly or indirectly owns or controls or proposes to own or control a majority interest (whether by way of shareholding, trust arrangement or otherwise), and none of the PRC Subsidiaries has entered into any agreement for the establishment of any company or undertaking in which any of the PRC Subsidiaries will, or agrees to own or control, a majority interest.
7. The events and transactions (the "CJV Conversion") set forth in the Disclosure Package and the Final Offering Memorandum relating to the conversion of the corporate form of certain PRC Subsidiaries of the Company from cooperative joint venture into wholly foreign owned enterprise, as listed in Schedule 6 (the "Original CJVs"), have been duly effected in accordance with applicable

laws and regulations, and the description of the CJV Conversion set forth therein is an accurate and fair summary of such transactions in all material respects.

8. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, none of the PRC Subsidiaries is in violation of or in default under (i) any provision of PRC law or regulation or the articles of association of the respective PRC Subsidiary, (ii) any agreement governed by PRC law by which any of the PRC Subsidiaries is bound or to which any of the properties or assets of the PRC Subsidiaries is subject or (iii) any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over any of the PRC Subsidiaries or over any of the properties or assets of the PRC Subsidiaries, except for such violations or defaults that would not have a material adverse effect on the PRC Subsidiaries as a whole or on any of the PRC Subsidiaries individually.
9. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, under the current business model as presently conducted, none of the BVI Subsidiaries is in violation of or in default under (i) any provision of PRC law or regulation, (ii) any agreement governed by PRC law by which it is bound or to which any of its properties or assets is subject or (iii) any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over it or over any of its properties or assets, except for such violations or defaults that would not have a material adverse effect on the BVI Subsidiaries taken as a whole or individually.
10. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, each of the PRC Subsidiaries has paid all material PRC taxes which it is required to have paid, except for taxes payment of which is being contested in good faith by appropriate proceedings and for which reserves and tax provisions deemed by it to be adequate have been set aside or made on its books. For the relevant BVI Subsidiaries conducting authorized trading operations, the PRC taxes which are required to be paid by the relevant BVI Subsidiaries shall be withheld and paid by the respective authorized intermediaries as the withholding and paying agents in accordance with the relevant agreements, and as confirmed by the Company, adequate tax provisions have been made to meet such tax liabilities of the relevant BVI Subsidiaries.
11. Except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, the articles of association of each PRC Subsidiary comply with the requirements of applicable law of the PRC and are in full force and effect.
12. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any public, regulatory or governmental authority, agency, body or court of the PRC or any subdivision thereof (a "PRC Governmental Authority") is necessary or required in connection with the due authorization, execution and delivery of the Purchase Agreement, or the offering, issuance, or delivery of the Notes (and the Subsidiary Guarantees) pursuant to the terms of thereof.
13. The carrying on of the authorized trading operations by the BVI Subsidiaries pursuant to the relevant purchase agreements and the authorized sales agreements between the relevant BVI Subsidiaries and the authorized intermediaries does not contravene any provision of applicable PRC law, rule or regulation in all material respects. Each of the sample purchase agreement and authorized sales agreement is valid and legally binding, in full force and effect, and enforceable in accordance with its terms and the relevant BVI Subsidiaries have and will have good and valid title to the after-tax profits generated by or derived from such operations.

