

Court of Appeal File No.
Court File No. CV-12-9667-00CL

COURT OF APPEAL FOR ONTARIO

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

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

**MOTION RECORD OF THE UNDERWRITERS
NAMED IN CLASS ACTIONS
(Motion Seeking Leave to Appeal)**

VOLUME II OF V

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COURT OF APPEAL FOR ONTARIO

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ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

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

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COURT OF APPEAL FOR ONTARIO

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TAB 5

Court File No. CV-12-9667-00CL

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

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

**AFFIDAVIT OF REBECCA L. WISE
(SWORN APRIL 23, 2012)**

I, Rebecca L. Wise, of the City of Toronto in the Province of Ontario, MAKE OATH
AND SAY:

1. I am an associate with the law firm of Torys LLP, lawyers for the Defendants, Credit Suisse Securities (Canada) Inc., Credit Suisse Securities (USA) LLC, TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor by merger to Banc of America Securities LLC), Canaccord Financial Ltd., and Maison Placements Canada Inc. (the "Underwriters") in *The Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al. v. Sino-Forest Corporation et al.*, CV-11-431153-00CP, (the "Sino-Forest Class Action"), and, as such, have knowledge of the matters contained in this affidavit.

The Sino-Forest Class Action

2. The Plaintiffs in the Sino-Forest Class Action claim damages against various parties in connection with alleged misrepresentations made by Sino-Forest Corporation ("Sino-Forest") between 2006-2011.

3. The claims asserted by the Plaintiffs involve, in part, alleged misrepresentations made by Sino-Forest in its equity and note offerings in the primary market through prospectuses and offering memoranda.

4. In particular, the following prospectuses for three equity offerings are in issue in the Sino-Forest Class Action: Sino-Forest's Short Form Prospectuses, dated June 5, 2007, June 1, 2009, and December 10, 2009. The Plaintiffs claim general damages in respect of the June 2007 offering in the amount of \$175,835,000. The Plaintiffs claim general damages in respect of the June 2009 offering in the amount of \$330,000,000. Lastly, the Plaintiffs claim general damages in respect of the December 2009 offering in the amount of \$319,200,000.

5. In addition, the following offering and exchange offer memoranda for four note offerings are in issue in the Sino-Forest Class Action: Sino-Forest's Offering and Exchange Offer Memoranda, dated July 17, 2008, June 24, 2009, December 10, 2009 and October 14, 2010. The Plaintiffs claim general damages in the amount of US\$345,000,000 in respect of the July 17, 2008 offering. The Plaintiffs claim general damages in the amount of US\$400,000,000 in respect of the June 24, 2009 offering. The Plaintiffs claim general damages in the amount of US\$460,000,000 in respect of the December 10, 2009 offering. Finally, the Plaintiffs claim general damages in the amount of US\$600,000,000 in respect of the October 14, 2010 offering.

6. The alleged misrepresentations made by Sino-Forest in connection with these seven offerings in the primary market form the basis upon which general and other damages are claimed by the Plaintiffs against the Underwriters.

7. Not all of the Underwriters participated in each of the equity and note offerings at issue in the Sino-Forest Class Action. The Plaintiffs have therefore set out in their statement of claim against which Underwriters they claim damages for each offering.

Indemnifications Provided to the Underwriters Under Agreements Related to the Offerings in Issue

8. In connection with the three equity offerings described in paragraph 4 above, certain Underwriters have entered into related agreements with Sino-Forest and certain of its subsidiaries. In connection with the four note offerings described in paragraph 5 above, certain Underwriters (defined in the relevant agreements as either Initial Purchasers or Dealer Manager and Solicitation Agent) have entered into related agreements with Sino-Forest, as well as with certain of its subsidiaries, affiliates and/or related companies (the "Sino-Forest Subsidiary Companies"). These related agreements are as follows:

- (a) the Underwriting Agreement, dated May 28, 2007, in connection with the June 2007 equity offering, a copy of which is attached as Exhibit "A" hereto;
- (b) the Purchase Agreement, dated July 17, 2008, in connection with the July 2008 note offering, a copy of which is attached as Exhibit "B" hereto;
- (c) the Underwriting Agreement, dated May 22, 2009, in connection with the June 2009 equity offering, a copy of which is attached as Exhibit "C" hereto;
- (d) the Dealer Manager and Solicitation Agent Agreements, both dated June 24, 2009, in connection with June/July 2009 exchange note offering, copies of which are attached together as Exhibit "D" hereto;
- (e) the Purchase Agreement, dated December 10, 2009, in connection with the December 2009 note offering, a copy of which is attached as Exhibit "E" hereto;
- (f) the Underwriting Agreement, dated December 10, 2009, in connection with the December 2009 equity offering, a copy of which is attached as Exhibit "F" hereto; and
- (g) the Purchase Agreement, dated October 14, 2010, in connection with the October 2010 note offering, a copy of which is attached as Exhibit "G" hereto.

9. I refer below to the agreements described in subparagraphs 8(a)-(g) above as the "Related Agreements".

10. The Related Agreements among Sino-Forest, the Sino-Forest Subsidiary Companies and the Underwriters contain provisions in which Sino Forest (and, in the cases of the Related Agreements for the four note offerings, except for the Solicitation Agent Agreement, also the Sino-Forest Subsidiary Companies) have agreed to indemnify and hold harmless the Underwriters (the "Indemnities") in connection with an array of matters that could arise from the seven offerings described in paragraphs 4 and 5 above.

11. Schedule "1" to my affidavit lists in chart format the offerings, the relevant indemnity/contribution provisions in the Related Agreements, the specific Sino-Forest Subsidiary Companies, if any, in addition to Sino-Forest, that are parties to indemnity provisions

in each of the Related Agreements and the Underwriters that are parties to each of the Related Agreements.

12. In particular, Sino-Forest and the Sino-Forest Subsidiary Companies have jointly and severally agreed to indemnify and hold harmless the Underwriters that are parties to the following Related Agreements: the Purchase Agreements, dated July 17, 2008, December 10, 2009 and October 14, 2010, and the Dealer Manager Agreement, dated June 24, 2009, in connection with an array of matters that could arise from the four note offerings.

Stay of Proceedings

13. On March 30, 2012, Sino-Forest sought and obtained from the Ontario Superior Court of Justice an Initial Order (the "Initial Order") under the *Companies' Creditors Arrangement Act* (the "CCAA"), which granted a stay of proceedings in respect of Sino-Forest (the "Stay of Proceedings") and other relief under the CCAA.

14. The Stay of Proceedings extends to, *inter alia*, Sino-Forest, as well as its directors and officers (the "D&Os"), who are also defendants in the Sino-Forest Class Action.

15. Subsequent to the Initial Order, Bennett Jones LLP, counsel for Sino-Forest and some of the individual defendants in the Sino-Forest Class Action wrote a letter (the "Bennett Jones Letter") to the Honourable Mr. Justice Paul M. Perell, the presiding judge in the Sino-Forest Class Action stating, *inter alia*, that, as a result of the Stay of Proceedings, Sino and all of the individual defendants do not intend to participate in the Sino-Forest Class Action. A copy of the Bennett Jones Letter is attached as Exhibit "H" hereto.

16. Further to the Bennett Jones Letter, Osler, Hoskin & Harcourt LLP, counsel for certain current and former directors of Sino-Forest in the Sino-Forest Class Action, namely Mr. William E. Ardell, Mr. James P. Bowland, Mr. James M.E. Hyde and Mr. Garry J. West (collectively, the "Directors"), wrote a letter (the "Osler Letter") to the Honourable Mr. Justice Paul M. Perell stating, *inter alia*, that, as a result of the Stay of Proceedings, the Directors do not intend to participate in the Sino-Forest Class Action. A copy of the Osler Letter is attached as Exhibit "I" hereto.

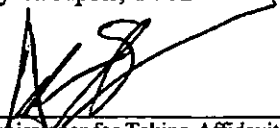
17. Also further to the Bennett Jones Letter, Miller Thomson LLP, counsel for Mr. Allen Chan, the former CEO of Sino-Forest, wrote a letter (the "Miller Thomson Letter") to the Honourable Mr. Justice Paul M. Perell stating, *inter alia*, that, as a result of the Stay of Proceedings, Mr. Chan does not intend to participate in the Sino-Forest Class Action. A copy of the Miller Thomson Letter is attached as Exhibit "J" hereto.

18. If the Stay of Proceedings continues and is not extended to the Underwriters and the Sino-Forest Class Action proceeds, then (absent any further order) it appears that the effect of the Initial Order may be as follows:

- (a) Sino-Forest and the D&Os will have no obligation to make production of documents;
- (b) Sino-Forest and the D&Os will not be examined for discovery;
- (c) Sino-Forest and the D&Os will not attend any pre-trial and will therefore not participate in any court or private mediation associated with the pre-trial; and
- (d) Sino-Forest and the D&Os will not give evidence at trial.

19. It is likely that the principal, though not the only, defences available to a defendant in a matter such as the Sino-Forest Class Action include demonstrating: (i) there were no misrepresentations of the kind alleged; and (ii) the defendant is not liable for any misrepresentations because it was duly diligent. Requiring the remaining defendants to develop either of these defences in a case where the public company and its directors and senior managers are absent (in the manner described in paragraph 18 above) will, based on the assumptions that the company and its directors and senior managers have evidence that bears upon these defences and would be expected to be the primary parties addressing the accuracy of disclosure, prejudice such remaining defendants (including the Underwriters) due to (without any further order): (a) the absence of relevant evidence with which to assess and prove defences; and (b) the absence of ongoing indemnification from Sino-Forest.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario
this 23rd day of April, 2012



Commissioner for Taking Affidavits
(or as may be)

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



Rebecca L. Wise

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

AFFIDAVIT OF
REBECCA L. WISE
(sworn April 23, 2012))

Torys LLP

79 Wellington Street West
Suite 300, TD Centre
Toronto, Ontario M5K 1N2

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John Fabello (LSUC#: 35449W)

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Tel: 416.865.7630

Email : agray@torys.com

Lawyers for the Underwriters
named in Class Actions

SCHEDULE "1"

**Summary of Indemnities Provided by Sino-Forest Corporation and the Sino Subsidiary
Companies in the Note Offerings in Issue in the Sino-Forest Class Action**

<i>OFFERING IN ISSUE</i> <i>US DOLLARS</i>	<i>INDEMNITY/ CONTRIBUTION SECTION(S) OF THE RELATED AGREEMENTS</i>	<i>SINO-FOREST CORPORATION- SIDE PARTIES TO THE INDEMNITY IN THE RELATED AGREEMENTS</i>	<i>UNDERWRITER PARTIES TO THE RELATED AGREEMENTS</i>
<p>July 17, 2008 \$345,000,000</p>	<p>Sections 7 and 8, Purchase Agreement dated July 17, 2008</p>	<p>Sino-Forest Corporation Sino-Panel Holdings Limited Sino-Panel (Asia) Inc. Sino-Panel (Gaoyao) Ltd. SFR (China) Inc. Sino-Wood Partners, Ltd. Sino-Forest Resources Inc. Suri-Wood Inc. Sino-Plantation Limited Sino-Wood (Guangxi) Limited Sino-Wood (Jiangxi) Limited Sino-Wood (Guangdong) Limited Sino-Global Holdings Inc. Sino-Panel (North East China) Limited Sinowin Investments Limited Sino-Panel [Hunan] Limited Sino-Panel [Xiangxi] Limited Sino-Panel Bio-Science 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</p>	<p>Merrill, Lynch, Pierce, Fenner & Smith Incorporated ("MLPFS") Credit Suisse Securities (USA) LLC</p>
<p>June 24, 2009 \$212,330,000 of \$300,000,000 Exchanged</p>	<p>Section 12, Dealer Manager Agreement, dated June 24, 2009</p>	<p>Sino-Forest Corporation Sino-Panel Holdings Limited (BVI) Sino-Panel (Asia) Inc. (BVI) Sino-Panel (Gaoyao) Ltd. (BVI) SFR (China) Inc. (BVI) Sino-Wood Partners, Limited (HK) Sino-Forest Resources Inc. (BVI) Suri-Wood Inc. (BVI) Sino-Plantation Limited (HK) Sino-Wood (Guangxi) Limited (HK) Sino-Wood (Jiangxi) Limited (HK) Sino-Wood (Guangdong) Limited (HK)</p>	<p>Credit Suisse Securities (USA) LLC</p>

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		<p>Sino-Wood (Fujian) Limited (HK) Sino-Forest Investments Limited (BVI) Sino-Global Holdings Inc. (BVI) Grandeur Winway Ltd. (BVI) Sinowin Investments Ltd. (BVI) Sino Limited (Cayman Islands) Sino-Forest Bio-Science Limited (formerly known as: Sino-Two Limited (BVI)) Express Point Holdings Limited (BVI) Smart Sure Enterprises Limited (BVI) Ace Supreme International Limited (BVI) Glory Billion International Limited (BVI) Amplemax Worldwide Limited (BVI) Expert Bonus Investment Limited (BVI) Sino-Panel (Yunnan) Limited (BVI) Sino-Panel (Guangxi) Limited (BVI) Sino-Panel (North East China) Limited (BVI) Sino-Panel (Xiangxi) Limited (formerly known as: Rich Base Worldwide Limited (BVI)) Sino-Panel (Hunan) Limited (formerly known as: Comtech Universal Limited (BVI)) Sino-Panel (Suzhou) Limited (formerly known as: Pacific Harvest Holdings Limited (BVI)) Sino-Panel (Guangzhou) Limited (BVI) Sino-Panel (North Sea) Limited (BVI) Sino-Panel (Guizhou) Limited (BVI) Sino-Panel (Huaihua) Limited (BVI) Sino-Panel (Qinzhou) Limited (formerly known as: Sino-Panel (Jiayu) Ltd. (BVI)) Sino-Panel (Yongzhou) Limited (BVI) Sino-Panel (Fujian) Limited (BVI) Sino-Panel (Shaoyang) Limited (BVI)</p>	
	Section 11, Solicitation Agent Agreement, dated June 24, 2009	Sino-Forest Corporation	Credit Suisse Securities (USA) LLC
December 10, 2009 \$460,000,000	Sections 7 and 8, Purchase Agreement, dated December 10, 2009	<p>Sino-Forest Corporation 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)</p>	<p>Credit Suisse Securities (USA) LLC MLPFS TD Securities Inc.</p>

		<p>Sino-Panel [Xiangxi] Limited (BVI) Sino-Forest Bio-Science Limited (BVI) (formerly known as: Sino-Two Limited) Sino-Panel (Guangzhou) Limited (BVI) Sino-Panel [Suzhou] Limited (BVI) Sino-Panel (Yunnan) Limited (BVI) Sino-Panel (Guangxi) Limited (BVI) Sino-Panel (Guizhou) Limited (BVI) Sino-Panel (Qinzhou) Limited (BVI) Sino-Panel (Shaoyang) Limited (BVI) Sino-Panel (Yongzhou) Limited (BVI) Sino-Panel (Fujian) Limited (BVI) Grandeur Winway Ltd. (BVI) Sinowood Limited (Cayman Islands) Sino-Forest Investments Limited (BVI) Sino-Wood (Fujian) Limited (HK) 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) Dynamic Profit Holdings Limited (BVI)</p>	
<p>October 14, 2010 \$600,000,000</p>	<p>Sections 7 and 8, Purchase Agreement, dated October 14, 2010</p>	<p>Sino-Forest Corporation 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) (formerly known as: Comtech Universal Limited) Sino-Panel [Xiangxi] Limited (BVI) (formerly known as: Rich Base Worldwide Limited) Sino-Forest Bio-Science Limited (BVI) (formerly known as: Sino-Two Limited) Sino-Panel (Guangzhou) Limited (BVI) Sino-Panel [Suzhou] Limited (BVI) (formerly known as: Pacific Harvest Holdings Limited) Sino-Panel (Yunnan) Limited (BVI) Sino-Panel (Guangxi) Limited (BVI) Sino-Panel (Guizhou) Limited (BVI) Sino-Panel (Qinzhou) Limited (BVI) (formerly known as: Sino-Panel (Jiayu) Ltd.)</p>	<p>Credit Suisse Securities (USA) LLC Banc of America Securities LLC (now MLPFS)</p>

		<p> 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) Dynamic Profit Holdings Limited (BVI) Alliance Max Limited (BVI) Brain Force Limited (BVI) Cheer Gold Worldwide Limited (BVI) General Excel Limited (BVI) Harvest Wonder Worldwide Limited (BVI) Homix Limited (BVI) Mega Harvest International Limited (BVI) Poly Market Limited (BVI) Prime Kinetic Limited (BVI) Regal Win Capital Limited (BVI) Rich Choice Worldwide Limited (BVI) Sino-Forest International (Barbados) Corporation (Barbados) Sino-Global Management Consulting Inc. (BVI) Sino-Panel (China) Nursery Limited (BVI) Sino-Panel (Russia) Limited (BVI) Sino-Wood Trading Limited (BVI) Sino-Panel Trading Limited (BVI) Trillion Edge Limited (BVI) Value Quest International Limited (BVI) Well Keen Worldwide Limited (BVI) </p>	
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**Summary of Indemnities Provided by Sino-Forest Corporation in the
Equity Offerings in Issue in the Sino-Forest Class Action**

<i>OFFERING IN ISSUE</i>	<i>INDEMNITY/ CONTRIBUTION SECTION OF THE RELATED AGREEMENTS</i>	<i>SINO-FOREST CORPORATION- SIDE PARTIES TO THE INDEMNITY</i>	<i>UNDERWRITER PARTIES TO THE RELATED AGREEMENTS</i>
June 5, 2007 \$201,135,000	Section 9, Underwriting Agreement, dated May 28, 2007	Sino-Forest Corporation	Dundee Securities Corporation CIBC World Markets Inc. Merrill Lynch Canada Inc. Credit Suisse Securities (Canada) Inc. Also: UBS Securities Canada Inc. and Haywood Securities Inc.
June 1, 2009 \$379,500,000	Section 9, Underwriting Agreement, dated May 22, 2009	Sino-Forest Corporation	Credit Suisse Securities (Canada) Inc. Dundee Securities Corporation Merrill Lynch Canada Inc. Scotia Capital Inc. TD Securities Inc.
December 10, 2009 \$367,080,000	Section 9, Underwriting Agreement, December 10, 2009	Sino-Forest Corporation	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. Maison Placements Canada Inc.

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

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

A Commissioner, Etc.

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

UNDERWRITING AGREEMENT

May 28, 2007

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

Dear Sirs and Mesdames:

SINO-FOREST CORPORATION, a *Canada Business Corporations Act* corporation (the "Company"), proposes to issue and sell to Dundee Securities Corporation ("Dundee"), CIBC World Markets Inc., Merrill Lynch Canada, Inc., Credit Suisse Securities (Canada) Inc. ("Credit Suisse"), UBS Securities Canada Inc. and Haywood Securities Inc. (collectively, the "Underwriters") 13,900,000 common shares in the capital of the Company (the "Firm Shares"). The Company also proposes to issue and sell to the Underwriters not more than an additional 2,000,000 Common Shares in the capital of the Company (the "Optional Shares") if and to the extent that the Underwriters shall have determined to exercise the right to purchase such Optional Shares granted to the Underwriters in Section 3 hereof. The Firm Shares and the Optional Shares are hereinafter collectively referred to as the "Offered Shares".

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

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

1. *Definitions.* In this Agreement, unless otherwise defined herein, the following words and terms shall have the following meanings:
 - (a) "1933 Act" means the *United States Securities Act of 1933*, as amended.
 - (b) "1934 Act" means the *United States Securities Exchange Act of 1934*, as amended.
 - (c) "Affiliates" or "affiliates" has the meaning specified in Rule 501(b) of Regulation D under the 1933 Act.

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- (d) **"Business Day"** means a day which is not a Saturday, a Sunday or a statutory or civic holiday in the City of Toronto, Ontario, the City of New York, New York or the City of Hong Kong, SAR.
- (e) **"Canadian Securities Laws"** means the securities laws, regulations, rules, published national and local instruments, policy statements, notices, blanket rulings and orders, discretionary rulings and orders applicable to the Company, and prescribed forms, collectively, of each of the Qualifying Jurisdictions and all rules, by-laws and regulations governing the TSX, all as the same are in effect at the date hereof and as amended, supplemented or replaced from time to time.
- (f) **"CJVs"** means, collectively, Jiangxi Jiachang Forestry Development Co. Ltd. and Heyuan Jiahe Forestry Development Co., Ltd., each a Sino-foreign cooperative joint venture enterprise with limited liability established in the PRC under the relevant PRC laws.
- (g) **"Claim"** has the meaning specified in Section 9(a).
- (h) **"Closing Date"** has the meaning specified in Section 4.
- (i) **"Closing Time"** means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date, as the Company and the Underwriters, may agree.
- (j) **"Common Shares"** means the common shares in the capital of the Company.
- (k) **"Company's Auditors"** means BDO McCabe Lo Limited.
- (l) **"Company's Canadian Counsel"** means the law firm of Aird & Berlis LLP.
- (m) **"Company's Counsel"** means, collectively, Company's Canadian Counsel, Company's PRC Counsel, Company's Hong Kong Counsel and Company's U.S. Counsel.
- (n) **"Company's Hong Kong Counsel"** means Linklaters in Hong Kong.
- (o) **"Company's PRC Counsel"** means the law firm of Jingtian & Gongcheng.
- (p) **"Company's U.S. Counsel"** means the law firm of Weil, Gotshal & Manges LLP.

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- (q) **"Condition of the Company"** means the business, affairs, operations, assets, properties, prospects, liabilities (contingent or otherwise), capital, earnings or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole.
- (r) **"Defaulted Securities"** has the meaning specified in Section 10.
- (s) **"Directed Selling Efforts"** means **"directed selling efforts"** as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Agreement, it means, subject to the exclusions from the definition of **"directed selling efforts"** contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Shares, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the Offering.
- (t) **"distribution"** and **"distribution to the public"** shall have the respective meanings ascribed thereto in the Canadian Securities Laws.
- (u) **"Final International Offering Memorandum"** means the final international offering memorandum prepared by the Company for use in connection with the International Offering, which consists of the Prospectus and certain additional pages, as amended or supplemented.
- (v) **"Final MRRS Decision Document"** means the document issued in accordance with MRRS evidencing that a final receipt has been issued in respect of the Prospectus by each of the Securities Regulators.
- (w) **"Foreign Companies"** means, collectively, Sino-Forest Resources Inc. and Suri-Wood Inc.
- (x) **"Foreign Parties"** means, collectively, Sino-Wood (Jiangxi) Limited and Sino-Wood (Guangdong) Limited.
- (y) **"including"** means including, without limitation.
- (z) **"Indemnified Party"** has the meaning specified in Section 9(a).
- (aa) **"International Offering"** means the distribution of the Offered Shares by the Underwriters and their affiliates outside of Canada.

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- (bb) **"Joint Venture Documents"** means the cooperative joint venture contract and the articles of association, pursuant to which a CJV was organized.
- (cc) **"MRRS"** means National Policy 43-201 *Mutual Reliance Review System for Prospectuses and Annual Information Forms*.
- (dd) **"Master Agreements"** means the agreements between certain Subsidiaries of the Company with their respective authorized intermediaries, pursuant to which the Company appoints the authorized intermediaries to manage its wood chips trading transactions on its behalf.
- (ee) **"misrepresentation", "material fact" and "material change"** mean, with respect to circumstances to which the Canadian Securities Laws of a particular Qualifying Jurisdiction are applicable, a misrepresentation, material fact, and material change as defined under the Canadian Securities Laws of that Qualifying Jurisdiction and, if not so defined or in circumstances in which the particular Canadian Securities Laws of a particular Qualifying Jurisdiction are not applicable, mean a misrepresentation, material fact and material change as defined under the *Securities Act* (Ontario).
- (ff) **"NI 44-101"** means National Instrument 44-101 - *Short Form Prospectus Distributions*.
- (gg) **"Offering Documents"** means the Preliminary Prospectus, the Prospectus, the Supplementary Material, the Preliminary International Offering Memorandum and the Final International Offering Memorandum.
- (hh) **"Option Closing Date"** has the meaning specified in Section 3.
- (ii) **"Option Closing Time"** has the meaning specified in Section 4.
- (jj) **"Operational Procedures"** means the supplemental agreements to the Master Agreements, which set forth certain operational procedures relating to the wood chips sales transactions.
- (kk) **"Over-Allotment Option"** has the meaning specified in Section 3.
- (ll) **"Plantation Purchase Agreements"** means the purchase agreements and the relevant supplemental agreements (if applicable) relating to the purchase by Foreign Companies of the rights to the trees on the relevant forestry plantation land.

- (mm) **"Plantation Rights Certificates"** means certificates issued under the PRC Forestry Law in respect of the right to use the plantation land and to own the planted trees (in the case of planted forestry plantations) or to the owners of the plantation trees (in the case of purchased tree plantations).
- (nn) **"PRC"** means the People's Republic of China (excluding Hong Kong, Macau and Taiwan for the purposes of this Agreement).
- (oo) **"Preferred Shares"** means preference shares, issuable in series, in the capital of the Company.
- (pp) **"Preliminary International Offering Memorandum"** means the preliminary international offering memorandum prepared by the Company for use in connection with the International Offering, which consists of the Preliminary Prospectus and certain additional pages, as amended or supplemented.
- (qq) **"Preliminary Prospectus"** means the preliminary short form prospectus of the Company, in English, and filed with the Securities Regulators in connection with the qualification of the Offered Shares and the Over-Allotment Option for distribution in the Qualifying Jurisdictions, and the term "Preliminary Prospectus" shall be deemed to refer to and to include all the documents incorporated therein by reference and any amendment or restatement thereto. For avoidance of doubt, reference to "Preliminary Prospectus" shall include the Preliminary Prospectus included in the Preliminary International Offering Memorandum.
- (rr) **"Prospectus"** means the (final) short form prospectus of the Company dated the date of this Agreement, approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Offered Shares and the Over-Allotment Option under applicable Canadian Securities Laws in the Qualifying Jurisdictions, and the term "Prospectus" shall be deemed to refer to and include all the documents incorporated therein by reference. For avoidance of doubt, reference to "Prospectus" shall include the Prospectus included in the Final International Offering Memorandum.
- (ss) **"Qualified Institutional Buyer"** means a "qualified institutional buyer" as that term is defined in Rule 144A.

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- (tt) **"Qualifying Jurisdictions"** means the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.
- (uu) **"Regulation D"** means Regulation D adopted by the SEC under the 1933 Act.
- (vv) **"Regulation S"** means Regulation S adopted by the SEC under the 1933 Act.
- (ww) **"Rule 144A"** means Rule 144A under the 1933 Act.
- (xx) **"SEC"** means the United States Securities and Exchange Commission.
- (yy) **"Securities Regulators"** means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions and in the United States, as applicable.
- (zz) **"Subsidiary"** means:
 - (i) any corporation of which securities, having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues), are at the time directly, indirectly or beneficially owned or controlled by the Company or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries;
 - (ii) any partnership of which the Company, or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries: (x) directly, indirectly or beneficially owns or controls more than 50% of the income, capital, beneficial or ownership interest (however designated) thereof; and (y) is a general partner, in the case of a limited partnership, or is a partner that has the authority to bind the partnership in all other cases; or
 - (iii) any other person of which at least a majority of the income, capital, beneficial or ownership interest (however designated) is at the time directly, indirectly or beneficially owned or controlled by the Company, or one or more of its Subsidiaries or the Company and one or more of its Subsidiaries;

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provided that the term **Subsidiary** shall in any event include the CJVs, the WFOEs and each of the additional entities identified in Schedule 1 (excluding the Company).

- (aaa) **"Substantial U.S. Market Interest"** means **"substantial U.S. market interest"** as that term is defined in Regulation S.
- (bbb) **"Supplementary Material"** means, collectively, any amendment or supplement to the Prospectus or any other similar documents required to be filed by the Company under the Canadian Securities Laws in connection with the Offering.
- (ccc) **"to the best of the knowledge, information and belief of"** means (unless otherwise expressly stated) a statement of the declarant's knowledge of the facts or circumstances to which such phrase relates after having made due inquiries and investigations in connection with such facts and circumstances.
- (ddd) **"TSX"** means the Toronto Stock Exchange.
- (eee) **"United States"** means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.
- (fff) **"Underwriters' Canadian Counsel"** means the law firm of Stikeman Elliott LLP.
- (ggg) **"Underwriters' Counsel"** means collectively, Underwriters' Canadian Counsel, Underwriters' PRC Counsel and Underwriters' U.S. Counsel.
- (hhh) **"Underwriters' PRC Counsel"** means the law firm of Commerce & Finance Law Offices.
- (iii) **"Underwriters' U.S. Counsel"** means the law firm of Davis Polk & Wardwell.
- (jjj) **"U.S. Securities Laws"** means all applicable securities legislation in the United States, including, the *1933 Act*, as amended, and the *1934 Act*, as amended, and the rules and regulations promulgated thereunder.
- (kkk) **"WFOEs"** means, collectively, Guangxi Guijia Forestry Co., Ltd., Gaoyao Jiayao Forestry Development Co., Ltd., Zhangzhou Jiamin Forestry Development Co., Ltd., SFR (Suzhou) Co., Ltd., Jiafeng Wood (Suzhou) Co., Ltd., Guangdong Jiayao Wood Products Development

Co., Ltd., Sinowin Plantings (Suzhou) Co., Ltd., Sino-Maple (Shanghai) Trading Co., Ltd., Sino-Forest (China) Investments Co., Ltd., Sino-Forest (Heyuan) Co., Ltd., Sino-Forest (Guangzhou) Co., Ltd., Sino-Forest (Guangzhou) Trading Co., Ltd., Sino-Forest (Anhui) Co., Ltd., Sino-Forest (Suzhou) Trading Co., Ltd., Heilongjiang Jiamu Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd., Xiangxi Autonomous State Jiayi Forest Development Co., Ltd., Sino-Maple (Shanghai) Co., Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd. each an enterprise established in the PRC in accordance with the relevant PRC laws, with capital provided solely by foreign investors.

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

- (a) The Company is continued under the laws of Canada and is validly existing as a corporation in good standing under the laws of Canada, has the corporate power and authority to own its property and to conduct its business as described in the Offering Documents and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its Subsidiaries, taken as a whole.
- (b) Each Subsidiary has been duly incorporated, amalgamated, formed or continued, as the case may be, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, amalgamation, formation or continuance, has the corporate power and authority to own its property and to conduct its business as described in the Offering Documents and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its Subsidiaries, taken as a whole; 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

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shares of capital stock of each such Subsidiary owned by the Company of another Subsidiary are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims.

