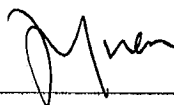


THIS IS EXHIBIT "O" TO  
THE AFFIDAVIT OF W. JUDSON MARTIN  
SWORN APRIL 23, 2012



---

A Commissioner, etc.

**Yuen Tik Yan Joyce**  
Solicitor  
Reed Smith  
Richards Butler  
20/F Alexandra House  
Hong Kong SAR

**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.

(xlv) 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.

(xlvi) 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.

(xlvii) 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.

(xlviii) 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.

(xlvi) 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 authority 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, *soci t  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, 4<sup>th</sup> 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,

SINO-FOREST CORPORATION

By: 

Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL HOLDINGS LIMITED

By: 

Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL (ASIA) INC.

By: 

Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL (GAOYAO) LTD.

By: 

Name: Chan Tak Yuen  
Title: Authorized Signatory

SFR (CHINA) 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



SINO-WOOD (GUANGXI) LIMITED

By: 

Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-WOOD (JIANGXI) LIMITED

By: 

Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-WOOD (GUANGDONG)  
LIMITED

By: 

Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-WOOD (FUJIAN) LIMITED

By: 

Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-FOREST INVESTMENTS  
LIMITED

By: 

Name: Chan Tak Yuen  
Title: Authorized Signatory

GRANDEUR WINWAY LTD.

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL (NORTH SEA) LIMITED

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory

SINOWOOD LIMITED

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory

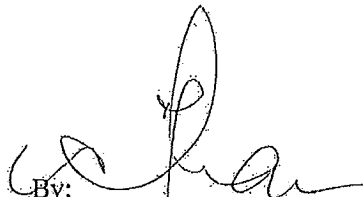
SINO-GLOBAL HOLDINGS INC.

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory

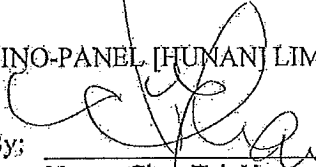
SINOWIN INVESTMENTS LIMITED

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory


SINO-PANEL (NORTH EAST CHINA)  
LIMITED

By:   
Name: Chan Tak Yuen  
Title: Authorized Signatory

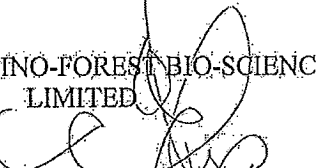
SINO-PANEL [HUNAN] LIMITED

By:   
Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL [XIANGXI] LIMITED

By:   
Name: Chan Tak Yuen  
Title: Authorized Signatory

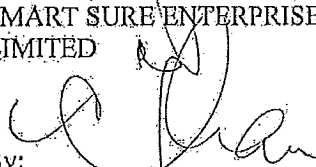
SINO-FOREST BIO-SCIENCE  
LIMITED

By:   
Name: Chan Tak Yuen  
Title: Authorized Signatory

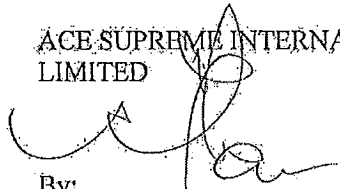
EXPRESS POINT HOLDINGS  
LIMITED

By:   
Name: Chan Tak Yuen  
Title: Authorized Signatory

SMART SURE ENTERPRISES  
LIMITED

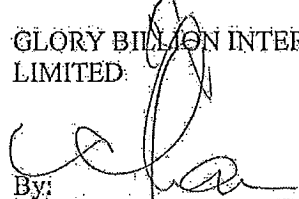
By:   
Name: Chan Tak Yuen  
Title: Authorized Signatory

ACE SUPREME INTERNATIONAL  
LIMITED



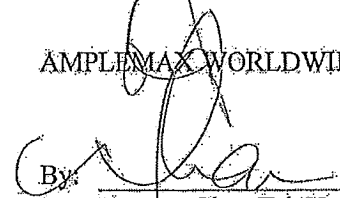
By: \_\_\_\_\_  
Name: Chan Tak Yuen  
Title: Authorized Signatory

GLORY BILLION INTERNATIONAL  
LIMITED



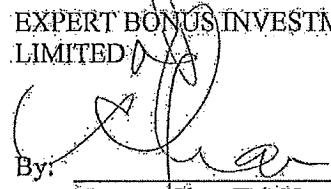
By: \_\_\_\_\_  
Name: Chan Tak Yuen  
Title: Authorized Signatory

AMPLEMAX WORLDWIDE LIMITED



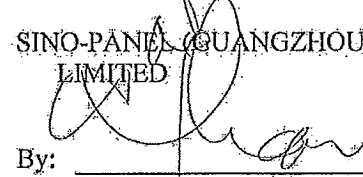
By: \_\_\_\_\_  
Name: Chan Tak Yuen  
Title: Authorized Signatory

EXPERT BONUS INVESTMENT  
LIMITED



By: \_\_\_\_\_  
Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL (GUANGZHOU)  
LIMITED



By: \_\_\_\_\_  
Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL (SUZHOU) LIMITED

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL (YUNNAN) LIMITED

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL (GUANGXI) LIMITED

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL (GUIZHOU) LIMITED

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory

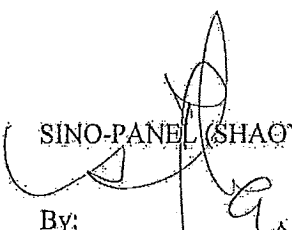
SINO-PANEL (HUAIHUA) LIMITED

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory


SINO-PANEL (QINZHOU) LIMITED

By: [Signature]  
Name: Chan Tak Yuen  
Title: Authorized Signatory

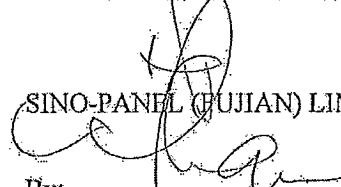
SINO-PANEL (SHAOYANG) LIMITED

By:   
Name: Chan Tak Yuen  
Title: Authorized Signatory

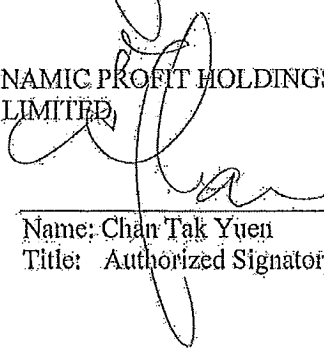
SINO-PANEL (WANGZHOU) LIMITED

By:   
Name: Chan Tak Yuen  
Title: Authorized Signatory

SINO-PANEL (FUJIAN) LIMITED

By:   
Name: Chan Tak Yuen  
Title: Authorized Signatory

DYNAMIC PROFIT HOLDINGS  
LIMITED

By:   
Name: Chan Tak Yuen  
Title: 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<sup>(1)</sup></u>	<u>Net Proceeds to the Issuer<sup>(2)(3)</sup></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. (张家港保税区嘉樂国际贸易有限公司)

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  
18<sup>th</sup> 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 [redacted], 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)



A-2-1

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 (Qin Zhou) 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),**

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)

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 [ ] 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 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. 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, 38<sup>th</sup> 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 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 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 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)
- \* 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. (张家港保税区嘉荣国际贸易有限公司)

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 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 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. (张家港保税区嘉荣国际贸易有限公司)
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.

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Chan Tak Yuen  
Chief Executive Officer

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Dave J. Horsley  
Chief Financial Officer