14. According to the relevant Plantation Rights Certificates and relevant approvals provided by the Company, as of September 30, 2009, the relevant WFOEs (including Sino-Forest (Heyuan) Co., Ltd., the successor of Heyuan Jiahe Forestry Development Co., Ltd which was one of the Original CJVs and has been merged into Sino-Forest (Heyuan) Co., Ltd. and dissolved) and the other three Original CJVs have the right to use approximately 66,700 hectares of plantation land. Since the Original CJVs have been duly converted into WFOEs and Sino-Forest (Heyuan) Co., Ltd. has obtained the new Plantation Rights Certificates for the relevant plantation land use rights originally held by Heyuan Jiahe Forestry Development Co., Ltd., with respect to approximately 19,100 hectares among the plantation land that is currently used by the three Original CJVs, they will need to negotiate with the original plantation land owners or holders to enter into new plantation land transfer agreements or lease agreements, go through the requisite legal formalities for the transfer of plantation land and obtain the Plantation Rights Certificates for those plantation lands in accordance with the relevant PRC laws and regulations.
15. According to the relevant purchased tree contracts entered into by the BVI Subsidiaries and the relevant PRC Subsidiaries as of September 30, 2009 and as confirmed by the relevant local forestry bureaus in their respective approvals or Plantations Rights Certificates, the BVI Subsidiaries and the relevant PRC Subsidiaries have the right to own approximately 39,100 hectares of the purchased trees plantations acquired by the BVI Subsidiaries and the relevant PRC Subsidiaries. According to the relevant purchased tree contracts entered into by the BVI Subsidiaries, the BVI Subsidiaries have the right, but not the obligation, to acquire plantation land use rights for the lands underlying the purchased trees acquired pursuant to the purchased tree contracts entered into by the BVI Subsidiaries as of September 30, 2009, subject to the execution of definitive agreements and requisite governmental approval and plantation rights registration procedures in accordance with relevant PRC laws and regulations.
16. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no legal or governmental proceedings pending in the PRC to which, the Company, any of the BVI Subsidiaries or any of the PRC Subsidiaries is a party or to which any of their respective properties or assets is subject; there are no legal or governmental proceedings pending in the PRC which could, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Company, the BVI Subsidiaries and the PRC Subsidiaries taken as a whole or individually, the validity or enforceability of the Purchase Agreement or the transactions contemplated therein and as disclosed in the Disclosure Package and the Final Offering Memorandum; and no such proceedings are threatened.
17. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no outstanding guarantees or contingent payment obligations of each of the PRC Subsidiaries in respect of indebtedness of third parties except as described in the Disclosure Package and the Final Offering Memorandum.
18. Each of the PRC Subsidiaries owns or has been granted all necessary rights to use all of the properties and assets owned or used by it or transferred, assigned or otherwise conveyed to it in connection with its formation or thereafter, to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, free and clear of all claims, liens, security interests or other encumbrances except for the mortgages relating to the relevant real property of [Jiafeng Wood (Suzhou) Co., Ltd.] and as otherwise described in the Disclosure Package and the Final Offering Memorandum or those that are not material, individually or in the aggregate, to the business of the Company and the PRC Subsidiaries, taken as a whole or individually; except as otherwise described in the Disclosure Package and the Final Offering Memorandum and in this opinion, each of the PRC Subsidiaries, as the case may be, has the right to use all such plantation lands or has obtained the land

- use rights to conduct their respective business now being conducted, all such plantation land-use rights or land use rights are free and clear of all encumbrances and defects, and all such plantation land-use rights or land use rights are valid, binding and enforceable in accordance with their respective terms; and all real property and buildings held under lease, if any, by each of the PRC Subsidiaries are held by each of them under valid, binding and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such real property, buildings and equipment.
19. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, each of the PRC Subsidiaries (i) is in compliance in all material respects with all applicable laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (“Environmental Laws”), (ii) has received all material permits, licenses and approvals which are currently required under applicable Environmental Laws to conduct its business now being conducted, including to construct, own and operate its respective plant facilities, as described in the Disclosure Package and the Final Offering Memorandum, and (iii) is in compliance with the PRC environmental laws and regulations in all material respects. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no pending or threatened judicial actions, suits, claims, liens or proceedings relating to environmental protection laws and regulations against any PRC Subsidiaries. The description of the PRC environmental laws, orders, rules and regulations in the Disclosure Package and the Final Offering Memorandum are true and accurate in all material respects.
 20. All descriptions in the Disclosure Package and the Final Offering Memorandum of PRC laws or regulations are correct in all material respects. Other than as disclosed in the Disclosure Package and the Final Offering Memorandum, there are no existing or announced laws, policies, regulatory, administrative or other government initiatives or measures regarding the commercial forestry plantations industry and wood products manufacturing industry which would have a material adverse effect on the Company.
 21. The issue and delivery of the Notes (and the Subsidiary Guarantees as described in the Disclosure Package and the Final Offering Memorandum) and the execution and delivery by the Company of its obligations under the Purchase Agreement and the consummation by the Company of the transactions contemplated therein and in the Disclosure Package and the Final Offering Memorandum (a) will not contravene (i) any provision of PRC law or regulations, (ii) any articles of association, business license, business permit or other constitutional documents of any of the PRC Subsidiaries, (iii) to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, any agreement governed by PRC law by which any of the PRC Subsidiaries is bound or to which any of the properties or assets of the PRC Subsidiaries is subject, or (iv) to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, any material agreement governed by PRC law by which the Company or any of the BVI Subsidiaries is bound or to which any of the properties or assets of the Company or any of the BVI Subsidiaries is subject, or (b) will not result in the creation or imposition of any claim, lien, mortgage, security interest or other encumbrance on any property or assets of the PRC Subsidiaries or on any purchased tree plantations of the BVI Subsidiaries, except such as pursuant to the Purchase Agreement.
 22. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, no tax or duty (including any stamp or other issuance or transfer tax or duty and any tax or duty on capital gains or income, whether chargeable on a withholding basis or otherwise) is payable by or on behalf of holders of the Notes under any applicable laws and regulations of the PRC, or of any political subdivision, department or agency thereof in connection with (a) the offering, issuance or delivery of the Notes by the Company (and the Subsidiary Guarantees by the Subsidiary Guarantors) to or for the