- (c) Each of the Company and its Subsidiaries has obtained all consents, authorizations, approvals, orders, certificates and permits of and from, and has made all declarations and filings with, all relevant national, local or other governmental authorities and all relevant courts and other tribunals ("Governmental Authorizations") which are required for the Company or any of its Subsidiaries to own, lease, license and use its properties and assets and to conduct its business in the manner described in, and contemplated by, the Offering Documents; 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.
- (d) 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 any real property and buildings held under lease by the Company and its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries, in each case except as described in or contemplated in the Offering Documents.
- (e) This Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- (f) The relevant PRC Subsidiaries has duly obtained the relevant Plantation Rights Certificates for their legal titles to the plantation land use rights and the planted tree plantations. According to the relevant Plantation Rights Certificates and relevant approvals provided by the Company, the relevant PRC Subsidiaries have the right to use approximately 58,000 hectares of plantation land contributed by the PRC partners of the CJVs or leased from other parties.

- (g) Each of the Foreign Companies has the right to conduct business in the PRC in the manner as presently conducted and as described in the Offering Documents, and has the right to own the purchased tree plantations (as set forth in the Offering Documents) and has the right to log, transport, and sell the purchased tree plantations in accordance with the PRC laws and regulations.
- (h) Each of the Foreign Parties is the sole contributor of the respective registered capital of each of the CJVs and is entitled to share the 70% of the volume of the timber logged from the forestry plantations (70% of the proceeds generated from the timber production of the forestry plantations) of each of the CJVs as set forth in the Offering Documents, in each case free and clear of all liens, encumbrances, equities, claims, restriction on transfer (other than as required under applicable PRC law or pursuant to the provisions of the Joint Venture Documents of any such CJV) or other defect of title whatsoever; the contribution of such registered capital and the sharing of the logged timber are valid and lawful under all applicable PRC laws, rules, regulations or guidelines of any local or other court or public, governmental or regulatory agency or body.
- (i) Each of Sino-Wood (Guangxi) Limited (HK), Sino-Wood (Guangdong) Limited (HK), Sino-Wood (Fujian) Limited (HK), SFR (China) Inc. (BVI), Sino-Panel (Gaoyao) Ltd. (BVI), Sinowin Investments Limited (BVI), Grandeur Winway Limited (BVI), Sino-Forest Investments Limited (BVI), Sino-Forest (China) Investments Co., Ltd. (China), Sino-Panel (North East China) Limited (BVI), Sino-Panel (Asia) Inc. (BVI), Sino-Panel (Xiangxi) Limited (BVI), Sino-Panel (Suzhou) Limited (BVI) and Sino-Panel (Hunan) Limited (BVI) is the owner of the 100% registered capital of each of the WFOEs, 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.
- (j) The contracted registered capital of each of the CJVs has been subscribed in full by the respective Foreign Parties of each such CJV in accordance with the relevant Joint Venture Documents and all government approvals relating to the subscription thereof have been issued and are in full force and effect. Except for Guangdong Jiayao Wood Products Development Co, Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading

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Forest Development Co., Ltd., whose registered capital have been subscribed in accordance with their respective approval, the registered capital of each of the WFOEs has been subscribed in full and all government approvals relating to the subscription thereof have been issued and are in full force and effect.

- (k) The articles of association of each of the CJVs and WFOEs comply with the requirements of applicable laws of the PRC, and are in full force and effect.
- (l) Each of the material agreements identified under the heading "Material Contracts" in the Company's annual information form dated March 30, 2007, the Joint Venture Documents, the Master Agreements and the related Operating Procedures and the Plantation Purchase Agreements which are governed by PRC law, 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.
- (m) Except for Guangdong Jiayao Wood Products Development Co. Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd., 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. Since the registered capital of Guangdong Jiayao Wood Products Development Co. Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd. have not been fully paid up by their respective investors, the dividend payments and remittances thereof shall be made in proportion to the paid-up contributions of their respective registered capital.
- (n) The authorized capital of the Company conforms to the description thereof contained in the Offering Documents.

- (o) The Common Shares outstanding prior to the issuance of the Offered Shares have been duly authorized and are validly issued, fully paid and non-assessable.
- (p) The Offered Shares have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Offered Shares will not be subject to any pre-emptive or similar rights.
- (q) The execution and delivery of this Agreement by the Company, the issuance, offering and sale of Offered Shares, the use of the proceeds as described in the Offering Documents and the compliance by the Company with the other provisions of this Agreement do not:
 - (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, stock exchange, Securities Regulators or other third party except: (A) such as have been obtained; and (B) such as may be required (and shall be obtained as provided in this Agreement) under the Canadian Securities Laws and by the TSX;
 - (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under: (A) any indenture, mortgage, lease or other agreement or instrument to which the Company, any of its Subsidiaries or any of their respective properties is bound; (B) the charter documents or by-laws of the Company or any of its Subsidiaries, respectively; or (C) any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator, stock exchange or securities association applicable to the Company or any of its Subsidiaries; or
 - (iii) give rise to any claim against the Company, any of its Subsidiaries, or any of their assets or give rise to or accelerate the repayment of any indebtedness or other payment or repayment obligation under any term or provision of any document or instrument referred to in sub-clause (A) or (B) of clause 2(q)(ii) above.
- (r) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the Condition of the Company, from that set forth in the Preliminary Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement).

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- (s) There are no legal or governmental proceedings pending or threatened to which the Company or any of its Subsidiaries is a party or to which any of the properties of the Company or any of its Subsidiaries is subject other than proceedings accurately described in the Offering Documents and proceedings that would not have a material adverse effect on the Condition of the Company.
- (t) No labour dispute with the employees of the Company or any of its Subsidiaries exists or, to the best of the knowledge, information and belief of the Company, is imminent, and the Company is not aware of any existing or imminent labour disturbance by the employees of any of its or any of its Subsidiaries' principal suppliers, manufacturers, customers or contractors, which, in either case, would result in any material adverse effect on the Condition of the Company.
- (u) The Company and its Subsidiaries have not, and to the best of the knowledge, information and belief of the Company, no director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its Subsidiaries has, taken any action, directly or indirectly, that would result in a violation by such persons of the anti-corruption legislation of Canada, the PRC, Hong Kong or any other jurisdiction, or the rules and regulations thereunder, and all related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency thereof, including, without limitation, (i) making an offer, payment or promise to pay or (ii) authorizing the payment of any money, other property, gift, promise to give, or the giving of anything of value to any official, employee or agent of any governmental agency, authority or instrumentality in Canada, the PRC, Hong Kong or any other jurisdiction where either the payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, the PRC, Hong Kong or any other relevant jurisdiction or to any political party or official thereof or any candidate for political office, where either the payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, the PRC, Hong Kong or any other relevant jurisdiction, except such as would not, individually or in the aggregate, have any material adverse effect on the Condition of the Company.
- (v) Neither the Company or any of its Subsidiaries nor, to the best of the knowledge, information and belief of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company or any of its Subsidiaries is currently subject to any U.S.

sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

- (w) The Company and its Subsidiaries (i) are in compliance with any and all applicable foreign, federal, provincial, state, territorial, and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants, dangerous goods or contaminants ("Environmental Laws"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Condition of the Company.
- (x) There is not at present on, at or under any of the real properties of the Company or any of its Subsidiaries any hazardous substances, toxic substances, wastes, pollutants, dangerous goods or contaminants ("Hazardous Substance") and there has not been the discharge, deposit, leak, emission, spill or other release of any Hazardous Substance on, at, under or from any real property of the Company or any of its Subsidiaries (including relating to the collection, removal and disposal of wastes), which has resulted in or may result in any cost, damage or other liability, including the diminution in value of any property.
- (y) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Condition of the Company.
- (z) The Company is eligible to file a short form prospectus under NI 44-101 in each of the Qualifying Jurisdictions and there are no

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reports or information that in accordance with the requirements of the Canadian Securities Laws must be made publicly available in connection with the Offering as at the date hereof that have not been made publicly available as required.

- (aa) The Company has filed each statement, report, material change report, prospectus, management information circular, annual and interim report to shareholders, annual information form, financial statements, and any other material filing required to be filed with the Securities Regulators by the Company since January 1, 2004 (collectively, the "Company Public Documents"). As of their respective filing dates, the Company Public Documents complied in all material respects with the requirements of applicable Canadian Securities Laws and none of the Company Public Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except to the extent corrected by a subsequently filed Company Public Document. The Company has not filed any confidential material change report or other confidential report with any Securities Regulators or other governmental entity which at the date hereof remains confidential.
- (bb) The consolidated financial statements of the Company, and its Subsidiaries and the notes thereto included or incorporated by reference in the Offering Documents fairly present, in all material respects, the consolidated financial position, results of operations, earnings and cash flow of the Company and its Subsidiaries as at the respective dates and for the periods indicated therein and such financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis.
- (cc) Other than as disclosed in the financial statements referred to in clause 2(bb) and in the Offering Documents, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company or any of its Subsidiaries with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, change in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Company or any of its Subsidiaries.
- (dd) Except as disclosed in the Offering Documents, none of the Company or any of its Subsidiaries has any contingent liabilities, in excess of the

liabilities that are either reflected or reserved against in the financial statements referred to in clause 2(bb), which are material to the Condition of the Company.

- (ee) Except as disclosed in the Offering Documents, no material indebtedness (actual or contingent) and no material contract or arrangement is outstanding between the Company or any of its Subsidiaries and any director or executive officer of the Company or any of its Subsidiaries or any person connected with such director or executive officer (including his/her spouse or children, or any company or undertaking in which he/she holds a controlling interest). There are no material relationships or transactions between the Company or any of its Subsidiaries on the one hand and its affiliates, officers and directors or their shareholders, customers or suppliers on the other hand which are not disclosed in the Offering Documents.
- (ff) The Company and each of its Subsidiaries maintains a system of internal controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the financial statements to be fairly presented in accordance with Canadian generally accepted accounting principles 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) material information relating to the Company and its Subsidiaries is made known to those within the Company responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required by applicable law, including Canadian Securities Laws; and (vi) 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.
- (gg) The Company's Auditors are independent public accountants as required under Canadian Securities Laws and there has not been any

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disagreement (within the meaning of National Instrument 51-102) since January 1, 2004 with the present or any former auditors of the Company.

- (hh) Except as referred to in and contemplated by the Offering Documents, subsequent to the respective dates as of which information is given in such documents:
 - (i) there has not been any material change in the assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Company and its Subsidiaries on a consolidated basis;
 - (ii) there has not been any material change in the capital or long-term debt of the Company and its Subsidiaries on a consolidated basis; and
 - (iii) there has not been any material change in the Condition of the Company.
- (ii) There is no person, firm or corporation which has been engaged by the Company to act for the Company and which is entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder, and in the event any such person, firm or corporation establishes a claim for any fee from the Underwriters in respect of the transactions contemplated hereunder, the Company covenants to indemnify and hold harmless the Underwriters with respect thereto and with respect to all costs reasonably incurred in the defence thereof.
- (jj) None of the Company and its Subsidiaries is, or with the giving of notice or lapse of time or both would be, in violation of or in default under:
 - (i) any provision of law or regulation or the charter documents or by laws of the Company or any of its Subsidiaries, respectively;
 - (ii) any indenture, mortgage, lease or other agreement or instrument to which the Company, any of its Subsidiaries or any of their respective properties is bound; or
 - (iii) any approval, judgment, order or decree of any governmental body or agency or of any court having jurisdiction over the Company, any of its Subsidiaries or any of their respective properties.

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- (kk) Other than as disclosed in the Offering Documents, the Company and each of its Subsidiaries has, on a timely basis, filed all necessary tax returns and notices and has paid or made provision for all applicable taxes of whatever nature for all tax years to the date hereof to the extent such taxes have become due or have been alleged to be due; other than as disclosed in the Offering Documents, the Company is not aware of any material tax deficiencies or material interest or penalties accrued or accruing or alleged to be accrued or accruing, thereon with respect to itself or any of its Subsidiaries which have not otherwise been provided for by the Company.
- (ll) The Company is a reporting issuer under the Canadian Securities Laws of each of the Qualifying Jurisdictions and is not in default of any requirement of such Canadian Securities Laws.
- (mm) The delivery to the Underwriters of the Offering Documents shall constitute the representation and warranty of the Company to the Underwriters that, at the time of such delivery, the information and statements contained therein (except for statements or omissions based upon information relating to the Underwriters furnished to the Company in writing by the Underwriters expressly for use therein):
 - (i) constitute full, true and plain disclosure of all material facts relating to (x) the Company and its Subsidiaries on a consolidated basis; and (y) the Offered Shares;
 - (ii) are true and correct in all material respects and contain no misrepresentation; and
 - (iii) do not omit a material fact (except for information relating solely to the Underwriters) which is necessary to make the information and statements contained therein not misleading in light of the circumstances in which they were made.

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

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3. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the Underwriters, and the Underwriters agree to purchase from the Company, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, 13,900,000 Common Shares at Cdn.\$12.65 per Share (the "Purchase Price").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters the Optional Shares, and the Underwriters shall have the right to purchase up to 2,000,000 Optional Shares at the Purchase Price (the "Over-Allotment Option"). The Underwriters may exercise this right in whole or from time to time in part by giving written notice prior to 30 days after the Closing Date. Any exercise notice shall specify the number of Optional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least three Business Days after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten Business Days after the date of such notice and must be a day that the TSX is open for trading. Optional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Optional Shares are to be purchased (an "Option Closing Date"), the Underwriters agree to purchase the number of Optional Shares (subject to such adjustments to eliminate fractional shares as the Underwriters may determine) to be purchased on such Option Closing Date.

The Company hereby agrees that, without the prior written consent of Dundee, on behalf of the Underwriters, which consent shall not be unreasonably withheld or delayed, it will not, during the period commencing on the date of the Prospectus and ending 120 days after the Closing Date, issue, agree to issue, or announce an intention to issue any additional Common Shares or any securities convertible into or exchangeable for Common Shares (except in connection with the exchange, transfer, conversion or exercise of rights of existing outstanding securities or existing commitments to issue securities or except in respect of the grant of options pursuant to the Company's stock option plan and the issuance of shares pursuant to the exercise thereof).

4. *Payment and Delivery.* Payment for the Firm Shares shall be made to the Company in Canadian funds immediately available in Toronto, Canada against delivery of such Firm Shares for the account of the Underwriters at 8:00 a.m., Toronto time (the "Closing Time"), on June 14, 2007 or on such other date, not later than June 30, 2007, as shall be designated in writing by the Underwriters. The date of such payment is hereinafter referred to as the "Closing Date".

Payment for any Optional Shares shall be made to the Company in Canadian funds immediately available in Toronto, Canada against delivery of such Optional

Shares for the account of the Underwriters at 8:00 a.m., Toronto time (the "Option Closing Time"), on the Option Closing Date specified in the corresponding notice described in Section 3 or on such other date, in any event not later than June 30, 2007, as shall be designated in writing by the Underwriters.

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

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

The closing of the purchase and sale of the Firm Shares will be completed at the Closing Time at the offices of the Company's Canadian Counsel, or at any other place determined in writing by the Company and the Underwriters. At the Closing Time, the Company will deliver to the Underwriters (i) a global certificate representing the Firm Shares to be issued on the Closing Date registered in the name of "CDS & Co." for deposit into the book entry only system administered by CDS Clearing and Depository Services Inc. and/or such other number of certificates as directed by the Underwriters at least one Business Day prior to the Closing Date; (ii) such further documentation as may be contemplated herein or as the Underwriters or the applicable Securities Regulators or the TSX may reasonably require, against payment by the Underwriters of the purchase price therefor by certified cheque or wire transfer to the order of the Company in Canadian same day funds or by such other method as the Company and the Underwriters may agree upon. In addition, the Company shall contemporaneously pay to the Underwriters, the aforementioned 4.25% commission by wire transfer to the order of the Underwriters in Canadian same day funds, the deduction of the Offering proceeds or by such other method as the Company and the Underwriters may agree upon. The Company hereby expressly authorizes the Underwriters to deduct (x) the commission to which it is entitled pursuant to the terms hereof; and (y) any fees and expenses set forth in

Section 6(c) hereof payable by the Company to the Underwriters, from any payment made by the Underwriters of the purchase price for the Firm Shares or any Optional Shares in satisfaction of the Company's obligation to pay such commission and such fees and expenses. The Underwriters shall provide at least three Business Days notice if it does not intend to deduct the aforementioned commissions, fees and expenses from the price of the Offered Shares.

In order to facilitate an efficient and timely closing at the Closing Time and the Option Closing Time, the Underwriters may choose to initiate a wire transfer of funds to the Company prior to the Closing Time or the Option Closing Time, as the case may be. If the Underwriters do so, the Company agrees that such transfer of funds to the Company prior to the Closing Time or the Option Closing Time does not constitute a waiver by the Underwriters of any of the conditions set out in this Agreement. Furthermore, the Company agrees that any such funds received from the Underwriters prior to the Closing Time or the Option Closing Time, as the case may be, will be held by the Company in trust solely for the benefit of the Underwriters until the Closing Time or the Option Closing Time as the case may be, and, if the closing, as the case may be, does not occur at the scheduled Closing Time or the Option Closing Time, as the case may be, such funds shall be immediately returned by wire transfer to Dundee on behalf of the Underwriters, without interest. Upon the satisfaction of the conditions of closing at the Closing Time or Option Closing Time, as the case may be, the funds held by the Company, in trust for the Underwriters shall be deemed to be delivered by the Underwriters to the Company in satisfaction of the obligation of the Underwriters under Section 12 of this Agreement and upon such delivery the trust constituted by this Section 12(3) shall be terminated without further formality.

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

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

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Underwriters and Underwriters' Counsel, in form and substance satisfactory to the Underwriters and the Underwriters' Counsel, acting reasonably, relating to the matters set out in Schedule "A", such opinion shall be rendered to the Underwriters at the request of the Company and shall so state therein.

- (c) The Underwriters shall have received a legal opinion dated the Closing Date from the Company's PRC Counsel, addressed to the Underwriters and Underwriters' Counsel, in form and substance satisfactory to the Underwriters and the Underwriters' Counsel, acting reasonably, relating to the matters set out in Schedule "B", such opinion shall be rendered to the Underwriters at the request of the Company and shall so state therein.
- (d) The Underwriters shall have received a legal opinion dated the Closing Date from the Company's U.S. Counsel, addressed to the Underwriters and Underwriters' Counsel, in form and substance satisfactory to the Underwriters and the Underwriters' Counsel, acting reasonably, relating to the matters set out in Schedule "C". Such opinion shall be rendered to the Underwriters at the request of the Company, and shall so state therein.
- (e) The Underwriters shall have received a legal opinion dated the Closing Date from the Company's Hong Kong Counsel in or substantially in the form of the opinion set out in Schedule "D". Such opinion shall be rendered to the Underwriters at the request of the Company, and shall so state therein.
- (f) The Underwriters shall have received a legal opinion dated the Closing Date from Underwriters' Canadian Counsel, addressed to the Underwriters, in form and substance satisfactory to the Underwriters, acting reasonably, relating to the matters set out in Schedule "E".
- (g) The Underwriters shall have received legal opinions dated the Closing Date from Underwriters' PRC Counsel, addressed to the Underwriters, in form and substance satisfactory to the Underwriters, acting reasonably, relating to the matters set out in Schedule "F".
- (h) The Underwriters shall have received legal opinions dated the Closing Date from Underwriters' U.S. Counsel, addressed to the Underwriters, in form and substance satisfactory to the Underwriters, acting reasonably, relating to the matters set out in Schedule "G".

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- (i) The Underwriters shall have received a certificate, or certificates, dated the Closing Date and executed by each of the Chief Executive Officer and the Chief Financial Officer of the Company, on behalf of the Company, without personal liability, to the effect that, after due inquiry:
- (i) a Final MRRS Decision Document has been issued by the Ontario Securities Commission as the principal regulator of the Company under the MRRS, and no order suspending or preventing the use of the Prospectus or any amendment thereto or cease trading the Common Shares or any other securities of the Company has been issued, and no proceedings for that purpose have been instituted or threatened by any Securities Regulator;
 - (ii) subsequent to the respective dates as of which information is given in the Offering Documents, there has not been any "material change" (as defined in this Underwriting Agreement) of any kind, any material adverse change, or any development involving a prospective material adverse change, in the Condition of the Company;
 - (iii) subsequent to the respective dates as of which information is given in the Offering Documents, no transaction out of the ordinary course of business, material to the Company and its Subsidiaries on a consolidated basis, has been entered into by the Company or any of its Subsidiaries or has been approved by the management of any of them;
 - (iv) the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Date with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby;
 - (v) the minute books and records of the Company relating to all meetings of shareholders of the Company and the Board of Directors of the Company made available to the Underwriters' Canadian Counsel are true, correct and complete, in all material respects, with respect to all proceedings of said shareholders and Board of Directors since January 1, 1999; and

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

In addition, the obligation of the Underwriters to purchase Optional Shares hereunder are subject to the delivery to the Underwriters on the applicable Option Closing Date of such documents as the Underwriters may reasonably request with

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respect to the good standing of the Company, the due authorization and issuance of the Optional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Optional Shares.

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

- (a) If, during the period after the date hereof and prior to the date on which all of the Offered Shares have been sold by the Underwriters, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Offering Documents in order to correct any misrepresentation or make the statements therein, in the light of the circumstances when the Offering Documents are delivered to a purchaser, not misleading or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Offering Documents to comply with Canadian Securities Laws, forthwith to prepare, file with the Securities Regulators and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses the Underwriters will furnish to the Company) to which Offered Shares may have been sold by the Underwriters and to any other dealers upon request, either amendments or supplements to the Offering Documents so that the statements in the Offering Documents as so amended or supplemented will not, in the light of the circumstances when the Offering Documents are delivered to a purchaser, be misleading or so that the Offering Documents, as amended or supplemented, will comply with Canadian Securities Laws.
- (b) To endeavor to qualify the Offered Shares for offer and sale under the securities laws of such jurisdictions outside of Canada as the Underwriters shall reasonably request.
- (c) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Underwriters' Counsel, the Company's Counsel, the Company's Auditors, Pöyry Forest Industry Ltd. and any other experts or advisors retained by the Company in connection with the offering of the Offered Shares and all other fees or expenses in connection with the preparing, printing and filing or other publication of all documents contemplated hereby, including all costs of printing the Offering Documents, and the mailing and delivering of copies thereof to the

Underwriters, in the quantities and to the locations specified by the Underwriters, (ii) all costs and expenses related to the transfer and delivery of the Offered Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) all expenses in connection with the qualification of the Offered Shares for offer and sale under applicable securities laws as provided in clause 6(b) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with any legal investment memorandum, (iv) all filing fees incurred in connection with the offering of the Offered Shares, (v) the cost of printing certificates representing the Offered Shares, (vi) the costs and charges of any transfer agent, registrar or depositary and all fees and expenses of the Canadian Depositary for Securities Limited, (vii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Offered Shares, including, without limitation, costs related to investor lunches and conference facilities (other than conference facilities at the offices of the Underwriters), and travel and lodging expenses of the representatives and officers of the Company; (viii) the qualification of the Offered Shares and the Over-Allotment Option under the Canadian Securities Laws, including listing fees on the TSX and all filing or similar fees required by the Securities Regulators; (ix) the document production charges and expenses associated with printing this Agreement; and (x) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section 6. It is understood, however, that except as provided in this Section 6 and in Section 9 entitled "Indemnity and Contribution", the Underwriters will pay all of their costs and expenses, including stock transfer taxes payable on resale of any of the Offered Shares by them and any advertising expenses connected with any offers they may make.

- (d) The Offered Shares to be issued and sold by the Company hereunder shall be duly and validly issued by the Company and, when issued and sold by the Company, such Offered Shares shall have the attributes set out in the Offering Documents.
- (e) The Company will, by no later than May 28, 2007, prepare and file the Preliminary Prospectus in order to qualify the Offered Shares and the Over-Allotment Option for distribution in each of the Qualifying Jurisdictions in accordance with the Securities Laws and will use reasonable commercial efforts to obtain the Preliminary MRRS

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Decision Document not later than 5:00 p.m. (Toronto time) on May 28, 2007.

- (f) The Company will prepare and file the Prospectus and will use reasonable commercial efforts to obtain the Final MRRS Decision Document from the Ontario Securities Commission, as principal regulator of the Company under the MRRS, evidencing that receipts for the Prospectus were obtained from each of the Securities Regulators in the Qualifying Jurisdictions in order to qualify the Offered Shares and the Over-Allotment Option for distribution in each of the Qualifying Jurisdictions in accordance with the Securities Laws, as soon as possible, and, shall obtain such Final MRRS Decision Document, in any event, not later than 5:00 pm (Toronto Time) on June 5, 2007 (or such other time and/or later date as the Company and the Underwriters may agree).
- (g) Until the date on which the distribution of the Offered Shares and the Over-Allotment Option is completed, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under the Canadian Securities Laws to continue to qualify the distribution of the Offered Shares and the Over-Allotment Option.
- (h) The Company shall deliver or cause to be delivered, to the Underwriters, without charge, in Toronto, Ontario, contemporaneously with or prior to the filing of the Preliminary Prospectus or any Supplementary Material, as the case may be:
 - (i) a copy of the Preliminary Prospectus in the English, signed as required by the Canadian Securities Laws, including copies of documents incorporated by reference therein;
 - (ii) a copy of any Supplementary Material required to be filed by the Company under the Canadian Securities Laws, signed as required by the Canadian Securities Laws, including copies of documents incorporated by reference therein; and
 - (iii) a copy of the Preliminary International Offering Memorandum.
- (i) The Company shall deliver or cause to be delivered to the Underwriters, without charge, as soon as possible and in any event not later than the first business day after the date that the Preliminary Prospectus or Supplementary Material is filed with the Securities Regulators, such number of commercial copies of the Preliminary

Prospectus or Supplementary Material in respect thereof (including the Preliminary International Offering Memorandum) as the Underwriters reasonably require.

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

TSX, subject to the satisfaction of certain conditions set out therein.

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

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

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

In any such case, the Company shall promptly and, in any event within applicable time limitations required by the Canadian Securities Laws, comply with all legal requirements necessary to comply with the

Canadian Securities Laws in order to allow for the continued distribution of the Offered Shares and the Over-Allotment Option in the Qualifying Jurisdictions as contemplated in Section 3 hereof.

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

securities regulatory authority for amending or supplementing the Final International Offering Memorandum. The Company will use its best efforts to prevent the issuance of any such order and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible.

- (r) Prior to the filing of the Offering Documents, the Company shall allow the Underwriters to participate fully in the preparation thereof, and shall allow the Underwriters to conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfill its obligations as an underwriter and in order to enable the Underwriters to responsibly execute the certificate required to be executed by the Underwriters in the Prospectus and any Supplementary Materials.

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

- (a) They will not to make any representation or warranty as to the Company or the Offered Shares other than as set forth in the Offering Documents.
- (b) The Offered Shares shall be offered for sale by the Underwriters to the public in the Qualifying Jurisdictions in compliance with the Canadian Securities Laws upon the terms and conditions set forth herein and in the Prospectus including applicable registration requirements. The Underwriters shall cause similar undertakings to be contained in any agreements among the members of any banking, selling or other groups formed for the distribution of the Offered Shares.
- (c) If they offer to sell or sell any Offered Shares in jurisdictions other than the Qualifying Jurisdictions, such offers or sales shall be effected in accordance and compliance with the applicable laws of such jurisdictions and shall be effected in such manner so as not to require registration of the Offered Shares, or the filing of a prospectus, registration statement or any other notice or document with respect to the distribution of the Offered Shares and the Over-Allotment Option, under the laws of any jurisdiction outside the Qualifying Jurisdictions including, without limitation, the United States and the PRC. The Underwriters shall cause similar undertakings to be contained in any agreements among the members of any banking, selling or other groups formed for the distribution of the Offered Shares.
- (d) They agree, and will require each member of the banking or selling group, if any, to agree, to observe the United States selling restrictions

set forth in Section 8 hereof and the Company agrees for the benefit of the Underwriters to comply with its covenants as set forth in Section 8 hereof. The Underwriters represent and warrant that they will not offer or sell any of the Offered Shares within the United States except for offers and sales made through U.S. selling agents in accordance with Rule 144A under the 1933 Act. For greater certainty, notwithstanding any other provision of this Agreement, Credit Suisse will not offer or sell any of the Offered Shares within the United States.

- (e) They shall after the Closing Time (a) use its reasonable commercial efforts and will require each member of the banking or selling group, if any, to agree, to terminate, distribution of the Offered Shares as promptly as possible; and (b) give prompt written notice to the Company, with a copy to Company's Counsel, when, in the opinion of the Underwriters, they, and the members of such groups, have ceased distribution of the Offered Shares and of the total proceeds realized from such distribution in each of the respective Qualifying Jurisdictions in which such information is or may be required by the appropriate Securities Regulators.

8. *International Offers and Sales.*

- (a) The Underwriters intend to offer and sell the Offered Shares within and outside the United States in the International Offering on the terms and subject to the conditions of this Section 8. In that connection, the Company hereby further represents, warrants, covenants and agrees to and with the Underwriters that:
 - (i) it is not necessary in connection with the offer, sale and delivery of the Offered Shares to the Underwriters in the manner contemplated by this Agreement to register the Offered Shares under the 1933 Act.
 - (ii) the Company is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest with respect to the Offered Shares.
 - (iii) the Company is not, and after giving effect to the offering and sale of the Offered Shares and the application of the proceeds thereof as described in the Offering Documents will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

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- (iv) the Offering Documents, at the respective dates thereof, did, do and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Such documents, at the date hereof, do not and at the Closing Time will not (and any amendment or supplement thereto or final form thereof, at the date thereof and at the Closing Time will not) contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (v) none of the Company, its Affiliates or anyone acting on their behalf (other than the Underwriters, its Affiliates or any person acting on their behalf, as to which no representation is made) directly or indirectly, has taken or will take any action in violation of Regulation M under the 1934 Act in connection with the offer and sale of the Offered Shares.
- (vi) the Company is not and will not become, as a result of the issuance and sale of the Offered Shares and the application of the proceeds thereof, a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended, and does not anticipate becoming a passive foreign investment company in the foreseeable future.
- (vii) neither the Company nor any Affiliate of the Company, directly, or through any agent, (i) has sold, offered for sale, solicited offers to buy or otherwise negotiated, or will sell, offer for sale or solicit offers to buy or otherwise negotiate, in respect of, any security (as defined in the 1933 Act) which is or will be integrated with the sale of the Offered Shares in a manner that would require the registration under the 1933 Act of the Offered Shares or (ii) offered, solicited offers to buy or sold, or will offer, solicit offers to buy or sell, the Offered Shares by any form of general solicitation or general advertising (as those terms are used in Regulation D under the 1933 Act) or in any manner involving a public offering within the meaning of Section 4(2) of the 1933 Act.
- (viii) none of the Company, its Affiliates or any person acting on its behalf or their behalf has engaged or will engage in any Directed Selling Efforts with respect to the Offered Shares and

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the Company and its Affiliates and any person acting on its or their behalf have complied and will comply with the offering restrictions requirements of Regulation S.