account of the holders thereof in the manner contemplated in the Purchase Agreement or the Disclosure Package and the Final Offering Memorandum; (b) the offering or delivery by the holders of the Notes to the subsequent holders thereof; (c) the execution and delivery of the Purchase Agreement or any other document relating to the offering of the Notes (and the Subsidiary Guarantees); or (d) the consummation of the transactions contemplated in the Purchase Agreement or the performance by the Company of its obligations thereunder or the transactions contemplated by the Disclosure Package and the Final Offering Memorandum.

23. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, all licenses, consents, approvals, authorizations, permits, certificates or orders of or from, or filings, declarations or qualifications with or to, any governmental body, court, agency or official in the PRC as are currently required for (i) the PRC Subsidiaries' ownership and use of their properties and assets, the construction of their plant facilities and the conduct of their business in the manner as described in the Disclosure Package and the Final Offering Memorandum, (ii) the BVI Subsidiaries to own the purchased tree plantations and conduct business in the manner as described in the Disclosure Package and the Final Offering Memorandum, and (iii) the performance by the Company of its obligations under the Purchase Agreement have been obtained or made and are in full force and effect, except for those that are not material in the case of (i) and (ii), individually or in the aggregate, to the business, operations and financial conditions of the Company, the BVI Subsidiaries or the PRC Subsidiaries, taken as a whole or individually. To the best of our knowledge after reasonable investigation and inquiry, we have no reason to believe that any PRC Governmental Authority is considering modifying, suspending or revoking such PRC licenses, consents, authorizations, approvals, certificates and permits, except as disclosed herein.
24. The application of the net proceeds from the offering, as contemplated by the Disclosure Package and the Final Offering Memorandum, will not (i) contravene any provision of applicable PRC law, rule or regulation or the articles of association and any amendment thereof or the business license of any of PRC Subsidiaries or (ii) to the best of our knowledge after reasonable investigation and inquiry, contravene the terms or provisions of, or constitute a default under, (A) any indenture, mortgage, loan agreement, lease or other agreement binding upon any PRC Subsidiaries, (B) any indenture, mortgage, loan agreement, lease or other agreement governed by PRC law by which the Company, any of the BVI Subsidiaries or any of the PRC Subsidiaries is bound or to which any properties or assets of any of the BVI Subsidiaries or any of the PRC Subsidiaries is subject or (C) any judgment, order or decree of any governmental body, agency or court in the PRC.
25. Except as otherwise disclosed in paragraph 27 herein, each WFOE has full power and authority to effect dividend payments and remittances thereof outside the PRC in Unites States dollars, except for the withholding tax required under the Enterprise Income Tax Law of the PRC and other exceptions, in each case as disclosed in the Disclosure Package and the Final Offering Memorandum, free of deduction or withholding on account of income tax and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC.
26. Under current PRC tax laws (including the Enterprise Income Tax Law of the PRC), regulations and rulings, holders of the Notes that are non-residents of the PRC are not subject to withholding tax, income tax or any other taxes or duties imposed by any of the PRC Government Authorities in respect of (a) any interest or principal payments or other distributions paid or made on the Notes, (b) gains made on sales of the Notes between non-residents of the PRC consummated outside the PRC, or (c) any dividend or other distribution paid or made on the Notes.