- (ix) the Offered Shares satisfy the requirements set forth in Rule 144A(d)(3) under the 1934 Act.
 - (x) during the period of two years after the Closing Date or any Option Closing Date, if later, the Company will not, and will not permit any of its Affiliates to, resell any of the Offered Shares which constitute "restricted securities" under Rule 144 that have been reacquired by any of them.
 - (xi) none of the Company, its Affiliates, and persons acting on its or their behalf (other than the Underwriters) will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the 1933 Act) which could be integrated with the sale of the Offered Shares in a manner which would require the registration of the Offered Shares under the 1933 Act.
 - (xii) for the benefit of any holder of Offered Shares or potential purchaser thereof, that for so long as any of the Common Shares are outstanding and are "restricted securities" within the meaning of Section (a)(3) of Rule 144 under the 1933 Act, it will provide to any holder of Offered Shares and any prospective purchaser thereof designated by such holder for so long as such requirement is necessary in order to permit holders of Offered Shares to effect resales under Rule 144A, upon the request of such holder or purchaser, at or prior to the time of purchase, the information required to be provided to such holder or prospective purchaser by Section (d)(4) of Rule 144A unless it either furnishes to the SEC the information referred to in Rule 12g3-2(b) under the 1934 Act or files reports and other information with the SEC under Section 13 or 15(d) of the 1934 Act.
- (b) With respect to offers and sales within the United States pursuant to the International Offering, the Underwriters agree with the Company that:
- (i) (A) it will solicit (and will cause its U.S. affiliate to solicit) offers for the Offered Shares in the United States only from, and will offer (and cause its U.S. affiliate to offer) the Offered Shares only

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to, persons who it reasonably believes to be Qualified Institutional Buyers in accordance with Rule 144A and (B) it will not, and will cause its U.S. Affiliates not to, sell any Offered Shares in the United States except in definitive, fully registered form to purchasers;

- (ii) it has not offered or will not offer to sell, has not solicited or will not solicit any offer to buy, by any form of general solicitation or general advertising (as those terms are used in Regulation D under the 1933 Act) or in any manner involving a public offering within the meaning of Section 4(2) of the 1933 Act, any of the Offered Shares; and
 - (iii) it is an "accredited investor" within the meaning of Regulation D under the 1933 Act.
- (c) The Underwriters have not entered, and will not enter, into any contractual arrangement with respect to the distribution of the Offered Shares in the United States, except with its Affiliates, without the prior written consent of the Company, except that nothing in this Section 8 shall in any way restrict offers and sales in accordance with Rule 144A.
- (d) With respect to offers and sales outside the United States and Canada, pursuant to the International Offering, the Underwriters agree with the Company that:
- (i) the Underwriters understand that no action has been or will be taken in any jurisdiction (other than Canada) by the Company that would permit a public offering of the Offered Shares, or possession, or distribution of the Offering Documents or any other offering or publicity material relating to the Offered Shares in any country or jurisdiction where action for that purpose is required;
 - (ii) the Underwriters will comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Offered Shares or has in its possession, or distributes the Offering Documents, in all cases at its own expense;
 - (iii) the Offered Shares have not been registered under the 1933 Act and may not be offered or sold within the United States except in accordance with Rule 144A or Regulation S under the 1933 Act or pursuant to another exemption from the registration requirements of the 1933 Act; and

- (iv) the Underwriters have offered the Offered Shares and will offer and sell the Offered Shares in offshore transactions outside the United States as part of their distribution at any time only in accordance with Rule 903 of Regulation S or as otherwise permitted under the 1933 Act. Accordingly, none of the Underwriters, its Affiliates nor any persons acting on their behalf have engaged or will engage in any Directed Selling Efforts with respect to the Offered Shares and any of the Underwriters, their Affiliates and any such persons have complied and will comply with the offering restrictions requirement of Regulation S.

9. *Indemnity and Contribution.*

- (a) The Company agrees to indemnify and hold harmless the Underwriters, their directors, their officers and each person, if any, who controls the Underwriters within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, and each affiliate of the Underwriters within the meaning of Rule 405 under the 1933 Act (each an "Indemnified Party") from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) (collectively, a "Claim") caused by (i) any untrue statement or alleged untrue statement made by the Company in Section 2 hereof or in any certificate delivered to the Underwriters pursuant to this Agreement; (ii) any misrepresentation or alleged misrepresentation (for purposes of Canadian Securities Laws), or any untrue statement or alleged untrue statement of a material fact contained in any of the Offering Documents (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in the light of the circumstances under which they are made not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such misrepresentation, untrue statement or omission or alleged misrepresentation, untrue statement or omission based upon information relating to the Underwriters furnished to the Company in writing by the Underwriters expressly for use therein; (iii) the Company not complying with any requirement of Canadian Securities Laws or U.S. Securities Laws; or (iv) any order made or inquiry, investigation or proceeding (formal or informal) commenced or threatened by any officer or official of any Securities Regulator based

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upon the circumstances described in paragraphs 9(a)(ii) or 9(a)(iii) above which operates to prevent or restrict trading in or distribution of the Offered Shares or any other securities of the Company in any of the Qualifying Jurisdictions.

- (b) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 9(a), such Indemnified Party shall promptly notify the Company in writing of the nature of the Claim and the Company, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Company may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless i) the Company and the Indemnified Party shall have mutually agreed to the retention of such counsel or ii) the named parties to any such proceeding (including any impleaded parties) include both the Company and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Company shall not, in respect of the legal expenses of any Indemnified Party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnified Parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Underwriters, in the case of parties indemnified pursuant to Section 9(a). The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Company agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an Company to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such Company of the aforesaid request and (ii) the Company shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of

such settlement. The Company shall not, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

- (c) In the event that the Company does not assume the defence of a Claim within thirty (30) days after receiving notice thereof, the Indemnified Party shall have the right to retain his, her or its own legal counsel and the Company shall bear the reasonable fees, costs and expenses of such counsel. Notwithstanding the foregoing, in no event shall the Company be required to pay the fees and expenses of more than one set of counsel for all of the Indemnified Parties in a jurisdiction in respect of any particular Claim or related set of Claims.
- (d) The Company hereby waives its right to recover contribution from any of the Underwriters or any other Indemnified Party with respect to any liability of the Company by reason of or arising out of any misrepresentation (for the purposes of the Canadian Securities Laws or any of them) contained in the Offering Documents provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of or arising out of:
 - (i) any misrepresentation (for the purposes of the Canadian Securities Laws or any of them) which is based upon or results from a statement or information relating solely to the Underwriters contained in such documents; or
 - (ii) any failure by the Underwriters or members of their banking or selling group (if any) to provide to purchasers of the Offered Shares any document which the Company is required to provide to such purchasers and which it has provided to the Underwriters to forward to such purchasers.
- (e) With respect to any Indemnified Party who is not a party to this Agreement, the Underwriters shall obtain and hold the rights and benefits of this Section 9 in trust for and on behalf of such Indemnified Party.
- (f) To the extent the indemnification provided for in Section 9(a) is unavailable to an Indemnified Party or insufficient in respect of any Claims referred to therein, then the Company, in lieu of indemnifying

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such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Offered Shares or (ii) if the allocation provided by clause 9(f)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(f)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the misrepresentation, statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Offered Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Offered Shares (net of the fee payable to the Underwriters but before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, bear to the aggregate offering price of the Offered Shares. The Underwriters shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the aggregate fees actually received by the Underwriters from the Company. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the misrepresentation or alleged misrepresentation, the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such misrepresentation, statement or omission.

- (g) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 9 were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in clause 9(f). The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages and liabilities referred to in clause 9(f) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9, the Underwriters shall not in any event be liable to contribute, in the aggregate, any

amounts in excess of the aggregate fees actually received by the Underwriters from the Company. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Party at law or in equity.

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

10. *Obligations of Underwriters*

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

Dundee Securities Corporation	45%
CIBC World Markets Inc.	20%
Merrill Lynch Canada, Inc.	10%
Credit Suisse Securities (Canada) Inc.	10%
UBS Securities Canada Inc.	10%
Haywood Securities Inc.	5%

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

- (i) if the number of Defaulted Securities is less than 10% of the number of Offered Shares to be purchased hereunder, the non-defaulting Underwriters shall be obligated, each severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations bear to the underwriting obligation of all non-defaulting Underwriters, or
 - (ii) if the number of Defaulted Securities is 10% or more of the number of Offered Shares to be purchased hereunder, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter.
- (c) In the event of any default by an Underwriter as described in this Section 10, the non-defaulting Underwriter shall have the right to postpone the Closing Date or Option Closing Date for not more than three (3) Business Days in order that any changes in the arrangements or documents for the purchase and delivery of the Offered Shares may be made. Nothing in this Section 10 shall require the Company to sell less than all of the Firm Shares or Over-Allotment Shares, as applicable, or relieve any defaulting Underwriter from liability in respect of its default hereunder to the Company and to the non-defaulting Underwriters.

11. *Termination.*

- (a) In addition to any other remedies which may be available to the Underwriters, any Underwriter shall be entitled, without liability, at such Underwriter's sole discretion, to terminate and cancel such Underwriter's obligations under this Agreement by notice to the Company given prior to the Closing Time if, at or prior to the Closing Time:
 - (i) Trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Market, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange, the Chicago Board of Trade or the London Stock Exchange;
 - (ii) Trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market;

- (iii) A material disruption in securities settlement, payment or clearance services in the United States, Canada or London shall have occurred;
- (iv) Any moratorium on commercial banking activities shall have been declared by Canadian, U.S. Federal or New York State authorities, UK authorities or the European Central Bank;
- (v) There should occur or commence, or be announced or threatened, any inquiry, action, suit, investigation or other proceeding (whether formal or informal) other than any inquiry, action, suit, investigation or other proceeding based on alleged activities of the Underwriters, or any order is issued by any governmental authority, other than an order based on the alleged activities of the Underwriters, or any law or regulation is promulgated, changed or announced or there is any change in the interpretation or administration of any law or regulation, which, in the reasonable opinion of the Underwriters (or any of them), is expected to prevent or materially suspend or restrict the trading in or the distribution of the Offered Shares, or any other securities of the Company or would be expected to have a material adverse effect on the market price or value of the Offered Shares or any other securities of the Company;
- (vi) There should develop, occur or come into effect or existence, any event, action, state, condition or occurrence of national or international consequence, acts of hostilities, terrorism, or escalation thereof or other calamity or crisis, any change in currency exchange rates or controls in Canada, the United States, the United Kingdom, Hong Kong, the PRC or elsewhere or any change or development involving a prospective change in national or international political, financial or economic conditions, or any law, action, regulation or other occurrence of any nature whatsoever which, in the reasonable opinion of the Underwriters (or any of them), materially adversely affects or involves, or is expected to materially adversely affect or involve, financial markets generally or the business, affairs or operations of the Company; or
- (vii) There should occur or be discovered any material change in the Condition of the Company or any change in any material fact such as is contemplated in Section 6 hereof (other than a change related solely to the Underwriters), or the Underwriters become aware of any undisclosed material information, which, in the

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reasonable opinion of the Underwriters (or any of them), could be expected to have a material adverse effect on the market price or value of the Common Shares or any other securities of the Company.

- (b) All terms and conditions of this Agreement shall be construed as conditions, and any breach or failure by the Company to comply with any of such terms and conditions in all material respects shall entitle the Underwriters, or any of them, to terminate their obligations to purchase the Offered Shares by notice to that effect given to the Company at or prior to the Closing Time. The Underwriters may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance; provided, however, that to be binding on the Underwriters any such waiver or extension must be in writing and signed by all of the Underwriters.
- (c) The rights of termination contained in this Section 11 may be exercised by the Underwriters (or any of them) and are in addition to any other rights or remedies the Underwriters (or any of them) may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. A notice of termination given by an Underwriter under this Section 11 shall not be binding upon the other Underwriters. In the event that one or more, but not all of the Underwriters shall exercise the right of termination herein, the other Underwriter(s) shall have the right, but shall not be obligated, to purchase all of the Offered Shares which would otherwise have been purchased by the Underwriter(s) which has so terminated. Nothing in this Section 11 shall oblige the Company to sell to the Underwriters less than all of the Offered Shares.

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

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

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

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

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

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

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

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

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

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

Attention: Mr. Dave Anderson

Telecopier No.: (416) 350-3312

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

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

18. *Public Announcements.* The Company agrees that it shall not make any public announcements regarding the transactions contemplated hereunder without the prior written consent of the Underwriters, such consent not to be unreasonably withheld. The Company agrees that, following Closing, the Underwriters may, at the Underwriters expense, place "tombstone" and other advertisements relating to its role in connection with the Offering.

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

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

21. *Authority of Dundee.* Dundee is hereby authorized by the other Underwriters to act on its behalf and the Company shall be entitled to and shall act on any notice given in accordance with this Agreement or any agreement entered into by or on behalf of the Underwriters by Dundee which represents and warrants that they have irrevocable authority to bind the Underwriters, except in respect of any matters relating to termination, waiver or extension, and Sections 9, 10 and 11, which matters may be acted on by only the Underwriter affected. Dundee shall consult with the other Underwriters concerning any matter in respect of which it acts as

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representative of the Underwriters. The obligations of the Underwriters under this Agreement shall be several and not joint and several.

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Very truly yours

SINO-FOREST CORPORATIONBy: (Signed) ALLEN T.Y. CHAN

Name: Allen T.Y. Chan

Title: Chief Executive Officer

Accepted as of the date hereof

**DUNDEE SECURITIES
CORPORATION**By: (Signed) DAVID ANDERSON

Name: David Anderson

Title: Executive Vice President &
Director**CIBC WORLD MARKETS INC.**By: (Signed) ALAN C. WALLACE

Name: Alan C. Wallace

Title: Vice Chairman &
Managing Director**MERRILL LYNCH CANADA, INC.**By: (Signed) PAUL ALLISON

Name: Paul Allison

Title: Executive Vice President &
Managing Director**CREDIT SUISSE SECURITIES
(CANADA) INC.**By: (Signed) RYAN LAPOINTE

Name: Ryan Lapointe

Title: Vice President

UBS SECURITIES CANADA INC.(Signed) MICHAEL J. KOUSAIE

Name: Michael J. Koussaie

Title: Executive Director

HAYWOOD SECURITIES INC.By: (Signed) BLAKE CORBET

Name: Blake Corbet

Title: Managing Director,
Investment Banking

SCHEDULE "A"
OPINION OF COMPANY'S CANADIAN COUNSEL

The opinion of the Company's Canadian Counsel shall relate to the following matters:

1. The Company has been continued and is existing under the laws of Canada, and 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 prospectus and to execute, deliver and perform its obligations under the Underwriting Agreement.
2. The authorized share capital of the Company consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preference shares issuable in series (the "Preferred Shares"), of which, prior to the issuance of the Offered Shares, ● Common Shares and no Preferred Shares are duly and validly authorized and issued as fully paid and non-assessable.
3. All necessary corporate action has been taken by the Company to authorize and issue the Offered Shares and, upon receipt by the Company of payment therefor by the Underwriters as provided by the Underwriting Agreement, the Offered Shares will have been validly authorized and issued by the Company as fully paid and non-assessable Common Shares. There are no provisions contained in the articles or by-laws of the Company or under the *Canada Business Corporations Act* that entitle any person to pre-emptive rights in respect of the Offered Shares.
4. To our knowledge, the Company does not have any material subsidiaries organized under the laws of Canada or a province or territory of Canada.
5. All necessary corporate action has been taken by the Company to authorize the execution and delivery of each of the Preliminary Prospectus and the Prospectus and the filing thereof under Canadian Securities Laws in each of the Qualifying Jurisdictions and the distribution of each of the Preliminary International Offering Memorandum and the Final International Offering Memorandum (collectively, the "Offering Memorandum").
6. All necessary corporate action has been taken by the Company to authorize the execution and delivery of the Underwriting Agreement and the performance of the Company's obligations thereunder and the Underwriting Agreement has been duly executed and delivered by the Company, and constitutes a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

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7. The execution and delivery of the Underwriting Agreement and the performance of the Company's obligations thereunder and the issuance, sale and delivery of the Offered Shares, 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 ("Contracts") governed by the laws of the Province of Ontario under which the Company is bound and which are identified on the Officer's Certificate (other than those in respect of which waivers or consents have been received or will be received prior to the Closing Time), 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 Offered Shares or other transactions contemplated under the Underwriting Agreement.
8. To our knowledge, there are no legal or governmental proceedings pending or threatened to which the Company or its Subsidiaries is a party or to which any of their material properties or assets are subject other than as described in the Prospectus or have been disclosed to you in writing.
9. The attributes of the Offered Shares are consistent in all material respects with the description thereof in the Prospectus.
10. The form of definitive share certificate representing the Offered Shares has been duly approved and adopted by the Company, complies with applicable law, the articles and the by-laws of the Company and the resolution of the board of directors relating thereto and the share certificate(s) representing the Offered Shares delivered at the Closing Time has or have been duly issued, executed and delivered by or on behalf of the Company.

11. The Offered Shares have been conditionally approved for listing by the TSX, subject to compliance by the Company with the terms and conditions contained in the letter from the TSX to the Company dated ●, 2007.
12. The Offered Shares are qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans under the *Income Tax Act* (Canada).
13. 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 Offered Shares.
14. All documents have been filed and all requisite proceedings have been taken and all approvals, permits, consents and authorizations of appropriate regulatory authorities under Canadian Securities Laws have been obtained to qualify the distribution of the Offered Shares and the Over-Allotment Option in each of the Qualifying Jurisdictions through investment dealers or brokers duly registered under the Canadian Securities Laws of each such Qualifying Jurisdiction who have complied with the relevant provisions of the Canadian Securities Laws of such Qualifying Jurisdiction.
15.
 - (a) The statements made in the Offering Memorandum under the caption "Taxation—Canada" fairly present a general summary of the principal Canadian federal income tax considerations generally applicable to a U.S. Resident, as defined therein, who acquires Offered Shares pursuant to the Offering Memorandum.
 - (b) The statements made in the Prospectus under the caption "Description of Securities Being Distributed", insofar as such statements constitute summaries of the 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 attributes and provisions.
 - (c) The statements made in the Offering Memorandum under the caption "Enforcement of Civil Liabilities", insofar as the matters of Ontario law and the federal laws of Canada applicable therein are concerned, are true and accurate.
16. That nothing has come to our attention that leads us to believe that the information contained in the Management Information Circular dated April 27, 2007 prepared in connection with the Company's annual and special shareholders' meeting held on May 28, 2007 (other than the information

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contained under the headings "Executive Compensation - Summary Compensation Table", "Executive Compensation - Compensation and Nominating Committee and Report on Executive Compensation", "Executive Compensation - Shareholder Return Performance Graph", "Indebtedness of Directors and Executive Officers" and "Report on Corporate Governance"), when taken together with the disclosure relating to such matters in the Prospectus, contains any untrue statement of a material fact or omits to state a material fact necessary to make a statement therein not misleading in the light of the circumstances in which it was made, within the meaning of the *Securities Act* (Ontario).

In giving their opinions, such counsel shall be entitled to rely, as to matters of fact, upon certificates of officers of the Company, the Company's registrar and transfer agent and the Company's Auditors, and on certificates of public and stock exchange officials, as necessary and as applicable, and to make such assumptions and qualifications as are acceptable to the Underwriters' Counsel. In giving their opinions, such counsel shall also be entitled to rely exclusively upon the opinions of local counsel as to the matters mentioned above relating to jurisdictions other than the Province of Ontario.

SCHEDULE "B"
OPINION OF COMPANY'S PRC COUNSEL

The opinion of the Company's PRC Counsel shall relate to the following matters:

1. Each of Jiangxi Jiachang Forestry Development Co., Ltd. and Heyuan Jiahe Forestry Development Co., Ltd. (each a "Cooperative Joint Venture Company"; collectively, the "Cooperative Joint Venture Companies") has been duly incorporated under the laws of the PRC as a cooperative joint venture enterprise 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 its business as described in the Offering Documents and its constitutive documents, including but not limited to, the business license (the "Joint Venture Documents"), 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.
2. Each of Guangxi Guijia Forestry Co., Ltd., Gaoyao Jiayao Forestry Development Co., Ltd., Zhangzhou Jiamin Forestry Development Co., Ltd., SFR (Suzhou) Co., Ltd., Jiafeng Wood (Suzhou) Co., Ltd., Guangdong Jiayao Wood Products Development Co., Ltd., Sinowin Plantings (Suzhou) Co., Ltd., Sino-Maple (Shanghai) Trading Co., Ltd., Sino-Forest (China) Investments Co., Ltd., Sino-Forest (Heyuan) Co., Ltd., Sino-Forest (Guangzhou) Co., Ltd., Sino-Forest (Guangzhou) Trading Co., Ltd., Sino-Forest (Anhui) Co., Ltd., Sino-Forest (Suzhou) Trading Co., Ltd., Heilongjiang Jiamu Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd., Xiangxi Autonomous State Jiayi Forest Development Co., Ltd., Sino-Maple (Shanghai) Co., Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd. (each a "WFOE"; collectively, the "WFOEs"; and together with the Cooperative Joint Venture Companies, the "PRC Subsidiaries") has been duly incorporated under the laws of the PRC as a wholly foreign owned enterprise 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 as disclosed in Item 14 of this opinion) and to conduct business as described in the Offering Documents and its business license, 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. As confirmed by the Company, Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd. are newly established and have not commenced their

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business operation.

3. To the best of our knowledge, each of Sino-Forest Resources Inc. and Suri-Wood Inc. (each a "Foreign Company"; collectively, the "Foreign Companies") has the right to conduct business in the PRC in the manner as presently conducted and as described in the Offering Documents, and has the right to own the purchased tree plantations (as set forth in the Offering Documents) and 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.
4. Each of Sino-Wood (Jiangxi) Limited (HK) and Sino-Wood (Guangdong) Limited (HK) (each a "Foreign Party"; collectively, the "Foreign Parties") is the sole contributor of the respective registered capital of each of the Cooperative Joint Venture Companies respectively and is entitled to share the 70% of the volume of the timber logged from the forestry plantations (70% of the proceeds generated from the timber production of the forestry plantations) of each of the Cooperative Joint Venture Companies as set forth in the Offering Documents, in each case free and clear of all liens, encumbrances, equities, claims, restriction on transfer (other than as required under applicable PRC law or pursuant to the provisions of the Joint Venture Documents of any such Cooperative Joint Venture Company) or other defect of title whatsoever; the contribution of such registered capital and the sharing of the logged timber are valid and lawful under all applicable PRC laws, rules, regulations or guidelines of any local or other court or public, governmental or regulatory agency or body.
5. Each of Sino-Wood (Guangxi) Limited (HK), Sino-Wood (Guangdong) Limited (HK), Sino-Wood (Fujian) Limited (HK), SFR (China) Inc. (BVI), Sino-Panel (Gaoyao) Ltd. (BVI), Sinowin Investments Limited (BVI), Grandeur Winway Limited (BVI), Sino-Forest Investments Limited (BVI), Sino-Forest (China) Investments Co., Ltd. (China), Sino-Panel (North East China) Limited (BVI), Sino-Panel (Asia) Inc. (BVI), Sino-Panel (Xiangxi) Limited (BVI), Sino-Panel (Suzhou) Limited and Sino-Panel (Hunan) Limited is the owner of the 100% registered capital of each of the WFOEs respectively, 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.
6. The contracted registered capital of each of the Cooperative Joint Venture Companies has been subscribed in full by the Foreign Parties of each such Cooperative Joint Venture Company and all government approvals relating to

the subscription thereof have been issued and are in full force and effect. Except for [Guangdong Jiayao Wood Products Development Co., Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd., whose registered capital shall be fully subscribed by [*] 2007, [*] 2007 and [*] 2007 respectively in accordance with their respective approvals], the registered capital of each of the WFOEs has been subscribed in full and all government approvals relating to the subscription thereof have been issued and are in full force and effect.

7. The performance of each Cooperative Joint Venture Companies or the Foreign Parties, as the case may be, of its obligations under the Joint Venture Documents to which it is a party does not contravene, in any material respect, (i) any provision of any PRC law or regulation or (ii) any approval, judgment, order, decree or regulation of any governmental body or agency or any court in the PRC having jurisdiction over such Cooperative Joint Venture Companies or the Foreign Parties, as the case may be, or any of the properties of assets of such Cooperative Joint Venture Companies or the Foreign Parties, as the case may be.
8. To the best of such counsel's knowledge, information and belief 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 such counsel's knowledge, information and belief after reasonable investigation and inquiry, and as confirmed by the Company, none of the Foreign Companies is, under the current business model as presently conducted and as described in the Offering Documents, 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 defaults that would not have a material adverse effect on the Foreign

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Companies taken as a whole or on any of the Foreign Companies individually.

10. To the best of such counsel's knowledge, information and belief after reasonable investigation and inquiry, and as confirmed by the Company, each of the PRC Subsidiaries has duly filed all required tax returns and 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 Foreign Companies conducting authorized trading operations, the PRC taxes which they are required to pay shall be withheld and paid by their 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 Foreign Companies as disclosed in the Offering Documents.
11. The articles of association of each PRC Subsidiary have been approved by its respective approving authority, are in full force and effect and comply with the requirements of applicable law of the PRC in all material respects.
12. Each of the Joint Venture Documents applicable to each Cooperative Joint Venture Company or Foreign Party 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.
13. The carrying on of the authorized trading operations by Foreign Companies pursuant to the relevant agreements to which it is a party does not contravene any provision of applicable PRC law, rule or regulation and any such agreements to which a Foreign Company is a party is valid and legally binding, in full force and effect, and enforceable in accordance with its terms and the Foreign Companies have and will have good and valid title to the after-tax profits generated by or derived from such operations, except for those that would not have a material adverse effect on the Foreign Companies taken as a whole or on any of the Foreign Companies individually.
14. The relevant PRC Subsidiaries have duly obtained the relevant Plantation Rights Certificates for their legal titles to the plantation land use rights and the planted tree plantations. According to the relevant Plantation Rights Certificates and relevant approvals provided by the Company, as of [March 31], 2007, the relevant PRC Subsidiaries have the right to use approximately [58,000] hectares of plantation land contributed by the PRC partners of the Cooperative Joint Venture Companies or leased from other parties, in which the approximately [18,900] hectares of plantation land are currently used by

Guangxi Guijia Forestry Co., Ltd. and Gaoyao Jiayao Forestry Development Co., Ltd. Since Guangxi Guijia Forestry Co., Ltd. and Gaoyao Jiayao Forestry Development Co., Ltd. have been approved to be converted into WFOEs and obtained their new Business Licenses, they will need to negotiate with the original plantation land owners or holders to enter into new plantation land transfer agreement or lease agreement, 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. The Foreign Companies have duly obtained the approvals from the relevant forestry bureaus for the acquisition of the purchased tree plantations. According to the relevant purchased tree contracts entered into by the Foreign Companies as of [March 31], 2007 and as confirmed by the relevant local forestry bureaus in their respective approvals, the Foreign Companies have the right to own approximately [294,000] hectares of the purchased trees plantations acquired by such Foreign Companies. According to the relevant purchased tree contracts, the Foreign Companies have the right, but not an obligation, to acquire plantation land use rights for the lands underlying the purchased trees acquired pursuant to the purchased tree contracts entered into as of [March 31], 2007, subject to the execution of definitive agreements and requisite plantation rights registration procedures in accordance with the relevant PRC laws and regulations.
16. The Agreement for Long Term Cooperation on Wood Supply entered into between Sino-Forest (Guangzhou) Trading Co., Ltd., Inner Mongolia Forest and Timber Resources Co., Ltd. and Erlianhaote Joint Forestry Bureau on 31 July 2006 is legal, valid and enforceable under the PRC laws and regulations. The implementation of the aforesaid agreement is subject to the execution of specific agreements between the relevant parties.
17. Each of the two Master Agreements for Acquisition of Pine and Fir Forest dated 28 September 2006 and 7 December 2006, respectively (collectively, the "Hunan Master Agreements"), between Sino-Panel (Asia) Inc. and Hongjiang City Forestry Technology Integrated Development Services Company ("Hongjiang City Company") is legal, valid and enforceable under PRC laws and regulations; under the Hunan Master Agreements, (i) Sino-Panel (Asia) Inc. will purchase approximately 100,000 hectares and 300,000 hectares, respectively, of plantation trees in Hongjiang City, Huaihua City, Shaoyang City and its surrounding areas in the Hunan Province, in the PRC over a 14 year period, the specific terms and conditions of such purchase to be determined upon the execution of definitive agreements between the PRC subsidiaries of the Company and Hongjiang City Company and subject to requisite plantation rights registration procedures in accordance with the

relevant PRC laws and regulations; and (ii) Sino-Panel (Asia) Inc., through the PRC subsidiaries of the Company, also has the rights to acquire the plantation land use rights of the plantation land for up to 50 years after harvesting, subject to execution of definitive agreements and requisite plantation rights registration procedures in accordance with the relevant PRC laws and regulations.

18. The Master Agreement for the Acquisition of Pine and Broadleaved Shaw dated March 23, 2007 (the "Yunan Master Agreement") between Sino-Panel (Asia) Inc. and Gengma Dai and Wa Tribes Autonomous Region Forestry Company Ltd. ("Gengma Forestry"), a company established in Lincang City, Yunnan Province in the PRC is legal, valid and enforceable under PRC laws and regulations. Under the Yunan Master Agreement, the specific terms and conditions of such purchase will be determined upon the execution of definitive agreements between the PRC subsidiaries of the Company and Gengma Forestry and subject to requisite plantation rights registration procedures in accordance with the relevant PRC laws and regulations.
19. To the best of such counsel's knowledge, information and belief 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 Foreign Parties, Foreign Companies or PRC Subsidiary 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, any Foreign Parties, any Foreign Companies and the RPC Subsidiaries taken as a whole, or the Company, any Foreign Parties, any Foreign Companies or PRC Subsidiary individually, the validity or enforceability of the Underwriting Agreement or the transactions contemplated therein and as disclosed in the Offering Documents; and, to the best of such counsel's knowledge, information and belief and as confirmed by the Company, no such proceedings are threatened.
20. To the best of such counsel's knowledge, information and belief 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 for [the mortgages relating to the land use rights and building ownership of Guangdong Jiayao Wood Products Development Co., Ltd. and Jiafeng Wood (Suzhou) Co., Ltd. and except for those as described in the Offering Documents].
21. Each of the PRC Subsidiaries owns or has been granted all necessary rights to use, for the approved duration of such PRC Subsidiary, all of the properties

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and assets owned or used by it or transferred, assigned or otherwise conveyed to it in connection with its formation or thereafter, free and clear of all claims, liens, security interests or other encumbrances except for the mortgages or guarantees as described in Item 20 of this opinion or are not material, individually or in the aggregate, to the business of the Company and the PRC Subsidiaries, taken as a whole or individually; 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, except as disclosed in Item 20 of this opinion, 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, taken as a whole or individually.

22. To the best of such counsel's knowledge, information and belief 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 in all material respects all 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 Offering Documents and (iii) is in compliance with the PRC environmental laws and regulations, except for those that would not have a material adverse effect on the PRC Subsidiaries taken as a whole or on any of the PRC Subsidiaries individually.
23. All descriptions in the Offering Documents of PRC laws or regulations and contracts, documents and matters governed by or under PRC law are accurate in all material respects; to the best of such counsel's knowledge, information and belief after reasonable investigation and inquiry, and as confirmed by the Company, there are no franchise, contracts, indentures, mortgages, loans, notes, leases or other instruments required to be described or referred to in the Offering Documents in all material aspects other than those described or referred to therein, and the descriptions thereof or references thereto are correct in all material respects.
24. To the best of such counsel's knowledge, information and belief after reasonable investigation and inquiry, and as confirmed by the Company, the

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issue and sale of the Offered Shares and the execution and delivery by the Company of, and the performance by the Company of its obligations under the Underwriting Agreement and the consummation by the Company of the transactions contemplated therein and in the Offering Documents (i) will not contravene (A) any provision of PRC law or regulations, (B) 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, (C) any material agreement governed by PRC law by which the Company or any of the Foreign Companies is bound or to which any of the properties or assets of the Foreign Companies is subject, or (D) any regulation, judgment, order or decree of any governmental body, agency or any court in the PRC or (ii) 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 trees plantations of the Foreign Companies in the PRC.

25. All such 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 Offering Documents and (ii) the Foreign Companies to own the purchased tree plantations and conduct business in the manner as described in the Offering Documents have been obtained or made and are in full force and effect, except for those that are not material, individually or in the aggregate, to the business, operations and financial conditions of the PRC Subsidiaries, the Foreign Parties or the Foreign Companies, taken as a whole or individually.
26. The application of the net proceeds from the offering, as contemplated by the Offering Documents, 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 such counsel's knowledge, information and belief after reasonable investigation and due 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 or any of the Foreign Companies or PRC Subsidiaries is bound or to which any the properties or assets of the Foreign Companies or PRC Subsidiaries is subject or (C) any judgment, order or decree of any governmental body, agency or court in the PRC.

27. Except for Guangdong Jiayao Wood Products Development Co., Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd., 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. Since the registered capital of Guangdong Jiayao Wood Products Development Co., Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd. have not been fully paid up by their investors, the dividend payments and remittances thereof shall be made in proportion to the paid-up contributions of their respective registered capital.
28. To the best of such counsel's knowledge, information and belief after due investigation and inquiry and as confirmed by the Company, except that (i) the Cooperative Joint Venture Companies are in the process of being converted into wholly foreign owned enterprises, and (ii) SFR (Suzhou) Co., Ltd. is in the process of being merged with and absorbed by Jiafeng Wood (Suzhou) Co., Ltd. and its registration will be cancelled, none of the PRC Subsidiaries nor any other person has taken any action nor have any other steps been taken or legal proceedings been started or threatened against any of the PRC Subsidiaries for its winding up or dissolution, or for the withdrawal, revocation or cancellation of the business license of any of the PRC Subsidiaries; and no notice of appointment of a receiver of any of the PRC Subsidiaries or any of its assets has been issued and no declaration or order of insolvency has been or is threatened to be made.
29. The statements in the Final International Offering Memorandum under the headings "Risk Factors", "Summary Description of the Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Government Regulation" and "Forestry Plantation Contractual Arrangements" insofar as such statements constitute summaries of the laws or regulations of the PRC or documents governed by PRC law as of the date hereof, fairly present the information called for with respect to such legal matters and documents and fairly summarize matters referred to therein.
30. To the best of such counsel's knowledge, information and belief after reasonable investigation and inquiry, such counsel is of the opinion that as

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long as agreements are reached with relevant PRC partners of the Cooperative Joint Venture Companies, there are no legal impediments for the Cooperative Joint Venture Companies to be converted into wholly foreign owned enterprises.

31. Such counsel has generally reviewed and discussed with the Underwriters' 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 such counsel. On the basis of such consideration, review, discussion and confirmation, with ordinary care and due diligence as a PRC legal counsel, but without independent check or verification, except as stated, such counsel has no reason to believe that (other than (i) the report of Pöyry Forest Industry Ltd. incorporated by reference in the Offering Documents and (ii) the financial statements and other financial and statistical data contained in the Offering Documents (which include the section headed "Summary of Certain Differences Between Canadian GAAP and U.S. GAAP") contained in the Final International Offering Memorandum, as to which such counsel is not called upon to express any belief), the Offering Documents contained as of its date or contains as of the date of this opinion 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, insofar as they constitute matters of PRC laws, or summaries of PRC legal matters, purport to describe provisions of PRC laws, in all material respects, not misleading.

In giving their opinions, such counsel shall be entitled to rely, as to matters of fact, upon certificates of officers of the Company, the Company's registrar and transfer agent and the Company's Auditors, and on certificates of public and stock exchange officials, as necessary and as applicable, and to make such assumptions and qualifications as are acceptable to the Underwriters' Counsel.

SCHEDULE "C"
OPINION OF COMPANY'S U.S. COUNSEL

The opinion of the Company's U.S. Counsel shall relate to the following matters:

1. Assuming (i) the representations of the Underwriters and the Company contained in the Agreement are true and correct and (ii) compliance by the Underwriters and the Company with their respective covenants set forth in the Agreement, it is not necessary in connection with the offer, sale and delivery of the Offered Shares to the Underwriters pursuant to the Agreement or the initial offer and resales of the Offered Shares by the Underwriters in the manner contemplated by the Agreement and described in the Final International Offering Memorandum, to register the Offered Shares under the Securities Act of 1933;
2. No consent, approval, waiver, license or authorization or other action by, or filing with, any U.S. federal or New York governmental authority is required in connection with the execution and delivery by the Company of the Agreement, the consummation by the Company of the transactions contemplated by the Agreement or the performance by the Company of its obligations under the Agreement, except for state securities or "blue sky" laws, as to which such counsel need express no opinion;
3. The execution and delivery of the Agreement and the performance by the Company of its obligations under the Agreement will not conflict with, constitute a default or violate (a) any statute, rule or regulation of any United States federal or New York State governmental agency or body, except that such counsel expresses no opinion in relation to any violation of the anti-fraud provisions of United States federal laws or New York State securities laws, (b) the terms, conditions or provisions of any document, agreement or other instrument listed on a schedule to such counsel's opinion or (c) any judgment, writ, injunction, decree, order or ruling of any New York State or U.S. federal court or governmental authority binding on the Company of which such counsel is aware;
4. The statements made in the Final International Offering Memorandum under the caption "U.S. Federal Income Taxation," insofar as they purport to constitute summaries of matters of U.S. federal tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the matters described therein in all material respects; and
5. The Company is not, and immediately after giving effect to the transactions contemplated by the Agreement and the Final International Offering Memorandum and the application of the net proceeds of the Offering as

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described in the Final International Offering Memorandum, will not be, required to be registered as an "investment company", under U.S. Investment Company Act of 1940, as amended.

In giving their opinions, such counsel shall be entitled to rely, as to matters of fact, upon certificates of officers of the Company, the Company's registrar and transfer agent and the Company's Auditors, and on certificates of public and stock exchange officials, as necessary and as applicable, and to make such assumptions and qualifications as are acceptable to the Underwriters' Counsel.

SCHEDULE "D"
OPINION OF COMPANY'S HONG KONG COUNSEL

The opinion of the Company's Hong Kong Counsel shall be in or substantially in the following form:

[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]

[•] June 2007¹

To: Sino-Forest Corporation (the "Company")

Dear Sir

SINO-FOREST CORPORATION

- 1 We understand that this opinion letter is to be delivered to the Underwriters (as defined below) pursuant to section [5(e)] of the underwriting agreement between the Company and Dundee Securities Corporation, CIBC World Markets Inc., Merrill Lynch Canada, Inc., Credit Suisse Securities (Canada) Inc., UBS Securities Canada Inc. and Haywood Securities Inc. (collectively the "Underwriters") dated [28] May 2007 (the "Underwriting Agreement"). We do not act for or in relation to any of the Underwriters or any of the Group Companies (as set out in Schedule 1 to the Underwriting Agreement) in relation to or in connection with the issue of the Offered Shares (as defined in the Underwriting Agreement) or any of the other acts contemplated by or referred to in the Underwriting Agreement or the Underwriting Agreement itself; and our engagement in relation to the Company is in respect of the issue of this opinion letter only. For the purpose of this opinion letter, the "Hong Kong Subsidiaries" 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.

- 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

¹ To be on or around [14] June 2007.

expressly stated in paragraph 5. All references to the date of this opinion letter shall be construed in accordance with Hong Kong time.

3 We have examined the following:

- (a) the public records disclosed by the search made by us in respect of each of the Hong Kong Subsidiaries on [•] June 2007² at the Hong Kong Business Registration Office (the "Business Registration Search");
- (b) the public records disclosed by the search made by us in respect of each of the Hong Kong Subsidiaries on [•] June 2007³ at the Hong Kong Companies Registry (the "Company Search");
- (c) the public records disclosed by the search made by us in respect of each of the Hong Kong Subsidiaries on [•] June 2007⁴ at the Official Receiver's office of Hong Kong (the "Official Receiver Search");
- (d) the results disclosed by the search made by Target On-Line Financial Ltd. ("Tolfin") in respect of each of the Hong Kong Subsidiaries on [•] June 2007⁵ against the Cause Book of the Registry of the High Court of Hong Kong and the Cause Book of the Registry of the District Courts of Hong Kong (the "Cause Book Enquiry");
- (e) the following documents provided to us by or on behalf of the Company:
 - (i) the register of members of each of the Hong Kong Subsidiaries; and
 - (ii) 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-

² To be on or around [14] June 2007.

³ To be on or around [14] June 2007.

⁴ To be on or around [14] June 2007.

⁵ To be on or around [14] June 2007.

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; and

- (f) a certificate of a director of Sino-Wood Partners, Limited dated [•] June 2007⁶; a certificate of a director of Sino-Plantation Limited dated [•] June 2007⁷; a certificate of a director of Sino-Wood (Guangxi) Limited dated [•] June 2007⁸; a certificate of a director of Sino-Wood (Jiangxi) Limited dated [•] June 2007⁹; a certificate of a director of Sino-Wood (Guangdong) Limited dated [•] June 2007¹⁰; and a certificate of a director of Sino-Wood (Fujian) Limited dated [•] June 2007¹¹ (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 [•] June 2007¹² 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 Subsidiaries;
- (b) the information disclosed by the Company Search is true and complete as at [•] June 2007¹³ and has not since then been altered and that the

6 This will be the date of this opinion letter.
 7 This will be the date of this opinion letter.
 8 This will be the date of this opinion letter.
 9 This will be the date of this opinion letter.
 10 This will be the date of this opinion letter.
 11 This will be the date of this opinion letter.
 12 This will be the date of the search.
 13 This will be the date of the search.

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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 Subsidiaries;

- (c) the information disclosed by the Official Receiver Search is true and complete as at [•] June 2007¹⁴ 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 Subsidiaries;
- (d) the information disclosed by the Cause Book Enquiry is true and complete as at [•] June 2007¹⁵ 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 the 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 the enquiry; 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) all signatures, seals and chops are genuine, and the identity and legal capacity of all signatories and corporate officers are correct;
- (f) all persons signing, sealing, delivering and/or issuing the certificates, documents and corporate records 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, documents and corporate records;

¹⁴ This will be the date of the search.

¹⁵ This will be the date of the search.

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- (g) all certificates, documents and corporate records provided to us expressed to be signed, sealed, delivered and/or issued have been duly signed, sealed, delivered and/or issued;
- (h) each declaration of trust described in paragraph [3(e)(ii)] above was when made and is legal, valid, binding and enforceable in accordance with its terms and no such declaration of trust has been revoked or modified;
- (i) Chan Tak Yuen and Tak Yuen Chan refer to the same person;
- (j) all certificates, documents and corporate records provided to us are authentic, accurate and complete, whether as originals or copies; and that, in particular, all certificates, documents and corporate records presented as copies are accurate and complete as at the date of this opinion letter and in conformity with their respective originals;
- (k) there has been no general meeting of and no board meeting of any of the Hong Kong Subsidiaries and no written resolution by the members or the directors of any of the Hong Kong Subsidiaries in which the members or the directors of such Hong Kong Subsidiary/Subsidiaries 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;
- (l) the accuracy, currency and completeness of all statements and information contained in all certificates, documents and corporate records examined by us; and
- (m) there has been no change in the circumstances or prospects of any Group Company 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 Subsidiaries is duly incorporated in Hong Kong under the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) (the "Companies Ordinance") and is validly existing as a limited liability company under the laws of Hong Kong.

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- (b) Based solely on the memorandum and articles of association of each of the Hong Kong Subsidiaries revealed by the Company Search, the business registration certificate of each of the Hong Kong Subsidiaries revealed by the Business Registration Search and the Certificates of Directors, each of the Hong Kong Subsidiaries 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 Subsidiaries 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 Subsidiaries 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) The Cause Book Enquiry revealed (i) no proceeding before the Hong Kong High Court against any of the Group Companies and (ii) no action before any Hong Kong District Court 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.
- (f) Based solely on the memorandum and articles of association of each of the Hong Kong Subsidiaries revealed by the Company Search and the Certificates of Directors, the issue of shares in the capital of each of the Hong Kong Subsidiaries has been duly authorised.
- (g) Based solely on the register of members of Sino-Wood Partners, Limited as at [•] June 2007¹⁶, 2,999,999 Ordinary Shares and 129,927 Class B Shares in the capital of Sino-Wood Partners, Limited are held by Sino-Forest Corporation and 1 Ordinary Share in the capital of Sino-Wood Partners, Limited is 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 is held by Chan Tak

¹⁶ This will be the date the register is examined.

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 has been designated and registered as an Ordinary Share.

- (h) Based solely on the register of members of Sino-Plantation Limited as at [•] June 2007¹⁷, 4,999 shares in the capital of Sino-Plantation Limited are held by Sino-Wood Partners Limited and 1 share in the capital of Sino-Plantation Limited is 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 is 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 [•] June 2007¹⁸, 1 share in the capital of Sino-Wood (Guangxi) Limited is held by Sino-Plantation Ltd and 1 share in the capital of Sino-Wood (Guangxi) Limited is 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 is 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 [•] June 2007¹⁹, 1 share in the capital of Sino-Wood (Jiangxi) Limited is held by Sino-Plantation Ltd and 1 share in the capital of Sino-Wood (Jiangxi) Limited is 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 is 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 [•] June 2007²⁰, 1 share in the capital of Sino-Wood (Guangdong) Limited is held by Sino-Plantation Ltd and 1 share in the capital of Sino-Wood (Guangdong) Limited is 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

¹⁷ This will be the date the register is examined.

¹⁸ This will be the date the register is examined.

¹⁹ This will be the date the register is examined.

²⁰ This will be the date the register is examined.

capital of Sino-Wood (Guangdong) Limited held by Chan Tak Yuen is 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 [•] June 2007²¹, 1 share in the capital of Sino-Wood (Fujian) Limited is held by Sino-Plantation Ltd and 1 share in the capital of Sino-Wood (Fujian) Limited is 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 is held by Chan Tak Yuen as trustee for the benefit of Sino-Plantation Limited.

- 6 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.

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 (Cap. 88) (the "English Law Ordinance"). The English Law Ordinance applied the common law and rules of equity of England to Hong Kong. We

²¹ This will be the date the register is examined.

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 the Company solely for its benefit for the purpose of section [5(e)] of the Underwriting Agreement. It may not be transmitted to anyone else (other than the Underwriters) and cannot be relied upon by anyone or 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.

Yours faithfully

In giving their opinions, such counsel shall be entitled to rely, as to matters of fact, upon certificates of officers of any Group Company, matters disclosed as the result of public searches, corporate and other documents provided by any Group Company, any Group Company's registrar and transfer agent and any Group Company's Auditors, and on certificates of public and stock exchange officials, as necessary and as applicable, and to make such assumptions and qualifications as such counsel deems appropriate.

Schedule 1 - Group Companies

1. the Company;
2. the following subsidiaries of the Company incorporated in Hong Kong (the "Hong Kong Subsidiaries"):
 - (i) Sino-Wood Partners, Limited
 - (ii) Sino-Plantation Limited
 - (iii) Sino-Wood (Guangxi) Limited;
 - (iv) Sino-Wood (Jiangxi) Limited;
 - (v) Sino-Wood (Guangdong) Limited; and
 - (vi) Sino-Wood (Fujian) Limited.
3. the following subsidiaries of the Company incorporated in British Virgin Islands (the "BVI Subsidiaries"):
 - (i) Sino-Forest Resources Inc.;
 - (ii) Suri-Wood Inc.;
 - (iii) Sino-Global Holdings Inc.;
 - (iv) Grandeur Winway Ltd.;
 - (v) Sinowin Investments Ltd.;
 - (vi) Dynamic Profit Holdings Limited;
 - (vii) Sino-Forest Investments Limited;
 - (viii) Sino-Panel (Gaoyao) Ltd.;
 - (ix) Sino-Panel (Xiangxi) Limited;
 - (x) Sino-Panel (North East China) Limited;
 - (xi) Sino-Panel Holdings Limited;
 - (xii) Sino-Panel (Asia) Inc.;
 - (xiii) Sino-Panel (Gaoyao) Ltd.;
 - (xiv) SFR (China) Inc.;

- (xv) Sino-Panel (Suzhou) Limited; and
 - (xvi) Sino-Panel (Hunan) Limited.
4. the following subsidiaries of the Company incorporated in People's Republic of China (the "PRC Subsidiaries"):
- (i) 广西桂嘉林业有限公司 (Guangxi Guijia Forestry Co., Ltd.);
 - (ii) 江西嘉昌林业发展有限公司 (Jiangxi Jiachang Forestry Development Co., Ltd.);
 - (iii) 河源嘉河林业发展有限公司 (Heyuan Jiahe Forestry Development Co., Ltd.);
 - (iv) 高要嘉耀林业发展有限公司 (Gaoyao Jiayao Forestry Development Co., Ltd.);
 - (v) 漳州嘉闽林业发展有限公司 (Zhangzhou Jiamin Forestry Development Co., Ltd.);
 - (vi) Sino-Forest (China) Investments Limited;
 - (vii) Sino-Forest (Heyuan) Co., Ltd.;
 - (viii) Sino-Forest (Guangzhou) Co., Ltd.;
 - (ix) Sino-Forest (Guangzhou) Trading Co., Ltd.;
 - (x) Sino-Forest (Suzhou) Trading Co., Ltd.;
 - (xi) Sino-Forest (Anhui) Co., Ltd.;
 - (xii) 广东嘉耀木业发展有限公司 (Guangdong Jiayao Wood Products Development Co., Ltd.);
 - (xiii) 嘉成木业(苏州)有限公司 (SFR (Suzhou) Co., Ltd.);
 - (xiv) 嘉丰木业(苏州)有限公司 (Jiafeng Wood (Suzhou) Co., Ltd.);
 - (xv) Sino-Maple (Shanghai) Co., Ltd.;
 - (xvi) Sino-Maple (Shanghai) Trading Co., Ltd.;

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- (xvii) Sinowin Plantings (Suzhou) Co. Ltd.;
- (xviii) Hunan Jiayu Wood Products Co., Ltd.;
- (xix) Xiangxi Autonomous State Jiayi Forest Development Co., Ltd.;
- (xx) Heilongjiang Jiamu Panel Co., Ltd.;
- (xxi) Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd.;
- (xxii) Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd.; and
- (xxiii) Shaoyang Autonomous State Jiading Forest Development Co., Ltd.

SCHEDULE "E"
OPINION OF UNDERWRITERS' CANADIAN COUNSEL

The opinion of the Underwriters' Canadian Counsel shall relate to the following matters:

1. The Underwriting Agreement has been duly authorized, executed and delivered by the Company, and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms under the laws of the Province of Ontario and the federal laws of Canada applicable therein.
2. All documents required to be filed by the Company, all proceedings required to be taken by the Company, and all approvals, permits, consents and authorizations of the Securities Regulators required to be obtained by the Company under Canadian Securities Laws, have been filed, taken or obtained in the Qualifying Jurisdictions in order to qualify the Shares for distribution (or distribution to the public, as the case may be), in each of the Qualifying Jurisdictions through registrants registered under Canadian Securities Laws who have complied with the relevant provisions of such laws.
3. The form of definitive share certificate representing Common Shares has been duly approved and adopted by the Company, complies with the requirements of the *Canada Business Corporations Act*, and complies with the requirements of the articles of continuance of the Company and by-laws (and all amendments thereto).
4. The share certificate representing the Purchased Shares delivered to you, or as directed by you, on the date hereof, has been duly executed and delivered by or on behalf of the Company.
5. The Shares have been conditionally approved for listing by the Toronto Stock Exchange, subject to the Company fulfilling all of the conditions set by the Toronto Stock Exchange in the TSX Letter.
6. Provided the Shares are listed on the Toronto Stock Exchange, the Shares are, at the date hereof, qualified investments under the *Income Tax Act* (Canada) and the regulations there under for trusts governed by registered retirement savings plans, registered retirement income funds, and deferred profit sharing plans (collectively, the "Plans") and registered education savings plans, subject to the specific provisions of any particular plan. In the opinion of such counsel, based in part on reliance on a certificate of an officer of the Company, the Shares will not constitute foreign property, as at the date

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hereof, for the Plans and other persons subject to tax under Part XI of the *Income Tax Act* (Canada) and the regulations there under.

In giving their opinions, such counsel shall be entitled to rely, as to matters of fact, upon certificates of officers of the Company, the Company's registrar and transfer agent and the Company's Auditors, and on certificates of public and stock exchange officials, as necessary and as applicable, and to make such assumptions and qualifications as are acceptable to the Underwriters. In giving their opinions, such counsel shall also be entitled to rely exclusively upon the opinion of (i) Aird & Berlis LLP with respect to paragraphs 1, 3 and 4 above, and (ii) local counsel as to the matters mentioned above relating to jurisdictions other than the Provinces of British Columbia, Alberta and Ontario.

SCHEDULE "F"
OPINION OF UNDERWRITERS' PRC COUNSEL

The opinion of the Underwriters' PRC Counsel shall relate to the following matters:

1. Each of Jiangxi Jiachang Forestry Development Co., Ltd. and Heyuan Jiahe Forestry Development Co., Ltd. (each a "Cooperative Joint Venture Company"; collectively, the "Cooperative Joint Venture Companies") has been duly incorporated under the laws of the PRC as a cooperative joint venture enterprise 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 its business as described in the Offering Documents and its constitutive documents, including but not limited to, the business license (the "Joint Venture Documents"), 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.

2. Each of Guangxi Guijia Forestry Co., Ltd., Gaoyao Jiayao Forestry Development Co., Ltd., Zhangzhou Jiamin Forestry Development Co., Ltd., SFR (Suzhou) Co., Ltd., Jiafeng Wood (Suzhou) Co., Ltd., Guangdong Jiayao Wood Products Development Co., Ltd., Sinowin Plantings (Suzhou) Co., Ltd., Sino-Maple (Shanghai) Trading Co., Ltd., Sino-Forest (China) Investments Co., Ltd., Sino-Forest (Heyuan) Co., Ltd., Sino-Forest (Guangzhou) Co., Ltd., Sino-Forest (Guangzhou) Trading Co., Ltd., Sino-Forest (Anhui) Co., Ltd., Sino-Forest (Suzhou) Trading Co., Ltd., Heilongjiang Jiamu Panel Co., Ltd., Hunan Jiayu Wood Products Co., Ltd., Xiangxi Autonomous State Jiayi Forest Development Co., Ltd., Sino-Maple (Shanghai) Co., Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd. (each a "WFOE"; collectively, the "WFOEs"; and together with the Cooperative Joint Venture Companies, the "PRC Subsidiaries") has been duly incorporated under the laws of the PRC as a wholly foreign owned enterprise 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 as disclosed in Item 14 of this opinion) and to conduct business as described in the Offering Documents and its business license, 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. As confirmed by the Company, Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest

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Development Co., Ltd. are newly established and have not commenced their business operation.

3. To the best of our knowledge, each of Sino-Forest Resources Inc. and Suri-Wood Inc. (each a "Foreign Company"; collectively, the "Foreign Companies") has the right to conduct business in the PRC in the manner as presently conducted and as described in the Offering Documents, and has the right to own the purchased tree plantations (as set forth in the Offering Documents) and 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.
4. Each of Sino-Wood (Jiangxi) Limited (HK) and Sino-Wood (Guangdong) Limited (HK) (each a "Foreign Party"; collectively, the "Foreign Parties") is the sole contributor of the respective registered capital of each of the Cooperative Joint Venture Companies respectively and is entitled to share the 70% of the volume of the timber logged from the forestry plantations (70% of the proceeds generated from the timber production of the forestry plantations) of each of the Cooperative Joint Venture Companies as set forth in the Offering Documents, in each case free and clear of all liens, encumbrances, equities, claims, restriction on transfer (other than as required under applicable PRC law or pursuant to the provisions of the Joint Venture Documents of any such Cooperative Joint Venture Company) or other defect of title whatsoever; the contribution of such registered capital and the sharing of the logged timber are valid and lawful under all applicable PRC laws, rules, regulations or guidelines of any local or other court or public, governmental or regulatory agency or body.
5. Each of Sino-Wood (Guangxi) Limited (HK), Sino-Wood (Guangdong) Limited (HK), Sino-Wood (Fujian) Limited (HK), SFR (China) Inc. (BVI), Sino-Panel (Gaoyao) Ltd. (BVI), Sinowin Investments Limited (BVI), Grandeur Winway Limited (BVI), Sino-Forest Investments Limited (BVI), Sino-Forest (China) Investments Co., Ltd. (China), Sino-Panel (North East China) Limited (BVI), Sino-Panel (Asia) Inc. (BVI), Sino-Panel (Xiangxi) Limited (BVI), Sino-Panel (Suzhou) Limited and Sino-Panel (Hunan) Limited is the owner of the 100% registered capital of each of the WFOEs respectively, 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.
6. The contracted registered capital of each of the Cooperative Joint Venture Companies has been subscribed in full by the Foreign Parties of each such

Cooperative Joint Venture Company and all government approvals relating to the subscription thereof have been issued and are in full force and effect. Except for [Guangdong Jiayao Wood Products Development Co., Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd., whose registered capital shall be fully subscribed by [*] 2007, [*] 2007 and [*] 2007 respectively in accordance with their respective approvals], the registered capital of each of the WFOEs has been subscribed in full and all government approvals relating to the subscription thereof have been issued and are in full force and effect.

7. The performance of each Cooperative Joint Venture Companies or the Foreign Parties, as the case may be, of its obligations under the Joint Venture Documents to which it is a party does not contravene, in any material respect, (i) any provision of any PRC law or regulation or (ii) any approval, judgment, order, decree or regulation of any governmental body or agency or any court in the PRC having jurisdiction over such Cooperative Joint Venture Companies or the Foreign Parties, as the case may be, or any of the properties of assets of such Cooperative Joint Venture Companies or the Foreign Parties, as the case may be.
8. To the best of such counsel's knowledge, information and belief 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 such counsel's knowledge, information and belief after reasonable investigation and inquiry, and as confirmed by the Company, none of the Foreign Companies is, under the current business model as presently conducted and as described in the Offering Documents, 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 defaults that would not have a material adverse effect on the Foreign Companies taken as a whole or on any of the Foreign Companies individually.

10. To the best of such counsel's knowledge, information and belief after reasonable investigation and inquiry, and as confirmed by the Company, each of the PRC Subsidiaries has duly filed all required tax returns and 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 Foreign Companies conducting authorized trading operations, the PRC taxes which they are required to pay shall be withheld and paid by their 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 Foreign Companies as disclosed in the Offering Documents.
11. The articles of association of each PRC Subsidiary have been approved by its respective approving authority, are in full force and effect and comply with the requirements of applicable law of the PRC in all material respects.
12. Each of the Joint Venture Documents applicable to each Cooperative Joint Venture Company or Foreign Party 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.
13. The carrying on of the authorized trading operations by Foreign Companies pursuant to the relevant agreements to which it is a party does not contravene any provision of applicable PRC law, rule or regulation and any such agreements to which a Foreign Company is a party is valid and legally binding, in full force and effect, and enforceable in accordance with its terms and the Foreign Companies have and will have good and valid title to the after-tax profits generated by or derived from such operations, except for those that would not have a material adverse effect on the Foreign Companies taken as a whole or on any of the Foreign Companies individually.
14. The relevant PRC Subsidiaries have duly obtained the relevant Plantation Rights Certificates for their legal titles to the plantation land use rights and the planted tree plantations. According to the relevant Plantation Rights Certificates and relevant approvals provided by the Company, as of [March 31], 2007, the relevant PRC Subsidiaries have the right to use approximately [58,000] hectares of plantation land contributed by the PRC partners of the

Cooperative Joint Venture Companies or leased from other parties, in which the approximately [18,900] hectares of plantation land are currently used by Guangxi Guijia Forestry Co., Ltd. and Gaoyao Jiayao Forestry Development Co., Ltd. Since Guangxi Guijia Forestry Co., Ltd. and Gaoyao Jiayao Forestry Development Co., Ltd. have been approved to be converted into WFOEs and obtained their new Business Licenses, they will need to negotiate with the original plantation land owners or holders to enter into new plantation land transfer agreement or lease agreement, 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. The Foreign Companies have duly obtained the approvals from the relevant forestry bureaus for the acquisition of the purchased tree plantations. According to the relevant purchased tree contracts entered into by the Foreign Companies as of [March 31], 2007 and as confirmed by the relevant local forestry bureaus in their respective approvals, the Foreign Companies have the right to own approximately [294,000] hectares of the purchased trees plantations acquired by such Foreign Companies. According to the relevant purchased tree contracts, the Foreign Companies have the right, but not an obligation, to acquire plantation land use rights for the lands underlying the purchased trees acquired pursuant to the purchased tree contracts entered into as of [March 31], 2007, subject to the execution of definitive agreements and requisite plantation rights registration procedures in accordance with the relevant PRC laws and regulations.
16. The Agreement for Long Term Cooperation on Wood Supply entered into between Sino-Forest (Guangzhou) Trading Co., Ltd., Inner Mongolia Forest and Timber Resources Co., Ltd. and Erlianhaote Joint Forestry Bureau on 31 July 2006 is legal, valid and enforceable under the PRC laws and regulations. The implementation of the aforesaid agreement is subject to the execution of specific agreements between the relevant parties.
17. Each of the two Master Agreements for Acquisition of Pine and Fir Forest dated 28 September 2006 and 7 December 2006, respectively (collectively, the "Hunan Master Agreements"), between Sino-Panel (Asia) Inc. and Hongjiang City Forestry Technology Integrated Development Services Company ("Hongjiang City Company") is legal, valid and enforceable under PRC laws and regulations; under the Hunan Master Agreements, (i) Sino-Panel (Asia) Inc. will purchase approximately 100,000 hectares and 300,000 hectares, respectively, of plantation trees in Hongjiang City, Huaihua City, Shaoyang City and its surrounding areas in the Hunan Province, in the PRC over a 14 year period, the specific terms and conditions of such purchase to be determined upon the execution of definitive agreements between the PRC

subsidiaries of the Company and Hongjiang City Company and subject to requisite plantation rights registration procedures in accordance with the relevant PRC laws and regulations; and (ii) Sino-Panel (Asia) Inc., through the PRC subsidiaries of the Company, also has the rights to acquire the plantation land use rights of the plantation land for up to 50 years after harvesting, subject to execution of definitive agreements and requisite plantation rights registration procedures in accordance with the relevant PRC laws and regulations.