27. Except for Sino-Panel (Fujian) Co., Ltd., Hunan Jiayu Wood Products Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Shaoyang Jiading Wood Products Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd. and Sino-Panel (Heilongjiang) Trading Co., Ltd. whose registered capital has not been fully paid as permitted under PRC law, and for whom the dividend payments and remittances thereof shall be made in proportion to the paid-up contribution of their registered capital, and except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, no WFOE is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such WFOE's registered capital, or from repaying to the Company any loans or advances to such WFOE from the Company, except as otherwise described in the Disclosure Package and the Final Offering Memorandum.
28. Except for Sino-Panel (Fujian) Co., Ltd., Hunan Jiayu Wood Products Co., Ltd., Jiangxi Jiawei Panel Co., Ltd., Shaoyang Jiading Wood Products Co., Ltd., Sino-Panel (Guangzhou) Trading Co., Ltd. and Sino-Panel (Heilongjiang) Trading Co., Ltd. whose registered capital has not been fully paid as permitted under PRC law, and except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, each WFOE has full power and authority to borrow shareholder loans from the Company or any of its non-PRC subsidiaries as contemplated and described in the Disclosure Package and the Final Offering Memorandum. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, no other licenses, consents, approvals, authorizations, permits, certificates or orders of or from, or filings, declarations or qualifications with or to, any governmental body, court, agency or official in the PRC are required for a WFOE to borrow shareholder loans. Each WFOE will be able to repay such shareholder loans in, and remit, United States dollars, except for the withholding tax required under the Enterprise Income Tax Law of the PRC and other exceptions, in each case as disclosed in the Disclosure Package and the Final Offering Memorandum, free of deduction or withholding on account of income taxes and without the need to obtain any consent, approval, authorization, order, registration or qualification of or with any court or governmental or regulatory agency or body of or in the PRC.
29. To the best of our knowledge after reasonable investigation and inquiry and except for Sino-Forest (Guangzhou) Trading Co., Ltd. which is in the process of deregistration, none of the PRC Subsidiaries nor other person has taken any action nor have any other steps been taken or legal proceedings been started or threatened against any of the PRC Subsidiaries for its winding up or dissolution, or for the withdrawal, revocation or cancellation of the business license of any of the PRC Subsidiaries; and no notice of appointment of a receiver of any of the PRC Subsidiaries or any of its assets has been issued and no declaration or order of insolvency has been or is threatened to be made.
30. The statements in the Disclosure Package and the Final Offering Memorandum under the headings "Summary", "Risk Factors", "Recent Developments", "Government Regulation", "Certain Financial Information", "Corporate Structure" and "Business" insofar as such statements constitute summaries of the laws or regulations of the PRC or documents governed by PRC law as of the date hereof, fairly present the information called for with respect to such legal matters and documents and fairly summarize matters referred to therein.
31. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, no labor dispute, or disturbance involving the employees of any PRC Subsidiary in the PRC, exists or is imminent or threatened, except as would not, individually or in the aggregate, have a material adverse effect on the Company; each of the PRC Subsidiaries has complied in all material respects with all employment, labor and similar laws applicable to the PRC Subsidiaries and has made welfare contributions for its employees as required under PRC law.