18. The Master Agreement for the Acquisition of Pine and Broadleaved Shaw dated March 23, 2007 (the "Yunan Master Agreement") between Sino-Panel (Asia) Inc. and Gengma Dai and Wa Tribes Autonomous Region Forestry Company Ltd. ("Gengma Forestry"), a company established in Lincang City, Yunnan Province in the PRC is legal, valid and enforceable under PRC laws and regulations. Under the Yunan Master Agreement, the specific terms and conditions of such purchase will be determined upon the execution of definitive agreements between the PRC subsidiaries of the Company and Gengma Forestry and subject to requisite plantation rights registration procedures in accordance with the relevant PRC laws and regulations.
19. To the best of such counsel's knowledge, information and belief 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 Foreign Parties, Foreign Companies or PRC Subsidiary 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, any Foreign Parties, any Foreign Companies and the RPC Subsidiaries taken as a whole, or the Company, any Foreign Parties, any Foreign Companies or PRC Subsidiary individually, the validity or enforceability of the Underwriting Agreement or the transactions contemplated therein and as disclosed in the Offering Documents; and, to the best of such counsel's knowledge, information and belief and as confirmed by the Company, no such proceedings are threatened.
20. To the best of such counsel's knowledge, information and belief 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 for [the mortgages relating to the land use rights and building ownership of Guangdong Jiayao Wood Products Development Co., Ltd. and Jiafeng Wood (Suzhou) Co., Ltd. and except for those as described in the Offering Documents].

21. Each of the PRC Subsidiaries owns or has been granted all necessary rights to use, for the approved duration of such PRC Subsidiary, 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, free and clear of all claims, liens, security interests or other encumbrances except for the mortgages or guarantees as described in Item 20 of this opinion or are not material, individually or in the aggregate, to the business of the Company and the PRC Subsidiaries, taken as a whole or individually; 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; except as disclosed in Item 20 of this opinion, 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, taken as a whole or individually.
22. To the best of such counsel's knowledge, information and belief 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 in all material respects all 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 Offering Documents and (iii) is in compliance with the PRC environmental laws and regulations, except for those that would not have a material adverse effect on the PRC Subsidiaries taken as a whole or on any of the PRC Subsidiaries individually.
23. All descriptions in the Offering Documents of PRC laws or regulations and contracts, documents and matters governed by or under PRC law are accurate in all material respects; to the best of such counsel's knowledge, information and belief after reasonable investigation and inquiry, and as confirmed by the Company, there are no franchise, contracts, indentures, mortgages, loans, notes, leases or other instruments required to be described or referred to in the Offering Documents in all material aspects other than those described or referred to therein, and the descriptions thereof or references thereto are correct in all material respects.

24. To the best of such counsel's knowledge, information and belief after reasonable investigation and inquiry, and as confirmed by the Company, the issue and sale of the Offered Shares and the execution and delivery by the Company of, and the performance by the Company of its obligations under the Underwriting Agreement and the consummation by the Company of the transactions contemplated therein and in the Offering Documents (i) will not contravene (A) any provision of PRC law or regulations, (B) 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, (C) any material agreement governed by PRC law by which the Company or any of the Foreign Companies is bound or to which any of the properties or assets of the Foreign Companies is subject, or (D) any regulation, judgment, order or decree of any governmental body, agency or any court in the PRC or (ii) 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 trees plantations of the Foreign Companies in the PRC.
25. All such 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 Offering Documents and (ii) the Foreign Companies to own the purchased tree plantations and conduct business in the manner as described in the Offering Documents have been obtained or made and are in full force and effect, except for those that are not material, individually or in the aggregate, to the business, operations and financial conditions of the PRC Subsidiaries, the Foreign Parties or the Foreign Companies, taken as a whole or individually.
26. The application of the net proceeds from the offering, as contemplated by the Offering Documents, 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 such counsel's knowledge, information and belief after reasonable investigation and due 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 or any of the Foreign Companies or PRC Subsidiaries is bound or to which any the properties or assets of the Foreign

Companies or PRC Subsidiaries is subject or (C) any judgment, order or decree of any governmental body, agency or court in the PRC.

27. Except for Guangdong Jiayao Wood Products Development Co., Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd., 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. Since the registered capital of Guangdong Jiayao Wood Products Development Co., Ltd., Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd., Hunan Jiayu Wood Products (Hongjiang City) Co., Ltd. and Shaoyang Autonomous State Jiading Forest Development Co., Ltd. have not been fully paid up by their investors, the dividend payments and remittances thereof shall be made in proportion to the paid-up contributions of their respective registered capital.
28. To the best of such counsel's knowledge, information and belief after due investigation and inquiry and as confirmed by the Company, except that (i) the Cooperative Joint Venture Companies are in the process of being converted into wholly foreign owned enterprises, and (ii) SFR (Suzhou) Co., Ltd. is in the process of being merged with and absorbed by Jiafeng Wood (Suzhou) Co., Ltd. and its registration will be cancelled, none of the PRC Subsidiaries nor any other person has taken any action nor have any other steps been taken or legal proceedings been started or threatened against any of the PRC Subsidiaries for its winding up or dissolution, or for the withdrawal, revocation or cancellation of the business license of any of the PRC Subsidiaries; and no notice of appointment of a receiver of any of the PRC Subsidiaries or any of its assets has been issued and no declaration or order of insolvency has been or is threatened to be made.
29. The statements in the Final International Offering Memorandum under the headings "Risk Factors", "Summary Description of the Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Government Regulation" and "Forestry Plantation Contractual Arrangements" 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.

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30. To the best of such counsel's knowledge, information and belief after reasonable investigation and inquiry, such counsel is of the opinion that as long as agreements are reached with relevant PRC partners of the Cooperative Joint Venture Companies, there are no legal impediments for the Cooperative Joint Venture Companies to be converted into wholly foreign owned enterprises.

31. Such counsel has generally reviewed and discussed with the Underwriters' 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 such counsel. On the basis of such consideration, review, discussion and confirmation, with ordinary care and due diligence as a PRC legal counsel, but without independent check or verification, except as stated, such counsel has no reason to believe that (other than (i) the report of Pöyry Forest Industry Ltd. incorporated by reference in the Offering Documents and (ii) the financial statements and other financial and statistical data contained in the Offering Documents (which include the section headed "Summary of Certain Differences Between Canadian GAAP and U.S. GAAP") contained in the Final International Memorandum, as to which such counsel is not called upon to express any belief), the Offering Documents contained as of its date or contains as of the date of this opinion 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, insofar as they constitute matters of PRC laws, or summaries of PRC legal matters, purport to describe provisions of PRC laws, in all material respects, not misleading.

In giving their opinions, such counsel shall be entitled to rely, as to matters of fact, upon certificates of officers of the Company, the Company's registrar and transfer agent and the Company's Auditors, and on certificates of public and stock exchange officials, as necessary and as applicable, and to make such assumptions and qualifications as are acceptable to the Underwriters.

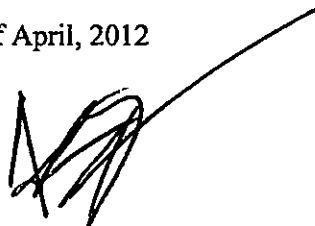
SCHEDULE "G"
OPINION OF UNDERWRITERS' U.S. COUNSEL

The opinion of the Underwriters' U.S. Counsel shall relate to the following matters:

1. It is not necessary in connection with the offer, sale and delivery of the Offered Shares to the Underwriters under the Underwriting Agreement, or the initial resale of such Offered Shares by the Underwriters in accordance with the Underwriting Agreement to register the Offered Shares under the Securities Act, it being understood that no opinion is expressed as to any subsequent resale of any Offered Shares. Such counsel's opinion assumes that the Offering is made as contemplated in the Final International Offering Memorandum and the accuracy of and compliance with the representations, warranties and covenants of the Company and the Underwriters in the Underwriting Agreement relating to the offering of the Offered Shares.
2. No consent, approval, authorization or order of, or qualification with, any governmental body or agency under United States federal or New York state law that in such counsel's experience is normally applicable to general business corporations in relation to transactions of the type contemplated by the Underwriting Agreement is required for the performance by the Company of its obligations under the Underwriting Agreement, except such as may be required under state securities or Blue Sky laws.

In giving their opinions, such counsel shall be entitled to rely, as to matters of fact, upon certificates of officers of the Company, the Company's registrar and transfer agent and the Company's Auditors, and on certificates of public and stock exchange officials, as necessary and as applicable, and to make such assumptions and qualifications as are acceptable to the Underwriters.

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

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

A Commissioner, Etc.

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

EXECUTION COPY

SINO-FOREST CORPORATION

(a Canada Business Corporations Act corporation)

5.00% Convertible Senior Notes due 2013

PURCHASE AGREEMENT

Dated: July 17, 2008

Sino-Forest Corporation

(a Canada Business Corporations Act corporation)

U.S.\$300,000,000

5.00% Convertible Senior Notes due 2013

PURCHASE AGREEMENT

July 17, 2008

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
4 World Financial Center
New York, New York 10080
United States

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

Ladies and Gentlemen:

Sino-Forest Corporation, a Canada Business Corporations Act corporation (the "Company"), confirms its agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and Credit Suisse Securities (USA) LLC (together, the "Initial Purchasers", which term shall also include any initial purchaser substituted as hereinafter provided in Section 11 hereof), for whom Merrill Lynch 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 5.00% Convertible Senior Notes due 2013 (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 U.S.\$300,000,000 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 U.S.\$45,000,000 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 July 23, 2008 (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, without par value, of the Company (the "Common Shares") 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 Closing Time (as defined in Section 2(b)), 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."

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 by (the "1933 Act Regulations") 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 dated July 16, 2008 (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 dated July 17, 2008 (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 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 B (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 8:00 A.M. (New York time) on July 18, 2008 or such other time as agreed by the Company and Merrill Lynch.

"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 Merrill Lynch 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 as required under Canadian securities laws and there have not been any disagreements within the meaning of National Instrument 51-102 since January 1, 2003 with any present or former auditors of the Company.

(iii) Financial Statements. The financial statements, together with the related schedules and notes, included 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, liabilities (contingent or otherwise), obligations (absolute, accrued or otherwise), capital, business affairs, or business prospects 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, other than those in the ordinary course of business, 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 has been duly continued, is validly existing as a corporation in good standing under the Canada Business Corporations Act, and 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. The Company 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.

(vi) List of Subsidiaries. All of the Subsidiaries of the Company are listed on Schedule D-2 hereto; all of the Company's Subsidiaries other than those listed on Schedule D-3 are either Subsidiary Guarantors or entities organized or incorporated under the laws of the PRC, 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.

(vii) Incorporation and Good Standing of Subsidiaries. Each Subsidiary of the Company 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. Each Subsidiary of the Company 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 described in Section 1(xliv) below, all of the issued shares of capital stock or registered capital, as the case may be, of each Subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and the shares of capital stock or registered capital, as the case may be, 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, except as otherwise described in the Disclosure Package and the Final Offering Memorandum.

(viii) Corporate Authority. The Company has 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 actual, authorized, issued and outstanding number of Common Shares as of March 31, 2008 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 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 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. 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 knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor 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 a Material Adverse Effect. Except as described in the Disclosure Package and the Final Offering Memorandum, the Company and each of its Subsidiaries has complied in all material respects with all applicable employment, labor and similar laws except for such non-compliances as would not, singly or in the aggregate, have a Material Adverse Effect.

(xvi) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, or any stock exchange, now pending, or, to the 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 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, 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 valid 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 so as to result in a Material Adverse Effect, in each case except as described 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 the plantation land use or other relevant plantation rights, as applicable, that are required or otherwise necessary under the PRC laws and regulations in order for such Subsidiary to own, lease or operate such plantation and conduct its wood fiber businesses in the manner described in, and contemplated by, the 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 the any of the Company's Subsidiaries, such Subsidiary has valid land use right certificates, building ownership certificate or other relevant title documents, and the construction, development, occupation and use of such plant, building or structure complies in all material respects with all the applicable laws and regulations except such as would not, singly or in the aggregate, result in a Material Adverse Effect.

(xxii) Environmental Laws. Except as described in the Disclosure Package and the Final Offering Memorandum and except such matters as would not, singly or in the aggregate, result in a Material Adverse Effect, (A) neither the Company nor any of its Subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mold (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the Company's Knowledge, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its Subsidiaries and (D) there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its Subsidiaries relating to Hazardous Materials or Environmental Laws.

(xxiii) 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 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.

(xxiv) Material Contracts. (A) All the master agreements or other contracts entered into by the Subsidiaries of the Company relating to the purchase of the rights to the trees on particular plantation land with or without a pre-emptive right to lease such plantation land, (i) all the long-term lease agreements entered into by any of the Company's Subsidiaries for tree plantations, (ii) all the share purchase or other investment agreements entered into by the Company and any of its Subsidiaries and (iii) all the master agreements, other contracts or arrangements between any of the Company's Subsidiaries and an authorized intermediary regarding the sales of standing timber, have been duly authorized, executed and delivered by the relevant Subsidiaries of the Company. 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. (B) All descriptions of material contracts or documents in the Disclosure Package and 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.

(xxv) Accounting Controls. Except as disclosed in the Disclosure Package and the Final Offering Memorandum, the Company and each of its Subsidiaries maintains a system of internal controls sufficient to provide reasonable assurances that: (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit the financial statements to be fairly presented in accordance with GAAP and to maintain accountability for assets; (C) access to its assets is permitted only in accordance with management's general or specific authorization; (D) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences; (E) the Company and each of its Subsidiaries has made and kept books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of such entity; and (F) 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) 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.

(xxvi) Accounting Policies, Liquidity and Capital Resources. The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" 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 "Management's Discussion and Analysis of Financial Condition and Results of Operations—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.

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

(xxviii) 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.

(xxix) 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").

(xxx) 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 to be registered under the 1933 Act.

(xxxi) Rule 144A Eligibility. The Securities are eligible for resale pursuant to Rule 144A and will not be, at 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.

(xxxii) 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, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the 1933 Act.

(xxxiii) 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 under the 1933 Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "1939 Act").

(xxxiv) No Directed Selling Efforts. With respect to those offered Securities 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.

(xxxv) Foreign Issuer. The Company is a "foreign issuer" within the meaning of Rule 902 under the Securities Act and reasonably believes there is no "substantial U.S. market interest" in the 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.

(xxxvi) 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.

(xxxvii) Anti-Corruption Practices. None of the Company, any of the Subsidiaries or, to the knowledge of the Company, any officers, directors, supervisors, managers, agents or employees of the Company or any of its Subsidiaries has, directly or indirectly, (i) made, promised or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality in Canada, the PRC, Hong Kong, the United States, the British Virgin Islands or any other jurisdiction for the purpose of influencing any act or decision of such official or of the government to obtain or retain business, or direct business to the Company or any of its Subsidiaries, or otherwise in contravention of applicable law, or (ii) made any contribution to any candidate for public office where either the payment or the purpose of such contribution, payment or gift constitutes bribery in breach of applicable laws of Canada, the PRC, Hong Kong, the United States, the British Virgin Islands or any other jurisdiction or otherwise was or is prohibited under any applicable law, rule or regulation of any locality; and the Company and its Subsidiaries and Affiliates (as hereafter defined) have conducted this business in compliance with applicable anti-corruption laws.

(xxxviii) OFAC. Neither the Company, nor any of its Subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company or its Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(xxxix) Related Party Transactions. The statements set forth in the Disclosure Package and the Final Offering Memorandum under the captions "Related Party Transactions" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Related Party Transactions" are true and accurate in all material respects and there are no other facts known or which could on reasonable enquiry have been known to the Company, the omission of which would make any such statements misleading in any material respect. 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.

(xl) 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 Toronto Stock Exchange (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.

(xli) 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 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.

(xlii) Registered Capital of PRC Subsidiaries. Each of the Company's Subsidiaries in the People's Republic of China (the "PRC") has been duly established as a wholly foreign owned enterprises (each, a "WFOE" and, collectively the "WFOEs") or a PRC limited company invested by WFOE (each, a "PRC Limited Company Subsidiary" and, collectively the "PRC Limited Company Subsidiaries"; together with the WFOEs, the "PRC Subsidiaries") in compliance with applicable PRC laws and regulations; the registered capital of each of the PRC Subsidiaries has been subscribed in full with one exception as referred to below, 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 (Yunnan) Trading Co., Ltd. in due course in accordance with PRC laws and regulations.

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

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

(xlv) CJV Conversion. The events and transactions (the "CJV Conversion") set forth in the Disclosure Package and the Final Offering Memorandum under the caption "Business—Our Wood Fiber Operations—Planted Tree Plantations" relating to the conversion of the corporate form of certain PRC Subsidiaries of the Company from cooperative joint venture into wholly foreign-owned enterprise 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.

(xlvii) Dividends by PRC Subsidiaries. Each of the WFOEs 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 New 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.

(xlviii) Shareholder Loans to PRC Subsidiaries. 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 New 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.

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

(l) Prohibition on Dividends. No 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 subsidiary upon the requisite approval procedures for such transferring, except for Sino-Panel (Yunnan) Trading Co., Ltd., whose registered capital has been partially paid up and the dividend payments and remittances for which shall be made in proportion to the paid-up contribution of its registered capital, and except as otherwise described in the Disclosure Package and the Final Offering Memorandum.

(2) Absence of Off-Balance Sheet Transactions. Other than as disclosed in the financial statements referred to in Section 1(a)(iii) and in the Disclosure Package and the Final Offering Memorandum, there are no 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 and any of its Subsidiaries, taken as a whole.

(ii) 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 Section 1(a)(iii), which would result in a Material Adverse Effect.

(lii) 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. The irrevocable and unconditional waiver and agreement of the Company in Section 17 of this Agreement by which the Company agrees not to plead or claim any such immunity in any legal action, suit or proceeding based on this Agreement is not in violation of the laws of the PRC.

(liii) Tax Returns. Other than 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 for such amounts that are being contested in good faith by the Company or its Subsidiaries or for such failures to pay or provide as would not, singly or in the aggregate, have a Material Adverse Effect; other than 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.

(liv) 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 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 Purchase 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.

(iv) 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.

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

(lvii) 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 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 (as defined in Section 17 hereof) 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.

(lviii) 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 Securities, as the case may be, in any New York Court (as defined in Section 17 hereof).

(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 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, and 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. The Subsidiary Guarantor 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(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 by the Subsidiary Guarantor, and when executed and delivered by the Subsidiary Guarantor, will constitute a valid and binding agreement of the Subsidiary Guarantor enforceable against the Subsidiary Guarantor 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).

(vii) Authorization of the Indenture. The Indenture has been duly authorized by the Subsidiary Guarantor and, when executed and delivered by the Subsidiary Guarantor and other parties thereto, will constitute a valid and binding agreement of the Subsidiary Guarantor, enforceable against the Subsidiary Guarantor 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).

(viii) Investment Company Act. The Subsidiary Guarantor is not, and after giving effect to the Offering 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" under 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 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, 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 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 the Representative 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, severally and not jointly, 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 A, the aggregate principal amount of Initial Securities set forth in Schedule B 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 U.S.\$45,000,000 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 Merrill Lynch 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 Merrill Lynch, 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 Merrill Lynch 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 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 or at such other place as shall be agreed upon by the Representative and the Company, at 9:00 A.M. (New York time) on the fourth 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 the Representative 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 the Representative and the Company, on each Date of Delivery as specified in the notice from the Representative 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 the Representative 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 the Representative, 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. Merrill Lynch, 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 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 (U.S.\$1,000 or integral multiples of U.S.\$1,000 in excess thereof) as the Representative 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 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 the Representative, 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 the Representative, 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 90 days from the date of the Final Offering Memorandum (the "Lock-up Period"), the Company shall not, and shall cause any of its Subsidiaries not to, without the prior written consent of Merrill Lynch, 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, or (C) upon the conversion or exercise of the Notes or securities outstanding on the date hereof.

(h) *PORTAL Designation* The Company will use its best efforts to permit the Notes to be designated PORTAL securities in accordance with the rules and regulations adopted by the Financial Industry Regulatory Authority, Inc. ("FINRA") relating to trading in the PORTAL Market.

(i) *Listing on Securities Exchange.* The Company will use its best efforts to cause all Common Shares issuable upon conversion of the Notes to be listed for trading on the TSX.

(j) *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 Common Shares upon conversion of the Notes.

(k) *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 the Representative.

SECTION 4. Payment of Expenses.

(a) *Expenses.* 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 or other applicable clearing system in connection therewith, (iv) the fees and disbursements of the Company's and any Subsidiary Guarantor's counsel, accountants and other advisors, (v) only in the event that the offering of the Securities as contemplated by this Agreement is terminated or otherwise not consummated, the 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) any fees and expenses payable in connection with the initial and continued designation of the Securities as PORTAL securities under the PORTAL Market Rules pursuant to FINRA Rule 5322, (x) 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, (xi) 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, (xii) all costs and expenses related to the preparation, filing and distribution of any announcements related to the offering of the Securities, (xiii) any fees payable in connection with the rating of the Securities, and (xiv) 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 the Representative 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 Closing Time, the Representative shall have received (A) the favorable opinions, dated as of 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, to the effect set forth in Exhibit A-3 hereof, in each case, in form and substance satisfactory to the Representative; and (B) a signed copy of the opinion, dated as of Closing Time, of Jingtian & Gongcheng, counsel for the Company as to PRC law, in form and substance satisfactory to the Representative 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 the Representative and the Initial Purchasers' U.S. counsel at 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 Closing Time, the Representative shall have received the favorable opinions, dated as of 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, 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 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 the Representative 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 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 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 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 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 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 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 Closing Time in all material respects.

(d) *Accountants' Comfort Letter.* At the time of the execution of this Agreement, the Representative 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 the Representative, 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 Closing Time, the Representative shall have received from Ernst & Young LLP a letter, dated as of 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 three business days prior to Closing Time.

(f) *PORTAL.* At the Closing Time, the Notes shall have been designated for trading on PORTAL.

(g) *Conditional Approval of Listing on TSX.* At 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.

(h) *Maintenance of Rating.* At the Closing Time, the Securities shall be rated at least "Ba2" by Moody's Investors Service, and the Company shall have delivered to the Representative a letter dated the Closing Time, from each such rating agency, or other evidence satisfactory to the Representative, 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.

(i) *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.

(j) *DTC.* The Securities shall have been declared eligible for clearance and settlement through DTC.

(k) *Appointment of Service of Process Agent.* Law Debenture Corporate Services Inc. shall have accepted, on or prior to 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.

(l) *Subsidiary Guarantor Shareholder Approval.* Each Subsidiary Guarantor shall have provided to the Representative, approvals from the shareholders of the Subsidiary Guarantor approving the issuance by such Subsidiary Guarantor of its Subsidiary Guarantee.

(m) *Transfer of Cash.* At or prior to the Closing Time, the Company shall have caused the transfer of cash and cash equivalents in a total amount of approximately US\$100 million from Sino-Capital Global Inc. to Sino-Forest Resources Inc. so that the Non-consolidated Cash of Initial Non-Guarantor Subsidiaries at the Closing Time accounts for no more than 10% of the Consolidated Cash of the Company based on the most recently available non-consolidated financial statements of such Initial Non-Guarantor Subsidiaries and consolidated financial statements of the Company. Unless otherwise

defined in this Agreement, capitalized terms used in this clause shall have the same meanings as given to them in the Final Offering Memorandum under the caption "Description of the Notes—The Subsidiary Guarantees."

(n) *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, the Representative 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 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 the Representative dated the date of such Date of Delivery, substantially in the same form and substance as the certificate delivered to the Representative 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 three 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, (2) Linklaters, counsel for the Company and certain Subsidiary Guarantors as to United States, Hong Kong and English law and (3) Appleby, counsel for the Company and certain Subsidiary Guarantors as to the laws of the British Virgin Islands, in form and substance satisfactory to the Representative, 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 the Representative, 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, 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 the Representative and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Representative 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.

(o) Additional Documents. At 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 the Representative and counsel for the Initial Purchasers.

(p) 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 Representative by notice to the Company and the Subsidiary Guarantors at any time at or prior to 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 Sections 1, 7, 8, 9, 12, 16, 17, 18, 20, 21 and 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 establish and agree 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.

(iii) Purchases by Non-Bank Fiduciaries. In the case of a non-bank Subsequent Purchaser of a Security acting as a fiduciary for one or more third parties, each third party shall, in the judgment of the applicable Initial Purchaser, be a qualified institutional buyer, as defined in Rule 144A under the 1933 Act ("QIB") or a person outside the United States.

(iv) Subsequent Purchaser Notification. Each Initial Purchaser 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.

(v) Minimum Principal Amount. No sale of the Notes to any one Subsequent Purchaser will be for less than U.S.\$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 U.S.\$1,000 principal amount of the Notes.

(vi) 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 by the Company to the Initial Purchasers, (ii) the resale of the offered Securities by the Initial Purchasers to Subsequent Purchasers or (iii) the resale of the offered Securities 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 Common Shares to be issued upon conversion of the Notes, 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 Common 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 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 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 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. Terms used in this paragraph have the meanings given to them by Regulation S.

(e) *European Economic Area.* In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Initial Purchaser severally represents and agrees that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Offering Memorandum to the public in that Relevant Member State other than:

(i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(iii) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the manager for any such offer; or

(iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Securities shall require the Company or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

(f) *United Kingdom.* Each Initial Purchaser severally represents and agrees that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Company or any Subsidiary Guarantor and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

(g) *Hong Kong.* Each Initial Purchaser severally represents and agrees that it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), by means of any document, any Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the

"Securities Ordinance") and any rules made under the Securities Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of such ordinance; and (B) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities which is directed at, or the contents of which are likely to be accessed or read by the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities Ordinance and any rules made under that ordinance.

(h) *Singapore.* Each Initial Purchaser acknowledges that the Offering Memorandum or any other materials distributing by it has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS") under the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and that the Securities will be offered in Singapore pursuant to exemptions under Section 274 and 275 of the SFA. Accordingly, each Initial Purchaser severally represents and agrees that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell the Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA; (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person who is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor under the SFA; or

(ii) a trust (where the trustee is not an accredited investor under the SFA) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor under the SFA,

the shares, debentures or units of shares and debentures of that corporation, or the beneficiaries' rights and interest in that trust, as the case may be, shall not be transferable for six months after that corporation or that trust has so acquired the Securities unless:

(1) the transfer is to an institutional investor under Section 274 of the SFA, or to a relevant person or to any person under Section 275(1) and Section 275(1A) of the SFA respectively, and in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

(i) *Japan.* The Securities have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law") and each Initial Purchaser severally

represents and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan.

(j) *Canada.* Each Initial Purchaser severally represents and agrees that it will not transfer, sell, or otherwise dispose of Notes, or Common Shares issuable on conversion of the Notes (or any legal or beneficial interest therein), in, or to a resident of, Canada, or through a Canadian stock exchange or over-the-counter trading market operating in Canada, until the date this is four months and one day following the Closing Time, unless such transfer, sale, or other disposition is made to a person that is an accredited investor within the meaning of National Instrument 45-106 of the Canadian Securities Administrators or unless the principal amount of Securities or Common Shares transferred, sold or otherwise disposed of is in a principal amount that is not less than C\$150,000.

(k) *PRC.* Each Initial Purchaser severally represents and agrees that it has not made and will not make any offer or sale of the Securities within the PRC by means of the Offering Memorandum or any other document.

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 Merrill Lynch), 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 Merrill Lynch 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 Merrill Lynch 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 Merrill Lynch 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 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.* The Representative may terminate this Agreement, by notice to the Company and the Subsidiary Guarantors, at any time at or prior to 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 the Representative, 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 FINRA or any other governmental authority, or (iv) a material disruption has occurred in commercial banking or securities settlement or clearance services in Canada, the United States, Japan, the United Kingdom, Hong Kong, PRC, Singapore or with respect to Clearstream Bank, société anonyme and Euroclear Bank S.A./N.V., as operator of the Euroclear System, or (v) if a banking moratorium has been declared by any Canadian, United States Federal or New York State, Japan, United Kingdom, European Central Bank, Hong Kong, PRC or Singapore authorities.

(b) *Liabilities.* If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 7, 8, 9, 12, 16, 17, 18, 20, 21 and 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 Closing Time to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Representative 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, the Representative 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 the Representative or the Company shall have the right to postpone 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 Merrill Lynch, Pierce, Fenner & Smith Incorporated at 4 World Financial Center, New York, New York 10080, United States, Facsimile: (212) 449-3027, Attention: Global Origination Counsel, with a simultaneous copy to: Merrill Lynch (Asia Pacific) Limited at 15/F Citibank Tower, 3 Garden Road, Hong Kong, Facsimile: (852) 2161-7393; and notices to the Company or any Subsidiary Guarantor shall be directed to it at 3815-29, 38th Floor, Sun Hung Kai Center, 30 Harbour Road, Wanchai, Hong Kong, Facsimile: (852) 2877-0062, Attention: Emilia Sin, Legal Affairs Manager.