32. Under PRC law, there is no restriction for the transfer of the Notes by the Company to or for the account of the holders of such Notes, and the subsequent purchasers thereof, assuming that such subsequent purchasers are not entities organized under the laws of, or residents of, the PRC.
33. Each of the relevant PRC Subsidiaries owns or has valid licenses in full force and effect or otherwise has the legal right to use all material registered trademarks currently employed by it and, to the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, none of the PRC Subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in any material adverse effect.
34. The tax rates applicable to each of the PRC Subsidiaries disclosed in the Disclosure Package and the Final Offering Memorandum is true and accurate in all material respects; the description of the tax laws and regulations applicable to the PRC Subsidiaries described in "Risk Factors" and "Certain Financial Information" of the Disclosure Package and the Final Offering Memorandum is true and accurate under relevant PRC tax laws and regulations. There are no material PRC fees or taxes that are applicable to the Company and its subsidiaries as a consequence of completion of the offering of the Notes that have not been described in the Disclosure Package and the Final Offering Memorandum.
35. The entry into, and performance or enforcement of the Purchase Agreement in accordance with its terms will not subject the Initial Purchasers or holders of the Notes to a requirement to be licensed or otherwise qualified to do business in the PRC, nor will the Initial Purchasers or such holders be deemed to be resident, domiciled, carrying on business through an establishment or place in the PRC or in breach of any PRC law by reason of entry into, performance or enforcement of the Purchase Agreement or of or the consummation of the transactions contemplated in the Purchase Agreement or the performance by the Company of its obligations thereunder or the transactions contemplated by the Disclosure Package and the Final Offering Memorandum.
36. Each of the WFOEs has complied with all the required registration with the relevant State Administration of Foreign Exchange of the PRC, except for those the absence of which would not have a material adverse effect on such WFOEs, taken as a whole or individually.
37. Each of the Purchase Agreement, the Indenture and the Notes is in a proper legal form under PRC laws for the enforcement thereof against the Company, as the case may be, in the PRC except the voluntary application of enforcement as required by applicable PRC laws. It is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of the Purchase Agreement, the Indenture, the Notes or any other document or instrument related to the transactions contemplated in the Disclosure Package and the Final Offering Memorandum for such documents to be filed or recorded or enrolled with any court or authority in the PRC or any political subdivision thereof or that any stamp, registration or similar tax be paid in the PRC or any political subdivision thereof. Any final judgment for a fixed or readily calculable sum of money rendered by any New York Court having jurisdiction under its own domestic laws in respect of any suit, action or proceeding against the Company based upon the Purchase Agreement would be recognized and enforced by the courts of the PRC in accordance with the requirements of PRC Civil Procedures Law based either on treaties between the PRC and the United States of America (if any) or on reciprocity between jurisdictions, subject to the public policy considerations.
38. We have generally reviewed and discussed with the Initial Purchasers' representatives and with certain officers and employees of, and counsel and independent accountants for, the Company the information furnished, and the Company has confirmed such information to us. On the basis of such

consideration, review and discussion with ordinary care and due diligence as a PRC legal counsel, but without independent checking or verification except as stated above, nothing has come to our attention that causes us to reasonably believe that the Disclosure Package and the Final Offering Memorandum or any amendment or supplement thereto (except for financial statements and schedules and other financial data included therein or omitted therefrom, as to which we need make no statement), at the date of the Disclosure Package, at the date of the Final Offering Memorandum or at the date of the commencement of the Offering, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, in all material respects, not misleading.

This legal opinion is hereby rendered for and solely for the purpose of the offering of the Notes as described above and shall not be used for any other purpose without our prior written consent.

Yours faithfully,

Commerce & Finance Law Offices

Schedule 1

List of WFOEs

1. Sino-Forest (Guangzhou) Co., Ltd. (嘉汉林业(广州)有限公司)
2. Sino-Forest (Heyuan) Co., Ltd. (嘉汉林业(河源)有限公司)
3. Sino-Forest (Anhui) Co., Ltd. (嘉汉林业(安徽)有限公司)
4. Sino-Forest (China) Investments Limited (嘉汉林业(中国)投资有限公司)
5. Sino-Forest (Guangzhou) Trading Co., Ltd.* (嘉汉林业(广州)商贸有限公司)
6. Sino-Forest (Suzhou) Trading Co., Ltd. (嘉汉林业(苏州)商贸有限公司)
7. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业(苏州)有限公司)
8. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
9. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
10. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)
11. Zhangzhou Jiamin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司)
12. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木(苏州)有限公司)
13. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情(上海)贸易有限公司)
14. Sino-Maple (Shanghai) Co., Ltd. (北美枫情(上海)商贸有限公司)
15. Guangdong Jiayao Wood Products Development Co., Ltd. (广东嘉耀木业发展有限公司)
16. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司)
17. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司)
18. Xiangxi Autonomous State Jiayi Forestry Development Co., Ltd. (湘西自治州嘉熙林业发展有限公司)
19. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd. (湖南嘉裕木业(洪江市)有限公司)
20. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd. (张家港保税区嘉森国际贸易有限公司)
21. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)

22. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业(耿马)有限公司)
 23. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
 24. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业(鹿寨)有限公司)
 25. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业(三江)有限公司)
 26. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业(北海)发展有限公司)
 27. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
 28. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
 29. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
 30. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业(广州)商贸有限公司)
 31. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
 32. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
 33. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
 34. Sino-Panel (China) Investments Limited (嘉汉板业(中国)投资有限公司)
 35. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业(福建)有限公司)
 36. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
 37. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司)
- * Sino-Forest (Guangzhou) Trading Co., Ltd. is in the process of deregistration.

Schedule 2**List of PRC Limited Companies Invested by WFOE**

1. Suzhou City Lvyun Garden Engineering Co., Ltd.(苏州市绿韵园林工程有限公司)
2. Beihai Changqing Wooden Co., Ltd.(北海常青木业有限公司)

Schedule 3

List of non-Material PRC Subsidiaries

1. Sino-Biotechnology (Guangzhou) Co., Ltd.(嘉汉生物科技(广州)有限公司)
2. Sino-Panel (Hezhou) Co., Ltd.(嘉汉板业(贺州)有限公司)
3. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业(三江)有限公司)
4. Sino-Panel (Yunnan) Trading Co., Ltd.(嘉汉板业(云南)贸易有限公司)
5. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
6. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
7. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
8. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
9. Suzhou City Lvyun Garden Engineering Co., Ltd.(苏州市绿韵园林工程有限公司)
10. Beihai Changqing Wooden Co., Ltd.(北海常青木业有限公司)
11. Sino-Panel (Fujian) Co., Ltd. (嘉汉板业(福建)有限公司)
12. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
13. Sino-Forest (Guangzhou) Trading Co., Ltd. (嘉汉林业(广州)商贸有限公司)*
14. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情(上海)贸易有限公司)

* Sino-Forest (Guangzhou) Trading Co., Ltd. is in the process of deregistration.

Schedule 4**List of BVI Subsidiaries**

1. Suri-Wood Inc.
2. ACE Supreme International Ltd.
3. Amplemax Worldwide Ltd.
4. Expert Bonus Investment Ltd.
5. Express Point Holdings Ltd.
6. Glory Billion International Ltd.
7. Smart Sure Enterprises Ltd.
8. Sino-Panel (Yunnan) Limited

Schedule 5

List of Shareholders of PRC Subsidiaries

1. Sino-Wood (Jiangxi) Limited
2. Sino-Forest Investments Limited
3. Grandeur Winway Ltd.
4. Sinowin Investments Ltd.
5. Sino-Forest Bio-Science Limited
6. Sino-Panel (Asia) Inc.
7. Sino-Panel (Gaoyao) Ltd.
8. SFR (China) Inc.
9. Sino-Panel (Guangxi) Ltd.
10. Sino-Panel (North Sea) Ltd.
11. Sino-Panel [Suzhou] Ltd.
12. Sino-Panel (Yunnan) Ltd.
13. Sino-Panel [Hunan] Ltd.
14. Sino-Panel [Xiangxi] Ltd.
15. Sino-Panel (North East China) Ltd.
16. Sino-Panel (Guangzhou) Ltd.
17. Sino-Panel (Huaihua) Ltd.
18. Sino-Panel (Yongzhou) Ltd.
19. Sino-Forest (China) Investments Limited (嘉汉林业(中国)投资有限公司)
20. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木(苏州)有限公司)
21. Jiafeng Wood (Suzhou) Co., Ltd. (嘉丰木业(苏州)有限公司)
22. Sino-Panel (China) Investments Limited (嘉汉板业(中国)投资有限公司)

Schedule 6**List of Original CJVs**

1. Jiangxi Jiachang Forestry Development Co., Ltd. (江西嘉昌林业发展有限公司)
2. Guangxi Guijia Forestry Co., Ltd. (广西桂嘉林业有限公司)
3. Heyuan Jiahe Forestry Development Co., Ltd.* (河源嘉河林业发展有限公司)
4. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)

*After being converted from a CJV to a WFOE, Heyuan Jiahe Forestry Development Co., Ltd. has been merged into Sino-Forest (Heyuan) Co., Ltd. and has been dissolved.