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 Sections 7 and 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 SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

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

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

(c) To the extent that the Company, the Company's Subsidiaries or any of the Company's or its Subsidiaries' respective properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal

action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the competent jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any competent jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement and the transactions contemplated hereby, the Company and each of the Subsidiary Guarantors hereby irrevocably and unconditionally waives, and agrees not to plead or claim, and procures to so waive and not to please or claim, to the fullest extent permitted by law, any such immunity and consent to such relief and enforcement.

SECTION 18. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder into any currency other than United States dollars, the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be the rate at which in accordance with normal banking procedures an Initial Purchaser could purchase United States dollars with such other currency in The City of New York on the business day immediately preceding that on which final judgment is given. The obligation of the Company or any Subsidiary Guarantor with respect to any sum due from it to any Initial Purchaser or any person controlling such Initial Purchaser shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first business day following receipt by such Initial Purchaser or controlling person of any sum in such other currency, and only to the extent that such Initial Purchaser or controlling person may in accordance with normal banking procedures purchase United States dollars with such other currency. If the United States dollars so purchased are less than the sum originally due to such Initial Purchaser or controlling person hereunder, each of the Company and the Subsidiary Guarantors agrees, jointly and severally, as a separate obligation and notwithstanding any such judgment, to indemnify such Initial Purchaser or controlling person against such loss. If the United States dollars so purchased are greater than the sum originally due to any Initial Purchaser or controlling person hereunder, such Initial Purchaser or controlling person agrees to pay to the Company or the relevant Subsidiary Guarantor, as applicable, an amount equal to the excess of the dollars so purchased over the sum originally due to such Initial Purchaser or controlling person hereunder.

SECTION 19. TIME. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 20. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

SECTION 21. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 22. Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

[INTENTIONALLY LEFT BLANK BELOW]



If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Initial Purchaser, the Company and the Subsidiary Guarantors in accordance with its terms.

Sino-Forest Corporation

By:

Name:
Title:



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 Purchaser, the Company and the Subsidiary Guarantors in accordance with its terms.

Sino-Panel Holdings Limited

By: [Signature]
Name:
Title:

Sino-Panel (Asia) Inc.

By: [Signature]
Name:
Title:

Sino-Panel (Guoyao) Ltd.

By: [Signature]
Name:
Title:

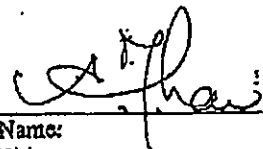
SFR (China) Inc.

By: [Signature]
Name:
Title:

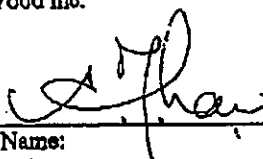
Sino-Wood Partners, Limited

By: [Signature]
Name:
Title:

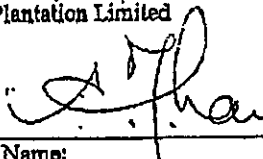
Sino-Forest Resources Inc.

By: 
Name:
Title:

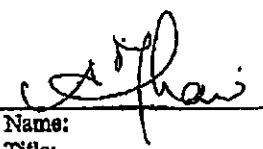
Suri-Wood Inc.

By: 
Name:
Title:

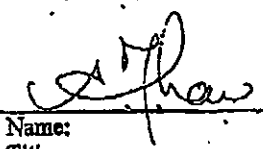
Sino-Plantation Limited

By: 
Name:
Title:

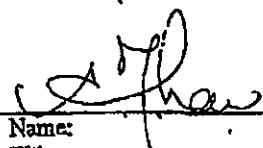
Sino-Wood (Guangxi) Limited

By: 
Name:
Title:

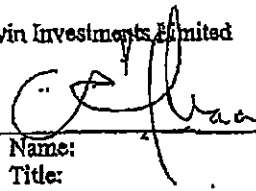
Sino-Wood (Jiangxi) Limited

By: 
Name:
Title:

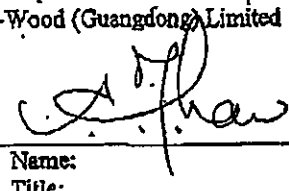
Sino-Global Holdings Inc.

By: 
Name:
Title:

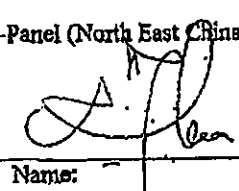
Sinowin Investments Limited

By: 
Name:
Title:

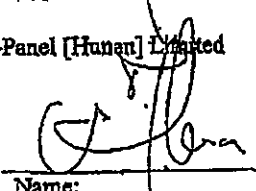
Sino-Wood (Guangdong) Limited

By: 
Name:
Title:

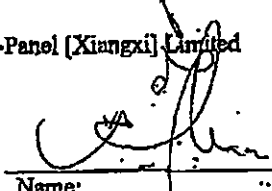
Sino-Panel (North East China) Limited

By: 
Name:
Title:

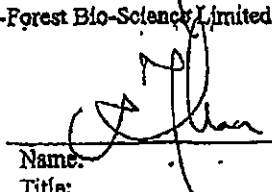
Sino-Panel (Hunan) Limited

By: 
Name:
Title:

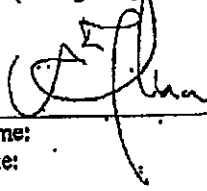
Sino-Panel (Xiangxi) Limited

By: 
Name:
Title:

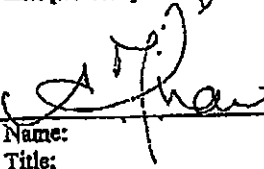
Sino-Forest Bio-Science Limited

By: 
Name:
Title:

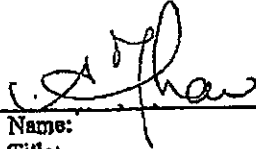
Sino-Panel (Guangzhou) Limited

By: 
Name: _____
Title: _____

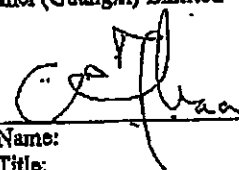
Sino-Panel [Suzhou] Limited

By: 
Name: _____
Title: _____

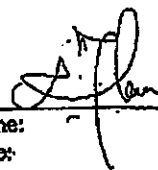
Sino-Panel (Yunnan) Limited

By: 
Name: _____
Title: _____

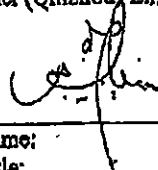
Sino-Panel (Guangxi) Limited

By: 
Name: _____
Title: _____

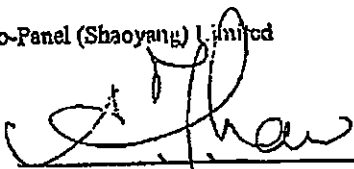
Sino-Panel (Guizhou) Limited

By: 
Name: _____
Title: _____

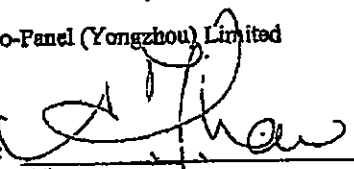
Sino-Panel (Qinzhou) Limited

By: 
Name: _____
Title: _____

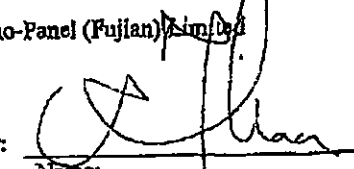
Sino-Panel (Shaoyang) Limited

By: 
Name: _____
Title: _____

Sino-Panel (Yongzhou) Limited

By: 
Name: _____
Title: _____


Sino-Panel (Fujian) Limited

By: 
Name: _____
Title: _____

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

For itself and as Representative of
the other Initial Purchaser named
in Schedule A hereto

By: 
Name: Soafian Zuberi
Authorized Signatory

SCHEDULE A

Name of Initial Purchaser	Principal Amount of Securities
Merrill Lynch, Pierce, Fenner & Smith Incorporated	US\$216,600,000
Credit Suisse Securities (USA) LLC	US\$ 83,400,000
Total	<u>US\$300,000,000</u>

SCHEDULE B

Sino-Forest Corporation
US\$300,000,000 5.00% Convertible Senior Notes due 2013

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 97.61% of the principal amount thereof.
3. The interest rate on the Securities shall be 5.00% per annum.
4. With respect to US\$60,000,000 principal amount of the Initial Securities to be purchased by Merrill Lynch and resold to an Affiliate of Merrill Lynch, Merrill Lynch will reimburse the Company US\$621,209, which is equal to the selling concession to be charged by Merrill Lynch in respect to such Initial Securities.

SCHEDULE C

Pricing Supplement

Sino-Forest Corporation

US\$300,000,000

5% Convertible Senior Notes due 2013

Date: July 17, 2008

Issuer:	Sino-Forest Corporation
Securities Offered:	5% Convertible Senior Notes due 2013
Subsidiary Guarantors:	Certain of the Issuer's non-PRC subsidiaries, as described in the Preliminary Offering Memorandum
TSX Symbols for the Issuer's Common Shares:	"TRE" and "TRE.S"
Rating:	Moody's "(P)Ba2". Such rating is provisional and subject to change.
Principal Amount Offered:	US\$300,000,000
Over-allotment Option:	US\$45,000,000
Maturity:	August 1, 2013
Issuer Redemption Right:	None
Investor Put Dates:	None
Annual Interest Rate:	5.00%
Interest Payment Dates:	February 1 and August 1, beginning February 1, 2009
Principal Amount per Note:	US\$1,000
Issue Price:	100% of principal amount plus accrued interest, if any
Conversion Premium:	35%
Last Sale Price on the TSX (07/17/08):	Cdn\$15.05
Fixed Exchange Rate:	US\$1.00 = Cdn\$1.0016
Conversion Price:	Approximately Cdn\$20.32 (Approximately 135% of the Last Sale Price)
Conversion Rate:	49.2974
Conversion Rate Cap:	64.6000

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Initial Purchasers:	Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") Credit Suisse Securities (USA) LLC The purchase price to be paid by the Initial Purchasers for the Notes in this offering will be 97.61% of the principal amount thereof. Merrill Lynch is selling US\$60 million principal amount of Notes to an affiliate. With respect to the US\$60 million principal amount of the Notes to be purchased by Merrill Lynch and resold to its affiliate, Merrill Lynch will reimburse the Issuer US\$621,209, which is equal to the selling concession Merrill Lynch will charge in respect of these Notes.
Trade Date:	July 17, 2008
Settlement Date:	July 23, 2008
CUSIP:	Rule 144A Notes: 82934H AB7 Regulation S Notes: C83912 AB8
ISIN:	Rule 144A Notes: US82934HAB78 Regulation S Notes: USC83912AB84

Make Whole Premium:

The following table shows what the make whole premium, expressed as additional common shares per US\$1,000 principal amount of notes, would be in connection with certain fundamental changes for each hypothetical stock price paid per common share in the fundamental change transaction and effective date of the fundamental change set forth below:

Make Whole Premium (Number of Additional Shares)

Stock Price on Effective Date	July 23, 2008	August 1, 2009	August 1, 2010	August 1, 2011	August 1, 2012	August 1, 2013
US\$15.03	15.3026	15.3026	15.3026	15.3026	15.3026	15.3026
US\$20.00	10.7275	9.6933	8.5057	7.0717	5.1085	0.7159
US\$25.00	7.6868	6.6954	5.5254	4.0838	2.2449	0.0000
US\$30.00	5.9931	5.1345	4.1251	2.9096	1.5037	0.0000
US\$35.00	4.9408	4.1978	3.3606	2.3440	1.2161	0.0000
US\$40.00	4.2112	3.5723	2.8402	1.9885	1.0414	0.0000
US\$45.00	3.6548	3.1028	2.4683	1.7310	0.9109	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\$45.00 per share, subject to adjustment as described below, no make whole premium will be paid; and

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- if the stock price on the effective date is less than US\$15.03 per share, (subject to adjustment as described below, no make whole premium will be paid.

Notwithstanding the foregoing, in no event will the total number of common shares issuable upon conversion exceed 64,6000 per US\$1,000 principal amount of notes, subject to adjustment in the same manner as the conversion rate.

Certain information in the Preliminary Offering Memorandum is hereby updated, amended and superseded as follows:

(1) The first sentence of the third paragraph on page 14 of the Preliminary Offering Memorandum under the caption "Risk Factors – Risks Related to Our Business – We are subject to risks presented by fluctuations in exchange rates" is updated as follows:

"At March 31, 2008 (after giving pro forma effect to the application of the proceeds of the Notes on the completion of this offering and assuming the Initial Purchasers do not exercise their over-allotment option), our total long-term debt was US\$743.3 million of which a significant amount was denominated in currencies other than Renminbi, including US\$742.5 million denominated in U.S. dollars."

(2) USE OF PROCEEDS

(i) The first sentence and the third bullet point in the second sentence in the subsection marked "Use of Proceeds" on page 7 of the Preliminary Offering Memorandum are updated respectively as follows:

"We estimate that the net proceeds from the offering of the Notes will be approximately US\$291.0 million (or approximately US\$335.0 million if the Initial Purchasers' over-allotment option is exercised in full), after deducting the Initial Purchasers' discount and offering expenses payable by us."

"As to the balance, which represents approximately US\$46.0 million, for general corporate purposes."

(ii) The first sentence and the third clause in the second sentence of the section marked "Use of Proceeds" on page 34 of the Preliminary Offering Memorandum are updated respectively as follows:

"We estimate that the net proceeds from this offering, after deducting the Initial Purchasers' underwriting commissions and the other estimated expenses payable in connection with this offering, will be approximately US\$291.0 million (or approximately US\$335.0 million if the Initial Purchasers' over-allotment option is exercised in full)."

"As to the balance, which represents approximately US\$46.0 million, for general corporate purposes."

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 NOTES OR COMMON SHARES ISSUABLE UPON CONVERSION OF THE NOTES BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFERING OR SOLICITATION. THE NOTES DESCRIBED HEREIN AND THE COMMON SHARES ISSUABLE UPON CONVERSION OF THE 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 NOTES ARE SO REGISTERED OR THE NOTES ARE SOLD TO QUALIFIED INSTITUTIONAL BUYERS PURSUANT TO RULE 144A OR OUTSIDE OF THE UNITED STATES IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATIONS OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS IS AVAILABLE.

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The information in this term sheet supplement the Company's Preliminary Offering Memorandum, dated July 16, 2008 (the "Preliminary Offering Memorandum"). This term sheet is qualified in its entirety by reference to the Preliminary Offering Memorandum. Terms used herein but not defined herein shall have the respective meanings as set forth in the Preliminary Offering Memorandum.

SCHEDULE D-1

List of the Subsidiary Guarantors

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

1. Sino-Panel Holdings Limited
2. Sino-Panel (Asia) Inc.
3. Sino-Panel (Gaoyao) Ltd.
4. SFR (China) Inc.
5. Sino-Wood Partners, Limited
6. Sino-Forest Resources Inc.
7. Suri-Wood Inc.
8. Sino-Plantation Limited
9. Sino-Wood (Guangxi) Limited
10. Sino-Wood (Jiangxi) Limited
11. Sino-Wood (Guangdong) Limited
12. Sino-Global Holdings Inc.
13. Sino-Panel (North East China) Limited
14. Sinowin Investments Limited
15. Sino-Panel [Hunan] Limited
16. Sino-Panel [Xiangxi] Limited
17. Sino-Panel Bio-Science Limited
18. Sino-Panel (Guangzhou) Limited
19. Sino-Panel [Suzhou] Limited
20. Sino-Panel (Yunnan) Limited
21. Sino-Panel (Guangxi) Limited
22. Sino-Panel (Guizhou) Limited
23. Sino-Panel (Qinzhou) Limited

Sch D-1-1

24. Sino-Panel (Shaoyang) Limited
25. Sino-Panel (Yongzhou) Limited
26. Sino-Panel (Fujian) Limited

SCHEDULE D-2
LIST OF THE SUBSIDIARIES

Set out below is a list of all of the Subsidiaries:

1. Sino-Panel Holdings Limited (BVI)
2. Sino-Panel (Asia) Inc. (BVI)
3. Sino-Panel (Guangxi) Limited (BVI)
4. Hunan Jiayu Wood Products (HongJiang) Co. Limited (PRC) (WFOE)
5. Sino-Panel (North Sea) Limited (BVI)
6. Sino-Panel [Suzhou] Limited (BVI)
7. Sino-Panel (Yunnan) Limited (BVI)
8. Sino-Panel [Hunan] Limited (BVI)
9. Sino-Panel (Gaoyao) Limited (BVI)
10. SFR (China) Inc. (BVI)
11. Sino-Panel [Xiangxi] Limited (BVI)
12. Sino-Panel (North East China) Limited (BVI)
13. Hunan Jiayu Wood Products Co. Limited (PRC) (WFOE)
14. Sino-Panel (Luzhai) Co. Limited (PRC) (WFOE)
15. Sino-Panel (Beihai) Development Co. Limited (PRC) (WFOE)
16. Zhangjiagang Free Trade Zone Jiashen International Trading Co. Limited (PRC) (WFOE)
17. Sino-Panel (Gengma) Co. Limited (PRC) (WFOE)
18. Shaoyang Jiading Wood Products Co. Limited (PRC) (WFOE)
19. Guangdong Jiayao Wood Products Development Co. Limited (PRC) (WFOE)
20. Jiafeng Wood (Suzhou) Co. Limited (PRC) (WFOE)
21. Xiangxi Autonomous State Jiayi Forestry Development Co. Limited (PRC) (WFOE)
22. Heilongjiang Jiamu Panel Co. Limited (PRC) (WFOE)
23. Sino-Global Holdings Inc. (BVI)
24. Grandeur Winway Limited (BVI)
25. Sino-Maple (Shanghai) Co. Limited (PRC) (WFOE)

Sch D-2-1

26. Sino-Maple (Shanghai) Trading Co. Limited (PRC) (WFOE)
27. Sinowin Investments Limited (BVI)
28. Sinowin Plantings (Suzhou) Co. Limited (PRC) (WFOE)
29. Sino-Wood Partners Limited (HK)
30. Dynamic Profit Holdings Limited (BVI)
31. Sino-Forest Investments Limited (BVI)
32. Sino-Forest (China) Investments Limited (PRC) (WFOE)
33. Sino-Forest (Heyuan) Co. Limited (PRC) (WFOE)
34. Sino-Forest (Guangzhou) Co. Limited (PRC) (WFOE)
35. Sino-Forest (Guangzhou) Trading Co. Limited (PRC) (WFOE)
36. Sino-Forest (Suzhou) Trading Co. Limited (PRC) (WFOE)
37. Sino-Forest (Anhui) Co. Limited (PRC) (WFOE)
38. Sino-Forest Resources Inc. (BVI)
39. Sino-Plantation Limited (HK)
40. Sino-Wood (Guangxi) Limited (HK)
41. Guangxi Guijia Forestry Co. Limited (PRC) (WFOE)
42. Sino-Wood (Jiangxi) Limited (HK)
43. Jiangxi Jiachang Forestry Development Co. Limited (PRC) (WFOE)
44. Sino-Wood (Guangdong) Limited (HK)
45. Heyuan Jiabe Forestry Development Co. Limited (PRC) (WFOE)
46. Gaoyao Jiayao Forestry Development Co. Limited (PRC) (WFOE)
47. Sino-Wood (Fujian) Limited (HK)
48. Zhangzhou Jiamin Forestry Development Co. Limited (PRC) (WFOE)
49. Suri-Wood Inc. (BVI)
50. Sino-Panel Corporation (Canada)
51. Sino-Capital Global Inc. (BVI)
52. Sinowood Limited (Cayman Islands)
53. Sino-Forest Bio-Science Limited (BVI)
54. Sino-Panel (Huaihua) Limited (BVI)

55. Sino-Panel (Qinzhou) Limited (BVI)
56. Sino-Panel (Guizhou) Limited (BVI)
57. Sino-Panel (Yongzhou) Limited (BVI)
58. Sino-Panel (Fujian) Limited (BVI)
59. Sino-Panel (Shaoyang) Limited (BVI)
60. Sino-Panel (Guangzhou) Limited (BVI)
61. Sino-Biotechnology (Guangzhou) Co. Limited (PRC) (WFOE)
62. Sino-Panel (Guangxi) Development Co. Limited (PRC) (WFOE)
63. Sino-Panel (Hezhou) Co. Limited (PRC) (WFOE)
64. Sino-Panel (Sanjiang) Co. Limited (PRC) (WFOE)
65. Sino-Panel (Yunnan) Trading Co. Limited (PRC) (WFOE)
66. Sino-Panel (Guangzhou) Trading Co. Ltd (PRC) (WFOE)
67. Hunan Jiayu Wood Products (Zhijiang) Co. Limited (PRC) (WFOE)
68. Sino-Panel (Yuanling) Co. Limited (PRC) (WFOE)
69. Sino-Panel (Jianghua) Co. Limited (PRC) (WFOE)
70. Beihai Changqing Wooden Co. Limited (PRC) (Limited Company)
71. Suzhou City Lvyun Garden Engineering Co. Limited (PRC) (Limited Company)
72. Sinowood Holdings Limited (Cayman Islands)
73. Sinowood Finance Limited (BVI)
74. Khan Forestry Inc. (BVI)

SCHEDULE D-3

LIST OF NON-GUARANTOR SUBSIDIARIES ORGANIZED OUTSIDE THE PRC

Set out below is a list of all of the Non-Guarantor Subsidiaries Organized Outside the PRC:

1. Sino-Capital Global Inc. (BVI)
2. Dynamic Profit Holdings Limited (BVI)
3. Sino-Forest Investments Limited (BVI)
4. Grandeur Winway Limited (BVI)
5. Sinowood Limited (Cayman Islands)
6. Sino-Wood (Fujian) Limited (HK)
7. Sino-Panel (North Sea) Limited (BVI)
8. Sino-Panel (Huaihua) Limited
9. Sino-Panel Corporation (Canada)
10. Sinowood Holdings Limited (Cayman Islands)
11. Sinowood Finance Limited (BVI)
12. Khan Forestry Inc. (BVI)

Exhibit A-1

FORM OF OPINION OF AIRD & BERLIS LLP
TO BE DELIVERED PURSUANT TO
SECTION 5(a)

July <*>, 2008

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
15/F, Citibank Tower
Citibank Plaza
3 Garden Road, Central,
Hong Kong

Credit Suisse Securities (USA) LLC
Three Exchange Square
22nd Floor
8 Connaught Place, Central
Hong Kong

Davis Polk & Wardwell
The Hong Kong Club Building
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\$<*> <*>% Convertible Senior Notes

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 Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Representative") and Credit Suisse Securities (USA) LLC (together, the "Initial Purchasers") of US\$<*> <*>% convertible senior notes (the "Purchased Notes") and the over-allotment option to purchase up to an additional US\$<*> <*>% 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 July <*>, 2008 between the subsidiaries of the Company listed on Schedule D-1 to the Purchase Agreement (collectively, the "Subsidiary Guarantors"), the Company and the Representative.

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 July 16, 2008 (the "Preliminary Offering Memorandum") as supplemented by the final pricing term sheet attached as Schedule B to the Purchase Agreement (together with the Preliminary Offering Memorandum, the "Disclosure Package");
- (b) the final offering memorandum of the Company dated July <*>, 2008 (the "Final Offering Memorandum"); and
- (c) an executed indenture (the "Indenture") dated July <*>, 2008 between the Company, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee (the "Trustee").

A-I-1

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 July <*>, 2008 (the "Certificate of Compliance"); and
- (c) a letter dated July <*>, 2008 (the "TSX Letter") from the Toronto Stock Exchange (the "TSX") conditionally approving the listing 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 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 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 or the Indenture 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 Laws") in accordance with its terms;
- (i) that the New York Laws are 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 Laws as the governing law of the Indenture, the Notes and the Purchase Agreement is legal under the New York Laws; and
- (k) with respect to the opinions set forth in paragraphs 15, 16 and 17, that the Common Shares are listed on the TSX at all relevant times.

We have assumed due compliance with all matters of the New York Laws 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 Laws 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 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 opinion expressed in paragraph 19 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 July <*>, 2008 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.

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 an 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 for 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. 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.
8. 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.
9. 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.
10. To our knowledge, the Company does not have any material subsidiaries organized under the laws of Canada or a province or territory of Canada.
11. 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.

12. 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.
13. 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.
14. 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 such purchaser, to the Ontario Securities Commission within 10 days after 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.
15. 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.
16. 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.

17. 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.
18. 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.
19. The statements made in the Disclosure Package and the Final Offering Memorandum under the caption "Description of 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.
20. 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.
21. 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 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 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.

22. 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 status; and
- (d) has been satisfied or is void or voidable under New York Law; and

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.

23. 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,

Exhibit A-2

FORM OF OPINION OF
LINKLATERS
TO BE DELIVERED PURSUANT TO SECTION 5(a)

Linklaters U.S. Opinion (1)

Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center
New York, New York 10080
United States
("Merrill Lynch")

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010
United States
("Credit Suisse", and together with Merrill Lynch,
the "Initial Purchasers")

July [•], 2008

Dear Sirs

Sino-Forest Corporation (the "Issuer")
[•] % Convertible Senior Notes due 2013 (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-Global Holdings Inc. (BVI), Sinowin Investments Limited (BVI), Sino-Wood (Guangdong) Limited (H.K.), 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), and Sino-Panel (Fujian) Limited (BVI) (the "Subsidiary Guarantors")
Convertible into common shares, no par value (the "Common Shares"), of the Issuer

A-2-1

- 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 July [•], 2008 (the "Purchase Agreement") relating to the offer and sale of the Notes, guaranteed as to payment of principal and interest by the Subsidiary Guarantors (the "Guarantees"). The Notes and the Guarantees are being issued pursuant to the Indenture dated as of July [•], 2008 (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 authorised, 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.), and Sino-Wood (Guangdong) 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), and Sino-Panel (Fujian) 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, reorganisation, 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 July [•], 2008 (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 July [•], 2008, as supplemented by the final pricing term sheet, in the form attached to the Purchase Agreement as Schedule B (the "Pricing Supplement"), is referred to herein as the "Disclosure Package". The statements under the captions "Description of the Notes," "Taxation - United States Taxation", 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 the Indenture dated August 17, 2004, between the Issuer, the subsidiary guarantors named therein and Law Debenture Trust Company of New York as trustee thereunder (amended and supplemented as of January 25, 2006, February 24, 2006, November 22, 2006, October 8, 2007 and July [•], 2008); 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 [•] 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 [•] as its authorised agent for the purpose described in such section, and service of process effected in the manner set forth in Section [•] 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 [•] 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 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

Linklaters U.S. Opinion (2)

Merrill Lynch, Pierce, Fenner & Smith Incorporated
 4 World Financial Center
 New York, New York 10080
 United States
 ("Merrill Lynch")

Credit Suisse Securities (USA) LLC
 Eleven Madison Avenue
 New York, NY 10010
 United States
 ("Credit Suisse", and together with Merrill Lynch,
 the "Initial Purchasers")

July [•], 2008

Dear Sirs

Sino-Forest Corporation (the "Issuer")

[•] % Convertible Senior Notes due 2013 (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-Global Holdings Inc. (BVI), Sinowin Investments Limited (BVI), Sino-Wood (Guangdong) Limited (H.K.), 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), and Sino-Panel (Fujian) 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 July [•], 2008 (the "Final Offering Memorandum") used in connection with the offer and sale of the Notes, guaranteed as to payment of principal and interest by the Subsidiary Guarantors (the "Guarantees"). The Preliminary Offering Memorandum dated July [•], 2008, together with the final pricing term sheet, dated July [•], 2008 and attached as Schedule B (the "Pricing Supplement") to the Purchase Agreement dated July [•], 2008 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 PRC, British Virgin Islands, Hong Kong and English counsel, and representatives of the Initial Purchasers, and their United States 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.

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

A-2-7

Linklaters Hong Kong Opinion

Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center
New York, New York 10080
United States of America

Credit Suisse Securities (USA) LLC
[address]

Dear Sir

SINO-FOREST CORPORATION

- 1 We understand that this opinion letter is to be delivered to the Initial Purchasers (as defined below) pursuant to section [S(a)] of the Purchase Agreement between Sino-Forest Corporation (the "Company"), the subsidiary guarantors named therein (the "Subsidiary Guarantors") and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC (collectively the "Initial Purchasers") dated [●] July 2008 (the "Purchase Agreement"). Our engagement as Hong Kong counsel to the Company in connection with the issue of US\$300,000,000 5.0% Convertible Senior Notes due 2013 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 and Sino-Wood (Guangdong) Limited.
- 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 the date of 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 dated [23 July] 2008 between the Company, the Subsidiary Guarantors and The Bank of New York Mellon in its capacity as trustee (together with the Purchase Agreement, the "Relevant Agreements");
 - (c) the public records disclosed by the search made by us in respect of each of the Hong Kong Subsidiary Guarantors on [21] July 2008 at the Hong Kong Business Registration Office (the "Business Registration Search");
 - (d) the public records disclosed by the search made by us in respect of each of the Hong Kong Subsidiary Guarantors on [21] July 2008 at the Hong Kong Companies Registry (the "Company Search");
 - (e) the public records disclosed by the search made by us in respect of each of the Hong Kong Subsidiary Guarantors on [21] July 2008 at the Official Receiver's office of Hong Kong (the "Official Receiver Search");
 - (f) 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 [21] July 2008 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 (the "Cause Book Enquiry");
 - (g) the following documents provided to us by or on behalf of the Company:
 - (i) the board resolutions dated [18] July 2008 of Sino-Wood Partners, Limited;
 - (ii) the board resolutions dated [18] July 2008 of Sino-Plantation Limited;
 - (iii) the board resolutions dated [18] July 2008 of Sino-Wood (Guangxi) Limited;
 - (iv) the board resolutions dated [18] July 2008 of Sino-Wood (Jiangxi) Limited;
 - (v) the board resolutions dated [18] July 2008 of Sino-Wood (Guangdong) Limited;
 - (vi) the shareholder resolutions dated [18] July 2008 of Sino-Wood Partners, Limited;
 - (vii) the shareholder resolutions dated [18] July 2008 of Sino-Plantation Limited;
 - (viii) the shareholder resolutions dated [18] July 2008 of Sino-Wood (Guangxi) Limited;
 - (ix) the shareholder resolutions dated [18] July 2008 of Sino-Wood (Jiangxi) Limited;
 - (x) the shareholder resolutions dated [18] July 2008 of Sino-Wood (Guangdong) Limited,(the documents set out in (i) to (x), together, the "Resolutions"); and
 - (xi) 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").

- 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 [21] July 2008 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 [21] July 2008 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 [21] July 2008 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(f) above is true and complete as at [21] July 2008 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 referred to in the Appendix to this letter;

- (f) the Relevant Agreements (including their execution, delivery and performance) are within the capacity, authority and powers of each party thereto (other than the Hong Kong Subsidiary Guarantors), and each of the Relevant Agreements 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 Relevant Agreements by any person who is a party to such Relevant 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 Relevant Agreements 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 nothing in the governing law of the Relevant Agreements which would affect this opinion letter;
- (h) the obligations of each of the Hong Kong Subsidiary Guarantors under each of the Relevant Agreements have been given in good faith by the relevant Hong Kong Subsidiary Guarantor and the execution, delivery and performance of each of the Relevant Agreements have been authorised and approved in good faith and in accordance with fiduciary duties by the board of directors/[members] 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/[members] had reasonable grounds for believing that giving the guarantee would benefit the relevant Hong Kong Subsidiary Guarantor; and all necessary corporate action in connection with the execution, delivery and performance of each of the Relevant Agreements 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 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; 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;
- (k) all persons signing, sealing, delivering and/or issuing the 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, the Relevant Agreements have

been executed on behalf of the Hong Kong Subsidiary Guarantors by the person(s) authorised by the Resolutions;

- (l) 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;
- (m) all 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;
- (n) 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/Subsidiaries 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;
- (o) the accuracy, currency and completeness of all statements and information contained in all agreements, corporate records and other documents examined by us; and
- (p) there has been no change in the circumstances or prospects of the Company 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 and is validly existing as a limited liability company under the laws of Hong Kong.
- (b) 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.
- (c) 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.

- (d) Other than the matters disclosed by the Cause Book Enquiry set out in the 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.
- (e) 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 Relevant Agreements to which the relevant Hong Kong Subsidiary Guarantor is a party.
- (f) Under Hong Kong law, there is no governmental or regulatory consent, approval or authorisation required by any of the Hong Kong Subsidiary Guarantors for the relevant Hong Kong Subsidiary Guarantor's execution, delivery and performance of each of the Relevant Agreements to which the relevant Hong Kong Subsidiary Guarantor is a party.
- (g) Under Hong Kong law, there is no registration, filing or similar formalities required to ensure the validity, binding effect and enforceability against any of the Hong Kong Subsidiary Guarantors of each of the Relevant Agreements to which the relevant Hong Kong Subsidiary Guarantor is a party, except as referred to in paragraph 6.
- (h) Under Hong Kong law, the choice of New York law as the governing law of the Relevant Agreements 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 Relevant Agreements 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 any of the Relevant Agreements 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 any of the Relevant Agreements 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 any of the Relevant Agreements may be amended or terminated orally or in writing by or by course of conduct of the parties, despite any provision in the Relevant Agreements to the contrary.
- (i) Any provision of any Relevant Agreement 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 any of the Relevant Agreements 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 any of the Relevant Agreements 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 the for 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 each of the Relevant Agreements 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 each of the Relevant Agreements would not be upheld, for example, if it was made with the intention of evading the law of a jurisdiction with which the relevant 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 Relevant Agreements. 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 any of the Relevant Agreements 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 each of the Relevant Agreements, 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 any of the Relevant Agreements 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 any of the Relevant Agreements (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 any of the Relevant Agreements 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 any of the Relevant Agreements, 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 section [5(a)] of the Purchase Agreement. It may not be transmitted to anyone else and cannot be relied upon by anyone else or to or by any one 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 reference may be made to it in the Purchase Agreement and in any list of closing documents pertaining to the issue of the US\$300,000,000 5.0% Convertible Senior Notes due 2013 pursuant to the Purchase Agreement.

Yours faithfully

Linklaters

[Attachment - Appendix]

Linklaters English Opinion

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
4 World Financial Center
New York, New York 10080
("Merrill Lynch")

[Credit Suisse]
[ADDRESS]
("Credit Suisse", and together with Merrill
Lynch, the "Initial Purchasers")

[●] July 2008

Dear Sirs

Sino-Forest Corporation (the "Issuer")
[●] % Convertible Senior Notes due 20[●] (the "Notes")
Guaranteed by [LIST TO COME] (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 [●] July 2008 (the "Purchase Agreement") relating to the offer and sale of the Notes, guaranteed as to payment of principal and interest by the Subsidiary Guarantors (the "Guarantees"). The Notes and the Guarantees are being issued pursuant to the Indenture dated as of [●] July 2008 (the "Indenture"), between the Issuer, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee.

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 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

A-2-21

Exhibit A-3

FORM OF OPINION OF APPLEBY
BRITISH VIRGIN ISLANDS COUNSEL
TO BE DELIVERED PURSUANT TO SECTION 5(a)

[] 2008

Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center
New York
New York 10080

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

Dear Sirs,

Re: **SFR (China) INC., Sino-Forest Bio-Science Limited, Sino-Forest Resources Inc., Sino-Global Holdings Inc., Sino-Panel (Asia) Inc., Sino-Panel (Fujian) Limited, Sino-Panel (Gaoyao) Limited, Sino-Panel (Guangxi) Limited, Sino-Panel (Guangzhou) Limited, Sino-Panel (Guizhou) Limited, Sino-Panel Holdings Limited, Sino-Panel [Hunan] Limited, Sino-Panel (North East China) Limited, Sino-Panel (Qinzhou) Limited, Sino-Panel (Shaoyang) Limited, Sino-Panel [Suzhou] Limited, Sino-Panel [Xiangxi] Limited, Sino-Panel (Yunnan) Limited, Sino-Panel (Yongzhou) Limited, Sinowin Investments Limited, Suri-Wood Inc.**
(together the "BVI Subsidiary Guarantors" and each a "BVI Subsidiary Guarantor")

This opinion as to the laws of British Virgin Islands is addressed to you in connection with:

- (a) a purchase agreement dated [] 2008 (the "Purchase Agreement"), amongst the subsidiary guarantors named therein including the BVI Subsidiary Guarantors (the "Subsidiary Guarantors"), Sino-Forest Corporation and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse (USA) LLC (the "Initial Purchasers"); and

A-3-1

- (b) an indenture dated [] 2008 (the "Indenture"), amongst Sino-Forest Corporation, [] (as trustee), and the Subsidiary Guarantors (including the Subsidiary Guarantees granted by each BVI Subsidiary Guarantor).

(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 each BVI Subsidiary Guarantor on file and available for inspection at the Registry of Corporate Affairs, Road Town, Tortola, British Virgin Islands, as revealed by a search on [] 2008 (the "Company Search").

[NB: It is possible that we will not be in receipt of the 21 searches at the same date. If this is the case, then we will separate the paragraphs for each company. Same position for the litigation search referred to below]

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 [DATE] in respect of each BVI Subsidiary Guarantor (the "Litigation Search").
3. Copies of the Memorandum and Articles of Association and Certificate of Incorporation of each BVI Subsidiary Guarantor, obtained from [the Registered Agent of each BVI Subsidiary Guarantor]/[Registry of Corporate Affairs] on [DATE] (collectively referred to as the "Constitutional Documents").
4. [Certified] copy of the written resolutions of the Directors and the Shareholders of each of the BVI Subsidiary Guarantors dated [] 2008 (the "Resolutions").
5. [[Certified] copy of the Register of Directors in respect of each BVI Subsidiary Guarantor/A Certificate of Incumbency issued by each BVI Subsidiary Guarantor's Registered Agent in respect of each BVI Subsidiary Guarantor.]
6. [[Certified] copy of the Register of Members in respect of each BVI Subsidiary Guarantor.]
7. [A Certificate of Good Standing, dated [DATE] issued by the Registrar of Corporate Affairs in respect of each BVI Subsidiary Guarantor.]
8. a [certified] copy of the executed Subject Agreements.

9. a copy of the Final Offering Memorandum dated [] (the "Offering Memorandum").
10. a copy of a Certificate issued by a director of each of the BVI Subsidiary Guarantors dated [] 2008 confirming certain matters of fact (the "Directors' Certificates").

(collectively hereinafter referred to as the "Documents").

Unless otherwise defined herein, capitalised terms have the meanings assigned to them in the Offering Memorandum.

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 each BVI Subsidiary Guarantor 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 each BVI Subsidiary Guarantor, 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 each BVI Subsidiary Guarantor, and the performance thereof is within the capacity and powers of each such party thereto, and that each such party to which each BVI Subsidiary Guarantor 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 ("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 New York and in accordance with the laws 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 passed by the Board of Directors of each BVI Subsidiary Guarantor and adopted by the Shareholders of each BVI Subsidiary Guarantor and that there is no matter affecting the authority of the Directors to effect entry by each BVI Subsidiary Guarantor 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 no Director of the BVI Subsidiary Guarantors 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 Agreement that have arisen since the execution of the Subject Agreement 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 [*name of each BVI Subsidiary Guarantor incorporated under the old Act*] was a company duly incorporated with limited liability under the International Business Companies Act (Cap. 291) and that on 1 January 2007, the Company has 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 BVI Subsidiary Guarantor is a separate legal entity and possesses the capacity to sue and be sued in its own name.
- (b) Each of [*name of each BVI Subsidiary Guarantor incorporated under new Act*] is a company, [limited by shares], duly incorporated under the British Virgin Islands Business Companies Act, 2004 (the "BVIBC Act"), validly existing and in good standing under the laws of the British Virgin Islands. Each BVI Subsidiary Guarantor is a separate legal entity and possesses the capacity to sue and be sued in its own name.
- (2) Each BVI Subsidiary Guarantor 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. [The Subject Agreements have been duly executed by each of the BVI Subsidiary Guarantors.]
- (3) The execution, delivery and performance by each BVI Subsidiary Guarantor of the Subject Agreements and the transactions contemplated thereby have been duly authorised by all necessary corporate action on the part of each BVI Subsidiary Guarantor.
- (4) The obligations of each BVI Subsidiary Guarantor as set out in the Subject Agreements constitute legal, valid and binding obligations of each BVI Subsidiary Guarantor, enforceable against each BVI Subsidiary Guarantor in accordance with its terms and would be so treated in courts of the British Virgin Islands.

- (5) No consent, licence or authorisation of or by any governmental authority of the British Virgin Islands is required to be obtained by each BVI Subsidiary Guarantor in connection with the execution, delivery or performance by each BVI Subsidiary Guarantor of the Subject Agreements.
- (6) The execution, delivery and performance by each BVI Subsidiary Guarantor of the Subject Agreements 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 of the respective BVI Subsidiary Guarantors.
- (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 none of the BVI Subsidiary Guarantors will be required by any laws of the British Virgin Islands to make any deduction or withholding from any payment it may make under the Subject Agreements. There are no government controls or exchange controls in relation to the performance by each BVI Subsidiary Guarantor of its obligations under the Subject Agreements.
- (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 each BVI Subsidiary Guarantor of its obligations under the Subject Agreements.
- (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 each BVI Subsidiary Guarantor under the Subject Agreements that the Subject Agreements or any other document be notarised, filed, registered or recorded in the British Virgin Islands except that, each BVI Subsidiary Guarantor is required by section 162 of the BVIBC Act to keep a register of charges and to the extent that any of the Subject Agreements creates a charge over the assets of each BVI Subsidiary Guarantor as that term is understood under the laws of the British Virgin Islands, details of the charge must be entered in the Register of Charges of such BVI Subsidiary Guarantor as maintained at its registered office or at the office of its registered agent and pursuant to section 163 of the BVIBC Act an application may be made with the British Virgin Islands Registrar of Corporate Affairs of the British Virgin Islands to register details of the charge in the Register of Registered Charges for such BVI Subsidiary Guarantor as maintained at the British Virgin Islands Registry.

There is no time limit within which details of the charge created by the Subject Agreements must be entered on such BVI Subsidiary Guarantor's Register of Charges or its Register of Registered Charges at the Registry. Failure to enter details on either register does not affect either the validity or the enforceability of the charge. It should be noted however that registration in the Register of Registered Charges determines the priority of charges created on or after 1 January 2005.

Based solely upon the Company Search, [no] [the following] charges have been filed at the Registry of Corporate Affairs in the British Virgin Islands over assets of the following BVI Subsidiary Guarantors, [the details of which have been provided to you separately]. We have not conducted any investigation into the documents relating to the charges.]

- (11) The financial obligations of each BVI Subsidiary Guarantor 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 such BVI Subsidiary Guarantor 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 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 each BVI Subsidiary Guarantor to the jurisdiction of the courts of New York pursuant to the Subject Agreements 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 New York. The appointment by each BVI Subsidiary Guarantor 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 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 a BVI Subsidiary Guarantor based upon the Subject Agreements (other than a court of jurisdiction to which the Reciprocal Enforcement of Judgments Act (1922) or the Foreign Judgments (Reciprocal Enforcement) Act (1964) applies, and neither Act applies to the courts of

New York) may be the subject of enforcement proceedings in the courts of the British Virgin Islands under the common law doctrine of obligation by action on the debt evidenced by the judgment of such competent foreign court. A final opinion as to the availability of this remedy should be sought when the facts surrounding the foreign court's judgment are known, but, on general principles, we would expect such proceedings to be successful provided that:

- (i) the foreign court had jurisdiction in the matter and the BVI Subsidiary Guarantor either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process;
 - (ii) the judgment given by the foreign court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations;
 - (iii) the judgment was not obtained by fraud;
 - (iv) recognition or enforcement of the judgment would not be contrary to British Virgin Islands public policy; and
 - (v) the proceedings pursuant to which judgment was obtained were not contrary to natural justice.
- (15) None of the BVI Subsidiary Guarantors is 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 it in relation to the Subject Agreements and the execution of the Subject Agreements and performance of its obligations under the Subject Agreements by each BVI Subsidiary Guarantor constitute private and commercial acts.
- (16) Under the laws of the British Virgin Islands, neither the Initial Purchasers nor the Trustee will 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) It is not necessary that the Initial Purchasers and the Trustee be licensed, qualified or otherwise entitled to carry on business in the British Virgin Islands, in order to enforce any of their respective rights under the Subject Agreements.

- (18) Based solely upon the Company Search and the Litigation Search:
- (i) no court proceedings are pending against any of the BVI Subsidiary Guarantors; and
 - (ii) no currently valid order or resolution for winding up of any BVI Subsidiary Guarantor and no current notice of appointment of a receiver over any BVI Subsidiary Guarantor or any of its 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.
- (18) The statements included in 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.

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 each BVI Subsidiary Guarantor has received a Certificate of Good Standing from the Registrar of Corporate Affairs [paid its annual licence fees to the Registry of Corporate Affairs. Failure to pay its annual licence fees which would make it liable to be struck off the Register of Companies and eventually cease to exist under the laws of the British Virgin Islands if these fees and any penalties are not paid within a period of ten years from the date on which it was struck off the Register of Companies.].
- (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 each BVI Subsidiary Guarantor under the Subject Agreements 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 each BVI Subsidiary Guarantor 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 each BVI Subsidiary Guarantor will not exercise its statutory powers. This may constitute an unlawful fetter on the statutory powers of each BVI Subsidiary Guarantor.
- (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 BVI Subsidiary Guarantors 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.

- (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) We have relied upon statements and representations made to us in the Directors' Certificates provided to us by a director of each of the BVI Subsidiary Guarantors for the purpose of this opinion. We have made no independent verification of the matters referred to in the Directors' Certificates and we qualify our opinion to the extent that the statements or representations made in the Directors' Certificates are not accurate in any respect.
- (s) [The Company Search did not reveal the existence of a Register of Mortgages, Charges and other Encumbrances in respect of any BVI Subsidiary Guarantor. Such a Register of Mortgages, Charges and other Encumbrances may, however, be maintained at a BVI Subsidiary Guarantor's registered office without a copy being necessarily filed at the Registry of Corporate Affairs.]
- (t) Service on each BVI Subsidiary Guarantor overseas of process in connection with proceedings in a British Virgin Islands court by means of post, as contemplated in Section 18(b) of the Purchase Agreement, would be effective only if made with leave of the court.

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 Messrs. Davis Polk & Wardwell) 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

A-3-12

Exhibit A-4

FORM OF OPINION OF
JINGTIAN & GONGCHENG
TO BE DELIVERED PURSUANT TO SECTION 5(a)

July [*], 2008

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

Dear Sirs/Mesdames:

Re: Sino-Forest Corporation - Offering of [*]% Convertible Senior Notes Due 2013

We are qualified lawyers registered in the People's Republic of China ("PRC") 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 [*]% Convertible Senior Notes Due 2013 (the "Securities") by the Company in accordance with the terms and conditions as set out in the Offering Memorandum dated July [*], 2008 (the "Final Offering Memorandum").

In connection with the offering, the Company and the Subsidiary Guarantors have entered into a Purchase Agreement dated July [17], 2008 (the "Purchase Agreement") with Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC (together, the "Initial Purchasers"). 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.

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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 herein and not otherwise defined shall have the same meanings as ascribed to such terms in the Purchase Agreement and the Final Offering Memorandum.

Based on and subject to the foregoing, we are of the opinion that:

1. 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 certificates and business license, as the case may be, and is in good standing and duly qualified to transact business in each jurisdiction in which the conduct of its business, or its ownership or leasing of property requires such qualification; 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 have 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 WFOEs listed in Schedule 3 are non-material active PRC subsidiaries.
2. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, Suri-Wood Inc. 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 4 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 (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司), whose registered capital has been partially paid up 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, there are no franchises, contracts, indentures, mortgages, loan agreements, notes, leases or other instruments required to be described or referred to in the Disclosure Package and the Final Offering Memorandum other than those described or referred to therein, 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 5 (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 and as described in the Disclosure Package and the Offering Memorandum, Suri-Wood Inc. is not in violation of or in default under (i) any provision of PRC law or regulation, (ii) any agreement governed by PRC law by which it is bound or to which any of its properties or assets is subject or (iii) any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over it or over any of its properties or assets, except for such violations or defaults that would not have a Material Adverse Effect on Suri-Wood Inc..
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 Suri-Wood Inc. conducting authorized trading operations, the PRC taxes which are required to be paid by Suri-Wood Inc. 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 Suri-Wood Inc. as disclosed in the Disclosure Package and the Final Offering Memorandum.
11. The articles of association of each PRC Subsidiary comply with the requirements of applicable law of the PRC and are in full force and effect.
12. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any public, regulatory or governmental authority, agency, body or court of the PRC or any subdivision thereof (a "PRC Governmental Authority") is necessary or required in connection with the due authorization, execution and delivery of the Purchase Agreement or the Indenture, for the offering, issuance, sale or delivery of the Securities or the conversion of the Securities into Common Shares by any holder of the Securities pursuant to the terms of thereof.
13. The carrying on of the authorized trading operations by Suri-Wood Inc. pursuant to the relevant purchase agreements and the authorised sales agreements between Suri-Wood Inc. 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 Suri-Wood Inc. have and will have good and valid title to the after-tax profits generated by or derived from such operations.

14. According to the relevant Plantation Rights Certificates and relevant approvals provided by the Company, as of March 31, 2008, the relevant PRC Subsidiaries have the right to use approximately [31,600] hectares of plantation land leased from other parties, in which approximately [21,400] hectares of plantation land are currently used by the Original CJVs. Since the Original CJVs have been approved to be converted into WFOEs and obtained their new business licenses, 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 Suri-Wood Inc. and relevant PRC Subsidiaries as of March 31, 2008 and as confirmed by the relevant local forestry bureaus in their respective approvals or Plantations Rights Certificates, Suri-Wood Inc. and the relevant PRC Subsidiaries have the right to own approximately [260,000] hectares of the purchased trees plantations acquired by Suri-Wood Inc. and relevant PRC Subsidiaries. According to the relevant purchased tree contracts entered into by Suri-Wood Inc., Suri-Wood Inc. has 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 Suri-Wood Inc. as of the date hereof, subject to the execution of definitive agreements and requisite plantation rights registration procedures in accordance with the relevant PRC laws and regulations.
16. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no legal or governmental proceedings pending in the PRC to which, the Company, Suri-Wood Inc. 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, Suri-Wood Inc. and the PRC Subsidiaries taken as a whole, or the Company, Suri-Wood Inc. or PRC Subsidiaries individually, the validity or enforceability of the Purchase Agreement or the transactions contemplated therein and as disclosed in the Disclosure Package and 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, free and clear of all claims, liens, security interests or other encumbrances except as otherwise described in the Disclosure Package and the Final Offering Memorandum or are not material,

individually or in the aggregate, to the business of the Company and the PRC Subsidiaries, taken as a whole or individually; 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, except as otherwise described in the Disclosure Package and the Final Offering Memorandum, 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 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.
21. The issue and sale of the Securities (and the Subsidiary Guarantees of the Subsidiary Guarantors) and the execution and delivery by the Company of, and the performance by each of the Company, the Subsidiary Guarantors of its obligations under the Purchase Agreements and the Indenture and the consummation by each of the Company and the Subsidiary Guarantors of the transactions contemplated therein and/or in the Disclosure Package and the Final Offering Memorandum (i) will not contravene (A) any provision of PRC law or regulations, (B) any articles of association, business license, business permit or other constitutional documents of any of the PRC Subsidiaries, (C) 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, (D) 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

Suri-Wood Inc. is bound or to which any of the properties or assets of the Company or Suri-Wood Inc. is subject, or (E) any regulation, judgment, order or decree of any governmental body, agency or any court in the PRC or (ii) 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 Suri-Wood Inc., 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 the Initial Purchasers 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, sale or delivery of the Securities (and the Subsidiary Guarantees) by the Company to or for the account of the Initial Purchasers in the manner contemplated in the Purchase Agreement or the Disclosure Package and the Final Offering Memorandum; (b) the offer, sale or delivery by the Initial Purchasers of the Securities (and the Subsidiary Guarantees) to the subsequent purchasers thereof; (c) the execution and delivery of the Purchase Agreement, the Indenture or any other document relating to the offering of the Securities (and the Subsidiary Guarantees); or (d) the consummation of the transactions contemplated in the Purchase Agreement or the Indenture or the performance by the Company and the Guarantors of their respective obligations thereunder or the transactions contemplated by the Disclosure Package and the Final Offering Memorandum.
23. Except as disclosed in the Disclosure Package and Final Offering Memorandum, all such 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 Final Offering Memorandum and (ii) Suri-Wood Inc. to own the purchased tree plantations and conduct business in the manner as described in the Final Offering Memorandum, and (iii) the performance by the Company, the Subsidiary Guarantors or any PRC Subsidiary of their respective 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 Suri-Wood Inc. or the PRC Subsidiaries, taken as a whole or individually. To the best of our knowledge after reasonable 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.
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 due 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, Suri-Wood Inc. or any of the PRC Subsidiaries is bound or to which any of the properties or assets of Suri-Wood Inc. or PRC Subsidiaries is subject or (C) any judgment, order or decree of any governmental body, agency or court in the PRC.

25. 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 New 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, except for the procedural requirements as described in the Disclosure Package and the Final Offering Memorandum.
26. Under current PRC tax laws (including the Enterprise Income Law of the PRC), regulations and rulings, holders of the Securities that are nonresidents 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 Securities, (B) gains made on sales of the Securities (or the Common Shares issuable upon conversion of the Securities) between non-residents of the PRC consummated outside the PRC or (C) any dividend or other distribution paid or made on the Common Shares to be issued or issuable upon conversion of the Securities.
27. Except for Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司), whose registered capital has been partially paid up, and for whom dividend payments and remittances thereof shall be made in proportion to the paid-up contribution of its registered capital, no WFOE is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company or any of its WFOEs, 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 or any of its WFOEs, except as otherwise described in the Disclosure Package and the Final Offering Memorandum and as would be permitted by the Indenture.
28. Except for Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司), whose registered capital has not been fully paid up, 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 for those 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 New 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 due investigation and inquiry, none of the PRC Subsidiaries nor other person has taken any action nor have any other steps been taken or legal proceedings been started or threatened against any of the PRC Subsidiaries for its winding up or dissolution, or for the withdrawal, revocation or cancellation of the business license of any of the PRC Subsidiaries; and no notice of appointment of a receiver of any of the PRC Subsidiaries or any of its assets has been issued and no declaration or order of insolvency has been or is threatened to be made.
30. The statements in the Disclosure Package and Final Offering Memorandum under the headings "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Government Regulation" and "Tree Plantation Contractual Arrangements" 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 due investigation and inquiry and as confirmed by the Company, no labor dispute, or disturbance involving the employees of any PRC Subsidiary in the PRC, exists or is imminent or threatened, except as would not, individually or in the aggregate, have a Material Adverse Effect. 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 Securities by the Company to or for the account of the Initial Purchasers, 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 trademarks currently employed by it in connection with the business currently operated by it as disclosed in the Disclosure Package and Final Offering Memorandum and, to the best of our knowledge after due inquiry and as confirmed by the Company, none of the PRC Subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in any Material Adverse Effect.
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 "Management's Discussion and Analysis of Financial Condition and Results of Operations" 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 such subsidiaries as a consequence of completion of the offering 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 to a requirement to be licensed or otherwise qualified to do business in the PRC, nor will the Initial Purchasers 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 and the Subsidiary Guarantors of their respective 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.
37. Each of the Purchase Agreement, the Indenture and the Securities 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 Securities 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. The performance by the Initial Purchasers in the PRC of any of its rights, duties, obligations and responsibilities under the Purchase Agreement will not violate any law applicable in the PRC.
39. 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 (i) as of the Applicable Time, the Disclosure Package (except for the financial statements and schedules and other financial data included therein or omitted therefrom, as to which we need make no statement) 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, in all material respects, not misleading or (ii) the Final Offering Memorandum or any amendment or supplement thereto (except for the financial statements and schedules and other financial data included therein or omitted

therefrom, as to which we need make no statement), at the time the Final Offering Memorandum was issued, at the time any such amended or supplemented Final Offering Memorandum was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, in all material respects, not misleading.

This legal opinion is hereby rendered for and solely for the purpose of the offering of the Securities as described above and may only be relied upon by the Company and shall not be used for any other purpose without our prior written consent. The Company is authorized and may provide a copy of this opinion to the Initial Purchasers and their legal counsels.

Yours faithfully,

Jingtian & Gongcheng

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. Heyuan Jiahe Forestry Development Co., Ltd. (河源嘉河林业发展有限公司)
11. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)
12. Zhangzhou Jiamin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司)
13. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木(苏州)有限公司)
14. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情(上海)贸易有限公司)
15. Sino-Maple (Shanghai) Co., Ltd. (北美枫情(上海)商贸有限公司)
16. Guangdong Jiayao Wood Products Development Co., Ltd. (广东嘉耀木业发展有限公司)
17. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司)
18. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司)
19. Xiangxi Autonomous State Jiayi Forestry Development Co., Ltd.
(湘西自治州嘉熙林业发展有限公司)
20. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd. (湖南嘉裕木业(洪江市)有限公司)
21. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd.
(张家港保税区嘉森国际贸易有限公司)
22. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)
23. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业(耿马)有限公司)

24. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
25. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业(鹿寨)有限公司)
26. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业(三江)有限公司)
27. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业(北海)发展有限公司)
28. Hunan Jiayn Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
29. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
30. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
31. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业(广州)商贸有限公司)
32. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
33. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
34. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)

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 (Guangzhou) Trading Co., Ltd. (嘉汉板业(广州)商贸有限公司)
6. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
7. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
8. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
9. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
10. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
11. Beihai Changqing Wooden Co. Ltd. (北海常青木业有限公司)

Schedule 4**List of Shareholders of PRC Subsidiaries**

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

Schedule 5**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)

Exhibit A-5

FORM OF OPINION OF
STIKEMAN ELLIOT LLP
TO BE DELIVERED PURSUANT TO SECTION 5(b)

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
4 World Financial Center
New York, New York 10080
United States

July ●, 2008

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

Dear Sirs/Mesdames:

Re: **Sino-Forest Corporation**
Offering of ●% Convertible Senior Notes Due ●

Our Role

We have acted as special Canadian counsel to Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC (together, the "Initial Purchasers") in connection with the issue and sale by Sino-Forest Corporation (the "Company"), and the purchase by the Initial Purchasers of, ●% convertible senior notes due ● of the Company, pursuant to a purchase agreement dated July ●, 2008 between the Initial Purchasers, the Company and the subsidiary guarantors set out in Schedule D-1 to that agreement (the "Purchase Agreement").

Capitalized terms used in this opinion that we do not define have the meanings given to them in the Purchase Agreement.

This opinion is being provided to you pursuant to section 5(b) of the Purchase Agreement.

Scope of Review, Reliances and Assumptions***Documentary Review***

We have examined executed copies of the following documents:

- (a) the Purchase Agreement;
- (b) the Indenture;
- (c) the Notes; and

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- (d) a letter from the Toronto Stock Exchange (the "TSX") to the Company dated ●, 2008 (the "TSX Letter").

We have also examined the Disclosure Package and the Final Offering Memorandum to the extent necessary for the purposes of the opinions provided herein.

Reliance

For the purposes of this opinion, we have also examined an original or copy of, certified or otherwise identified to our satisfaction, and relied upon, a certificate of status provided by the Government of Canada with respect to the Company (the "Certificate of Status").

For the purposes of providing our opinion expressed below in paragraph 1, we have relied exclusively upon the Certificate of Status without independent investigation of the matters provided for in it.

For the purposes of providing our opinion expressed below in paragraph 3, we have relied exclusively upon the TSX Letter without independent investigation of the matters provided for in it.

Assumptions

In examining all documents and in providing our opinions below, we have assumed that:

- (a) all individuals had the requisite legal capacity;
- (b) all signatures are genuine;
- (c) all documents submitted to us as originals are complete and authentic and all photostatic, certified, telecopied, notarial or other copies conform to the originals;
- (d) all facts set forth in the official public records, certificates and documents supplied by public officials or otherwise conveyed to us by public officials are complete, true and accurate;
- (e) the Documents have been duly authorized, executed and delivered by each party to them other than the Company;
- (f) the performance of the obligations would not be illegal under the law of the place of performance if that is a place other than the Province of Ontario (the "Jurisdiction");
- (g) each purchaser subject to the securities laws of the Jurisdiction (each a "Purchaser" and collectively, the "Purchasers") purchasing the Notes has been provided with a copy of the Final Offering Memorandum;
- (h) the representations and warranties given by each Purchaser of the Notes as set forth in the Final Offering Memorandum are true and correct as of the date hereof, including (without limitation) that each Purchaser is an "accredited investor" as defined in section 1.1 of National Instrument 45-106 – *Prospectus and Registration Exemptions*;
- (i) no trades were made through or in reliance on any advertisement in printed media of general or paid circulation, or on radio or television or telecommunications media, including electronic display;

- (j) each of the Initial Purchasers has an affiliate (together, the "Affiliates") that is duly registered under the securities laws of the Jurisdiction, as of the date hereof, as a broker, investment dealer or securities dealer, and each such Affiliate has complied with all laws applicable to it, including any limitations on its activities applicable because of the category in which it is registered, in arranging for the purchase of the Notes by the Purchasers;
- (k) except as otherwise disclosed in the Final Offering Memorandum, the Company is not a "related issuer" or a "connected issuer" (as those terms are defined in National Instrument 33-105 – *Underwriting Conflicts*) of any registrant involved in the distribution of the Notes;
- (l) the Purchasers are purchasing as principals; and
- (m) to the extent our opinions relate to tax matters, particularly those expressed in paragraphs 5, 6, 7 and 8, the Common Shares will, at all relevant times, be listed on the TSX.