Exhibit B

FORM OF CEO/CFO CERTIFICATE

We, Chan Tak Yuen, Chief Executive Officer of Sino-Forest Corporation (the "Company"), a company continued under the *Canada Business Corporations Act*, and David J. Horsley, Chief Financial Officer of the Company, on behalf of the Company and do hereby certify, without personal liability, that:

1. We are providing this certificate in connection with the offering of US\$400 million 4.25% Convertible Senior Notes due 2016 of the Company (the "Offering"). In connection with the Offering, the Company and the Subsidiary Guarantors have executed a purchase agreement dated December 10, 2009 (the "Purchase Agreement") with the Initial Purchasers listed therein, for whom Credit Suisse Securities (USA) LLC is acting as representative. Capitalized terms used but not defined herein are used with the meanings assigned to them in the Purchase Agreement.
2. We are familiar with the accounting, operations, records systems and internal controls of the Company.
3. With respect to the period from October 1, 2009 to December [14], 2009:
 - (a) Nothing has come to our attention that has caused us to believe that:
 - (i) as at December [7], 2009, there was any decrease in the share capital or shareholders' equity, or increase in the long-term debt of the Company as compared with the corresponding amounts shown on the September 30, 2009 unaudited consolidated balance sheet included in the Offering Memorandum; or
 - (ii) there were any material decreases in revenue, gross profit, income from operations, income before income taxes, net income or retained earnings for the period from October 1, 2009 to December [7], 2009, as compared with the corresponding period in the preceding year.
 - (b) And nothing has come to our attention that has caused us to believe that:
 - (i) as at December [14], 2009, there was any decrease in the share capital or shareholders' equity, or increase in the long-term debt of the Company as compared with the corresponding amounts shown on the September 30, 2009 unaudited consolidated balance sheet included in the Offering Memorandum; or
 - (ii) there were any material decreases in revenue, gross profit, income from operations, income before income taxes, net income or retained earnings for the period from October 1, 2009 to December [14], 2009, as compared with the corresponding period in the preceding year.
4. We have read the items identified on the pages of the Disclosure Package and the Final Offering Memorandum attached hereto as Exhibit I and we, or other employees of the Company, have performed the following procedures, which were applied as indicated with respect to the symbols explained below:

- A. Compared to corresponding amounts derived from the Company's audited annual consolidated financial statements included in the Disclosure Package and the Final Offering Memorandum, and found them to be in agreement.
- B. Compared to the corresponding amounts derived from the Company's unaudited quarterly consolidated financial statements included in the Disclosure Package and the Final Offering Memorandum, and found them to be in agreement.
- C. Compared the corresponding amounts, percentages and ratios to corresponding amounts and ratios in schedules or analyses prepared from the Company's accounting records, attached hereto as Exhibit II, and found them to be in agreement.

This certificate is being furnished to the Initial Purchasers solely to assist them in conducting their "due diligence" investigation of the disclosure concerning the Company and its subsidiaries in connection with the Offering. This certificate may not be used for any other purposes or relied upon by any other person without our prior written consent.

IN WITNESS WHEREOF, on behalf of the Company (and without personal liability), we hereby set our hands this [17] day of December, 2009.

Chan Tak Yuen
Chief Executive Officer

Dave J. Horsley
Chief Financial Officer

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

Court of Appeal File No. M42068
Commercial List Court File No. CV-12-9667-00CL

COURT OF APPEAL FOR ONTARIO

**MOTION RECORD OF THE
UNDERWRITERS**

(responding to the motion for leave to appeal
from the Sanction Order)

VOLUME II OF IV

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