Practice Limitation

Our opinion below is expressed only with respect to the laws of the Jurisdiction and of the laws of Canada applicable in the Jurisdiction. Any reference to the laws of the Jurisdiction includes the laws of Canada that apply in the Jurisdiction.

Date of Review and No Obligation to Update

Our opinion is expressed with respect to the laws of the Jurisdiction in effect on the date of this opinion and we do not accept any responsibility to take into account or inform the addressees, or any other person authorized to rely on this opinion, of any changes in law, facts or other developments subsequent to this date that do or may affect the opinions we express, nor do we have any obligation to advise you of any other change in any matter addressed in this opinion or to consider whether it would be appropriate for any other person other than the addressees to rely on our opinion.

Opinions

Based on the above, and subject to the qualifications below, we are of the opinion that:

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. 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.

5. 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.
6. 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.
7. 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.

8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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 solely for the benefit of the addressees and not for the benefit of any other person. It is rendered solely in connection with the transactions to which it relates. It may not be quoted, in whole or in part, or otherwise referred to or used for any purpose without our prior written consent.

Yours truly,

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Exhibit A-6

FORM OF OPINION OF
DAVIS FOLK & WARDWELL
TO BE DELIVERED PURSUANT TO SECTION 5(b)

U.S. Opinion (1)

July [●], 2008

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
4 World Financial Center
New York, NY 10080
United States

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

Ladies and Gentlemen:

We have acted as your special United States counsel in connection with the Purchase Agreement dated July [●], 2008 (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 (the "Initial Purchasers") have severally agreed to purchase from the Company US\$300,000,000 aggregate principal amount of its [●]% Convertible Senior Notes due 2013 (the "Notes"). The Notes are to be issued pursuant to the provisions of an Indenture dated as of July [●], 2008 (the "Indenture") between 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"). 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 (the "Preliminary Offering Memorandum") dated July 16, 2008 and the final offering memorandum dated July [●], 2008 ("Final Memorandum") relating to the offering of the Securities. The Preliminary Offering Memorandum, together with the pricing term sheet attached as Schedule B to the Purchase Agreement, is hereinafter referred to as the "Disclosure Package."

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.

Capitalized terms used but not otherwise defined herein are used as defined in the Purchase Agreement.

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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 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 and Hong Kong are concerned, the Indenture is a valid and binding agreement of the Company and each Subsidiary Guarantors, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability and except as rights to indemnification contained therein may be limited by applicable law; 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 Notes have been duly authorized, executed and delivered by the Company insofar as the laws of Canada are concerned, the Notes, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers pursuant to the Purchase Agreement, will be valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and equitable principles of general applicability, and will be entitled to the benefits of the Indenture pursuant to which such Notes 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 Notes have been duly authorized, executed and delivered by the Company insofar as the laws of Canada are concerned, and that the Subsidiary Guarantees have been duly authorized, executed and delivered by each of the Subsidiary Guarantors insofar as the laws of the British Virgin Islands and Hong Kong are concerned, the Subsidiary Guarantees, when the Notes (and the Subsidiary Guarantees endorsed thereon) are executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers pursuant to the Purchase Agreement, will be valid and binding obligations of each Subsidiary Guarantor, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally 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.

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 Security.

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) through (5) above, we have assumed that each party to the Purchase Agreement, the Indenture and the Securities (the "Documents") has been duly incorporated and is validly existing and in good standing under the laws of the jurisdiction of its organization. In addition, we have assumed that the execution, delivery and performance by each party thereto of each Document to which it is a party, (1) are within its corporate powers, (2) do not contravene, or constitute a default under, the certificate of incorporation or bylaws or other constitutive documents of such party, (3) require no action by or in respect of, or filing with, any governmental body, agency or official and (4) 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 that each Document is a valid, binding and enforceable agreement of each party thereto, other than 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.

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 of America, except that we express no opinion as to any law, rule or regulation that is applicable to the Company or 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 any of 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, England, Hong Kong, or the People's Republic of China (the "PRC"), you have been delivered, and we understand that you are relying upon, the opinions of (a) Appleby, British Virgin Islands counsel for the Company and the Subsidiary Guarantors, Linklaters, England and Hong Kong counsel for the Company and the Subsidiary Guarantors, and Aird & Berlis LLP, Canadian 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 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 you) or furnished to any other person without our prior written consent.

Very truly yours,

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U.S. Opinion (2)

July [●], 2008

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
4 World Financial Center
New York, NY 10080
United States

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

Ladies and Gentlemen:

We have acted as your special United States counsel for you in connection with the Purchase Agreement dated July [●], 2008 (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 (the "Initial Purchasers") have severally agreed to purchase from the Company US\$300,000,000 aggregate principal amount of its [●]% Convertible Senior Notes due 2013 (the "Notes"). The Notes are to be issued pursuant to the provisions of an Indenture dated as of July [●], 2008 (the "Indenture") between 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"). 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 (the "Preliminary Offering Memorandum") dated July 16, 2008 and the final offering memorandum dated July [●], 2008 ("Final Memorandum") relating to the offering of the Securities. The Preliminary Offering Memorandum, together with the pricing term sheet attached as Schedule B 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, England, Hong Kong, and the People's Republic of China counsel) and independent public accountants for, the Company and the Subsidiary Guarantors the information furnished, whether or not subject to our check and verification.

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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 the Subsidiary Guarantors 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.m./p.m. (New York 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, we have not been called to pass upon, and we express no view regarding, the financial statements or financial schedules or other financial or accounting data included in the Disclosure Package or the Final Memorandum. 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 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 you) 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)

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
4 World Financial Center
New York, New York 10080
United States

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

Date: [*]

Re: Sino-Forest Corporation

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 Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC (together, the "Initial Purchasers") in connection with the offering by Sino-Forest Cooperation, a *Canada Business Corporations Act* corporation (the "Company"), of the principal amounts of its [*]% Convertible Senior Notes due [*] (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 U.S.\$[*] principal amount of Notes (the "Option Notes") under a Purchase Agreement (the "Purchase Agreement") dated July [17], 2008 among the Company, the Subsidiary Guarantors (as named in the Purchase Agreement) and the Initial Purchasers, and pursuant to the provisions of an Indenture (the "Indenture") dated as of the date hereof among the Company, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee (the "Trustee"). For the purpose of this opinion, the Initial Notes, the Option Notes and the Subsidiary Guarantees attached thereto are collectively referred to as the "Securities."

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 in accordance with Section 5 (b) of the Purchase Agreement.

We have also examined a preliminary offering memorandum dated July 16, 2008 (the "Preliminary Offering Memorandum", together with the Pricing Supplement, the "Disclosure Package") and a final offering memorandum dated [*] (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

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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 in this opinion shall have the meanings ascribed to them in the Purchase Agreement and the Final International Offering Memorandum.

Based on the foregoing, we are of the opinion that on the date hereof:

1. 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 its constitutive documents, including the articles of association, the approval certificates and the 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; 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 have not been revoked, withdrawn, suspended or cancelled. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, the relevant WFOEs listed in Schedule 3 are non-material PRC Subsidiaries and only have limited business operation.
2. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, Suri-Wood Inc. 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 4 is the owner of the 100% registered capital of each of the

PRC Subsidiaries, respectively, as described in the Disclosure Package and Final Offering Memorandum, free and clear of all liens, encumbrances, equities, claims, restrictions on transfer (other than as required under applicable PRC law), voting trust 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 (Yunnan) Trading Co., Ltd., whose registered capital has been partially paid up as permitted under 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, there are no franchises, contracts, indentures, mortgages, loan agreements, notes, leases or other instruments required to be described or referred to in the Disclosure Package and the Final Offering Memorandum other than those described or referred to therein, 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.
7. The events and transactions (the "CJV Restructuring") 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 (as listed in Schedule 5, the "Original CJVs") from cooperative joint venture into wholly foreign owned enterprise, have been duly effected in accordance with applicable laws and regulations, and the description of the CJV Restructuring 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 taken 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 and as described in the Disclosure Package and the Offering Memorandum, Suri-Wood Inc. is not in violation of or in default under (i) any provision of PRC law or regulation, (ii) any agreement governed by PRC law by which it is bound or to which any of its properties or assets is subject or (iii) any approval, judgment, order, decree or regulation of any governmental body or agency or of any court in the PRC having jurisdiction over it or over any of its properties or assets, except for such violations or defaults that would not have a Material Adverse Effect on Suri-Wood Inc.
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 Suri-Wood Inc. conducting authorized trading operations, the PRC taxes which are required to be paid by Suri-Wood Inc. 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 Suri-Wood Inc. as disclosed in the Disclosure Package and the Final Offering Memorandum.
11. The articles of association of each PRC Subsidiary comply with the requirements of applicable law of the PRC and are in full force and effect.
12. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any public, regulatory or governmental authority, agency, body or court of the PRC or any subdivision thereof (a "PRC Governmental Authority") is necessary or required in connection with the due authorization, execution and delivery of the Purchase Agreement or the Indenture, for the offering, issuance, sale or delivery of the Securities or the conversion of the Securities into Common Shares by any holder of the Securities pursuant to the terms of thereof.
13. The carrying on of the authorized trading operations by Suri-Wood Inc. pursuant to the relevant purchase agreements and the authorized sales agreements between Suri-Wood Inc. and the authorized intermediaries does not contravene, in any material respect, any provision of applicable PRC law, rule or regulation. Each of the purchase agreements and authorized sales agreements is valid and legally binding, in full force and effect, and enforceable in accordance with its terms and Suri-Wood Inc. has and will have good and valid title to the after-tax profits generated by or derived from such operations.
14. According to the relevant Plantation Rights Certificates and relevant approvals provided by the Company, as of March 31, 2008, the relevant PRC Subsidiaries have the right to use approximately [31,600] hectares of plantation land leased from other parties, in which approximately [21,400] hectares of plantation land are currently used by the Original CJVs. Since the Original CJVs have been approved to be converted into WFOEs and obtained their new business licenses, 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, as disclosed in the Disclosure Package and the Final Offering Memorandum.
15. According to the relevant purchased tree contracts entered into by Suri-Wood Inc. and relevant PRC

Subsidiaries as of March 31, 2008 and as confirmed by the relevant local forestry bureaus in their respective approvals or Plantations Rights Certificates, Suri-Wood Inc. and the relevant PRC Subsidiaries have the right to own approximately [260,000] hectares of the purchased trees plantations acquired by Suri-Wood Inc. and relevant PRC Subsidiaries. According to the relevant purchased tree contracts entered into by Suri-Wood Inc., Suri-Wood Inc. has 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 Suri-Wood Inc. as of the date hereof, subject to the execution of definitive agreements and requisite plantation rights registration procedures in accordance with the relevant PRC laws and regulations.

16. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by the Company, there are no legal or governmental proceedings pending in the PRC to which, the Company, Suri-Wood Inc. or any PRC Subsidiary 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, Suri-Wood Inc. and the PRC Subsidiaries taken as a whole, or the Company, Suri-Wood Inc. or PRC Subsidiaries individually, the validity or enforceability of the Purchase Agreement or the transactions contemplated therein and as disclosed in the Disclosure Package and 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, free and clear of all claims, liens, security interests or other encumbrances except as otherwise described in the Disclosure Package and the Final Offering Memorandum or are not material, individually or in the aggregate, to the business of the Company and the PRC Subsidiaries, taken as a whole; each of the PRC Subsidiaries, as the case may be, has the right to use such plantation lands or has obtained the land use rights which are necessary in the conduct of their respective business now being conducted, except as otherwise described in the Disclosure Package and the Final Offering Memorandum; 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 in all material respects with the PRC environmental laws and regulations. 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 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.
21. The issue and sale of the Securities (and the Subsidiary Guarantees of the Subsidiary Guarantors) and the execution and delivery by the Company of, and the performance by each of the Company and the Subsidiary Guarantors of its obligations under the Purchase Agreements and the Indenture and the consummation by each of the Company and the Subsidiary Guarantors of the transactions contemplated therein and/or in the Disclosure Package and the Final Offering Memorandum (i) will not contravene (A) any provision of PRC law or regulations, (B) any articles of association, business license, business permit or other constitutional documents of any of the PRC Subsidiaries, (C) 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, (D) 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 Suri-Wood Inc. is bound or to which any of the properties or assets of Suri-Wood Inc. is subject, or (E) any regulation, judgment, order or decree of any governmental body, agency or any court in the PRC or (ii) 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 Suri-wood Inc. in the PRC, other than pursuant to the transaction contemplated in 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 the Initial Purchasers 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, sale or delivery of the Securities (and the Subsidiary Guarantees) by the Company to or for the account of the Initial Purchasers in the manner contemplated in the Purchase Agreement or the Disclosure Package and the Final Offering Memorandum; (b) the offer, sale or delivery by the Initial Purchasers of the Securities (and the Subsidiary Guarantees) to the subsequent purchasers thereof; (c) the execution and delivery of the Purchase Agreement, the Indenture, the Security Documents or any other document relating to the offering of the Securities (and the Subsidiary Guarantees); and (d) or the consummation of the transactions contemplated in the Purchase Agreement or the Indenture or the performance by the Company and the Guarantors of their respective obligations thereunder or the transactions contemplated by the Disclosure Package and the Final Offering Memorandum.
23. Except as disclosed in the Disclosure Package and Final Offering Memorandum, all such 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 Final Offering Memorandum, (ii) Suri-Wood Inc. to own the purchased

tree plantations and conduct business in the manner as described in the Final Offering Memorandum, and (iii) the performance by the Company, the Subsidiary Guarantors or any PRC Subsidiary of their respective obligations under the Purchase Agreement have been obtained or made and are in full force and effect, except for, in the case of (i) and (ii), such as not material, individually or in the aggregate, to the business, operations and financial conditions of Suri-Wood Inc. 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.

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, Suri-Wood Inc. or any of the PRC Subsidiaries is bound or to which any properties or assets of Suri-Wood Inc. or PRC Subsidiaries is subject or (C) any judgment, order or decree of any governmental body, agency or court in the PRC.
25. Except for Sino-Panel (Yunnan) Trading Co., Ltd., whose registered capital has been partially paid up as permitted under PRC law, each WFOE has full power and authority to effect dividend payments and remittances thereof outside the PRC in United States dollars, except 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, except for the procedural requirements as described in the Disclosure Package and the Final Offering Memorandum.
26. Under current PRC tax laws (including the Enterprise Income Law of the PRC), regulations and rulings, holders of the Securities that are nonresidents 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 Securities, (B) gains made on sales of the Securities (or the Common Shares issuable upon conversion of the Securities) between non-residents of the PRC consummated outside the PRC or (C) any dividend or other distribution paid or made on the Common Shares to be issued or issuable upon conversion of the Securities.
27. Except for Sino-Panel (Yunnan) Trading Co., Ltd., whose registered capital has been partially paid up as permitted under PRC law, 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 or any of its Subsidiaries, from making any other distribution on such WFOE's capital stock, or from repaying to the Company any loans or advances to such WFOE from the Company or any of its Subsidiaries, except as otherwise described in the Disclosure Package and the Final Offering Memorandum and as would be permitted by the Indenture.
28. 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 for Sino-Panel (Yunnan) Trading Co., Ltd., whose registered capital has been partially paid up as permitted by PRC law. Except for those 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 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, 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 Final Offering Memorandum under the headings "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Government Regulation", and "Tree Plantation Contractual Arrangements" 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 the dispute, or disturbance which would not, individually or in the aggregate, have a Material Adverse Effect. To the best of our knowledge after reasonable investigation and inquiry and as confirmed by 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 the PRC law, there is no restriction on the transfer of the Securities by the Company to or for the account of the Initial Purchasers, 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 trademarks currently employed by it in connection with the business currently operated by it as disclosed in the Disclosure Package and Final Offering Memorandum 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 "Management's Discussion and Analysis of Financial Condition and Results of Operations" 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 such subsidiaries as a consequence of completion of the offering 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 to a requirement to be licensed or otherwise qualified to do business in the PRC, nor will the Initial Purchasers 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 and the Subsidiary Guarantors of their respective 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.
37. Each of the Purchase Agreement, the Indenture and the Securities 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 Securities, the Security Documents 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. The performance by the Initial Purchasers in the PRC of any of its rights, duties, obligations and responsibilities under the Purchase Agreement will not violate any law applicable in the PRC.
39. 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 (1) as of the Applicable Time, the Disclosure Package (except for the financial statements and schedules and other financial data included therein or omitted therefrom, as to which we need make no statement) 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 or (2) the Final Offering Memorandum or any amendment or supplement thereto (except for the financial statements and schedules and other financial data included therein or omitted therefrom, as to which we need make no statement), at the time the Final Offering Memorandum was issued, at the time any such amended or supplemented Final Offering Memorandum was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under

which they were made, not misleading.

This opinion is addressed to you for your own use in connection with the offering of the Securities as described above and may not be used for any other purposes. It may not be relied upon by you for any other purpose or relied upon by or furnished to any other person 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. Heyuan Jiahe Forestry Development Co., Ltd. (河源嘉河林业发展有限公司)
11. Gaoyao Jiayao Forestry Development Co., Ltd. (高要嘉耀林业发展有限公司)
12. Zhangzhou Jiamin Forestry Development Co., Ltd. (漳州嘉闽林业发展有限公司)
13. Sinowin Plantings (Suzhou) Co., Ltd. (嘉汉城市生态苗木(苏州)有限公司)
14. Sino-Maple (Shanghai) Trading Co., Ltd. (嘉汉枫情(上海)贸易有限公司)
15. Sino-Maple (Shanghai) Co., Ltd. (北美枫情(上海)商贸有限公司)
16. Guangdong Jiayao Wood Products Development Co., Ltd. (广东嘉耀木业发展有限公司)
17. Heilongjiang Jiamu Panel Co., Ltd. (黑龙江嘉穆板业有限公司)
18. Hunan Jiayu Wood Products Co., Ltd. (湖南嘉裕木业有限公司)
19. Xiangxi Autonomous State Jiayi Forestry Development Co., Ltd.
(湘西自治州嘉熙林业发展有限公司)
20. Hunan Jiayu Wood Products (Hongjiang) Co., Ltd. (湖南嘉裕木业(洪江市)有限公司)
21. 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)
22. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)
23. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业(耿马)有限公司)

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24. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
25. Sino-Panel (Luzhai) Co., Ltd. (嘉汉板业(鹿寨)有限公司)
26. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业(三江)有限公司)
27. Sino-Panel (Beihai) Development Co., Ltd. (嘉汉板业(北海)发展有限公司)
28. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
29. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
30. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
31. Sino-Panel (Guangzhou) Trading Co., Ltd. (嘉汉板业(广州)商贸有限公司)
32. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
33. Sino-Panel (Hezhou) Co., Ltd. (嘉汉板业(贺州)有限公司)
34. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)

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 (Guangzhou) Trading Co., Ltd. (嘉汉板业(广州)商贸有限公司)
6. Sino-Panel (Guangxi) Development Co., Ltd. (嘉汉板业(广西)发展有限公司)
7. Hunan Jiayu Wood Products (Zhijiang) Co., Ltd. (湖南嘉裕木业(芷江)有限公司)
8. Sino-Panel (Yuanling) Co., Ltd. (嘉汉板业(沅陵)有限公司)
9. Sino-Panel (Jianghua) Co., Ltd. (嘉汉板业(江华)有限公司)
10. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
11. Beihai Changqing Wooden Co. Ltd. (北海常青木业有限公司)

Schedule 4**List of Shareholders of PRC Subsidiaries**

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

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Schedule 5**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)

Exhibit B

FORM OF FINANCIAL OFFICERS' CERTIFICATE

We, Allen T.Y. Chan, 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\$300 million [●]% Convertible Senior Notes due 2013 of the Company (the "Offering"). In connection with the Offering, the Company and the Subsidiary Guarantors have executed a purchase agreement dated July 17, 2008 (the "Purchase Agreement") with the several Initial Purchasers listed therein, for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated 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 April 1, 2008 to July [●], 2008:

(a) Nothing has come to our attention that has caused us to believe that:

(i) as at July [●], 2008, 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 March 31, 2008 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 April 1, 2008 to July [●], 2008, as compared with the corresponding period in the preceding year.

(b) We estimate that, for the second quarter of 2008, the Company's sales volume of plantation fiber is approximately [●] hectares and the average selling price of plantation fiber is approximately US\$[●] per cubic meter. For the period from April 1, 2008 to July [●], 2008, as far as we are aware, there is no material decrease in the Company's sales volume of plantation fiber or the average selling price of plantation fiber as compared to the corresponding period in the preceding year.

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 [●] day of July 2008.

Allen T.Y. Chan
Chief Executive Officer

Dave J. Horsley
Chief Financial Officer

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

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

A Commissioner, Etc.

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

UNDERWRITING AGREEMENT

May 22, 2009

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

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

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

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

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

Dear Sirs and Mesdames:

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

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

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

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

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

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

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

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

- (iii) "Regulation D" means Regulation D adopted by the SEC under the 1933 Act.
- (jjj) "Regulation S" means Regulation S adopted by the SEC under the 1933 Act.
- (kkk) "Repayment Event" has the meaning set forth in Section 2(vv).
- (lll) "Rule 144A" means Rule 144A under the 1933 Act.
- (mmm) "SEC" means the United States Securities and Exchange Commission.
- (nnn) "Securities Regulators" means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions and in the United States, as applicable.
- (ooo) "Solvent" has the meaning specified in Section 2(t).
- (ppp) "Subsidiary" means:
 - (i) any corporation of which securities, having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues), are at the time directly, indirectly or beneficially owned or controlled by the Company or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries;
 - (ii) any partnership of which the Company, or one or more of its Subsidiaries, or the Company and one or more of its Subsidiaries: (x) directly, indirectly or beneficially owns or controls more than 50% of the income, capital, beneficial or ownership interest (however designated) thereof; and (y) is a general partner, in the case of a limited partnership, or is a partner that has the authority to bind the partnership in all other cases; or
 - (iii) any other person of which at least a majority of the income, capital, beneficial or ownership interest (however designated) is at the time directly, indirectly or beneficially owned or controlled by the Company, or one or more of its Subsidiaries or the Company and one or more of its Subsidiaries;provided that the term Subsidiary shall in any event include any cooperative joint venture corporations, the WFOEs and each of the additional entities identified in Schedules 1, 2, 3, 4, 5 and 7 but excludes Sinowood Holdings Limited, Sinowood Finance Limited, Khan Forestry Inc. and Max Grain Development Limited which are inactive.
- (qqq) "Substantial U.S. Market Interest" means "substantial U.S. market interest" as that term is defined in Regulation S.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. *International Offers and Sales.*

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

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

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

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

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Act) or in any manner involving a public offering within the meaning of Section 4(2) of the 1933 Act, any of the Offered Shares; and

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

9. *Indemnity and Contribution.*

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

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

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

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

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

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

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

10. *Obligations of Underwriters*

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

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

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

- (i) if the number of Defaulted Securities is less than 10% of the number of Offered Shares to be purchased hereunder, the non-defaulting Underwriters shall be obligated, each severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations bear to the underwriting obligation of all non-defaulting Underwriters, or
 - (ii) if the number of Defaulted Securities is 10% or more of the number of Offered Shares to be purchased hereunder, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter.
- (c) In the event of any default by an Underwriter as described in this Section 10, the non-defaulting Underwriter shall have the right to postpone the Closing Date or Option Closing Date for not more than three (3) Business Days in order that any changes in the arrangements or documents for the purchase and delivery of the Offered Shares may be made. Nothing in this Section 10 shall require the Company to sell less than all of the Firm Shares or Over-Allotment Shares, as applicable, or relieve any defaulting Underwriter from liability in respect of its default hereunder to the Company and to the non-defaulting Underwriters.

11. *Termination.*

- (a) In addition to any other remedies which may be available to the Underwriters, any Underwriter shall be entitled, without liability, at such Underwriter's sole discretion, to terminate and cancel such Underwriter's obligations under this Agreement by notice to the Company given prior to the Closing Time if, at or prior to the Closing Time:
 - (i) Trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the TSX, the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Market, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange, the Chicago Board of Trade or the London Stock Exchange;
 - (ii) Trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market;
 - (iii) A material disruption in securities settlement, payment or clearance services in the United States, Canada or London shall have occurred;
 - (iv) Any moratorium on commercial banking activities shall have been declared by Canadian, U.S. Federal or New York State authorities, UK authorities or the European Central Bank;
 - (v) The Company, subject to Section 6(a), has not obtained a receipt for the Prospectus from the Ontario Securities Commission, in order to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Very truly yours,

SINO-FOREST CORPORATION

By: *(Signed) David Horsley*

Name: David Horsley

Title: Senior Vice-President and Chief
Financial Officer

Accepted as of the date hereof

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

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

DUNDEE SECURITIES CORPORATION

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

MERRILL LYNCH CANADA INC.

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

SCOTIA CAPITAL INC.

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

TD SECURITIES INC.

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

Schedule 1List of WFOEs

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

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

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

Schedule 2

List of PRC Limited Companies invested by WFOE

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

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

Schedule 3List of non-Material PRC Subsidiaries

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

Schedule 4**List of the BVI Subsidiaries**

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

Schedule 5List of Shareholders of PRC Subsidiaries

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

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

Schedule 6

List of Original CJVs

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

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

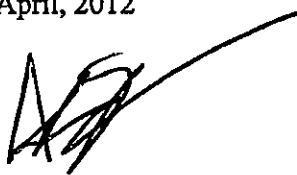
Schedule 7List of Subsidiaries

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

23. Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd.
(张家港保税区嘉森国际贸易有限公司)
24. Shaoyang Jiading Wood Products Co., Ltd. (邵阳嘉鼎木业有限公司)
25. Sino-Panel (Gengma) Co., Ltd. (嘉汉板业(耿马)有限公司)
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28. Sino-Panel (Sanjiang) Co., Ltd. (嘉汉板业(三江)有限公司)
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34. Sino-Biotechnology (Guangzhou) Co., Ltd. (嘉汉生物科技(广州)有限公司)
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36. Sino-Panel (Yunnan) Trading Co., Ltd. (嘉汉板业(云南)贸易有限公司)
37. Sino-Panel (Heilongjiang) Trading Co., Ltd. (嘉汉板业(黑龙江)贸易有限公司)
38. Jiangxi Jiawei Panel Co., Ltd. (江西嘉维板业有限公司)
39. Suzhou City Yuejia Gardening Design Co., Ltd. (苏州市悦家园艺设计有限公司)
40. Suzhou City Lvyun Garden Engineering Co., Ltd. (苏州市绿韵园林工程有限公司)
41. Beihai Changqing Wooden Co., Ltd. (北海常青木业有限公司)
42. Dynamic Profit Holdings Limited
43. Grandeur Winway Limited
44. SFR (China) Inc.
45. Sino-Capital Global Inc.
46. Sino-Forest Investments Limited
47. Sino-Forest Bio-Science Limited
48. Sino-Forest Resources Inc.
49. Sino-Global Holdings Inc.

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

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

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

A Commissioner, Etc.

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

EXECUTION COPY

DEALER MANAGER AGREEMENT

June 24, 2009

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

For purposes of this Agreement, "Subsidiary" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 exchange of the New Securities in a manner that would require the New Securities to be registered under the Securities Act.

- jjj) None of the Company, its Affiliates or any person acting on its or any of their behalf (other than the Dealer Manager, as to whom the Company makes no representation) has engaged or will engage, in connection with the exchange of the New Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act.
- kkk) With respect to those New Securities issued and exchanged for in reliance on Regulation S, (A) none of the Company, its Affiliates or any person acting on its or their behalf (other than the Dealer Manager, 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 Dealer Manager, as to whom the Company makes no representation) has complied and will comply with any applicable offering restrictions requirement of Regulation S.
- lll) The Company is a "foreign issuer" within the meaning of Rule 902 under the Securities Act and reasonably believes there is no "substantial U.S. market interest" in the Company's "debt securities" as such terms are defined in Rule 902 under the Securities Act.
- mmm) 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 on the Condition of the Company. The Company's outstanding common shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol "TRE" 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 its 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.
- nnn) The total shareholders' equity of the Company is as set forth in the Exchange Offer Material under the caption "Consolidated Capitalization of the Corporation" as of March 31, 2009.
- ooo) Each of the representations and warranties contained in this Agreement will continue to be true and correct at the commencement of, at all times during the continuance of and upon the consummation of the Exchange Offer.
- (B) Each Subsidiary Guarantor severally represents and warrants with respect to itself to you that:

 - a) 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 Exchange Offer Material and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires

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

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

4(2) of the Securities Act.

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

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

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

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

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

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

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

15. Termination. This Agreement shall terminate upon the expiration, termination or withdrawal of the Exchange Offer or upon withdrawal by you as Dealer Manager pursuant to Section 4 hereof, it being understood that Sections 3, 5, 6, 9, 12, 15, 17, 20, 21, 22, 23 and 24 hereof shall survive any termination of this Agreement.
16. Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be given (and shall be deemed to have been given upon receipt) by delivery in person, by cable, by telecopy, by telegram, by telex or by registered or certified mail (postage prepaid, return receipt requested) to the applicable party at the addresses indicated below:

a) if to you:

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

with a copy to:

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

b) if to Company and the Subsidiary Guarantors:

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

17. Submission to Jurisdiction; Appointment of Agent for Service; Waiver of Immunity. (a) Each of the Company and the Subsidiary Guarantors irrevocably submits to the nonexclusive jurisdiction of any New York State or United States Federal court sitting in the Borough of Manhattan, The City of New York (a "New York Court") over any suit, action or proceeding arising out of or relating to this Agreement or the Exchange Offer. Each of the Company and the Subsidiary Guarantors irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum.
- (b) Each of the Company and the Subsidiary Guarantors hereby irrevocably appoints Law Debenture Corporate Services Inc., with offices at 400 Madison Avenue, 4th Floor, New York, NY 10017,

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

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

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

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

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

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

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

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

Very truly yours,

Sino-Forest Corporation

By: "Chan Tak Yuen"

Name:

Title:

The Subsidiary Guarantors listed in Schedule I

By: "Chan Tak Yuen"

Name: Chan Tak Yuen

Title: Director / Authorized Signatory

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

By: "David S. Alterman"

Name: David S. Alterman

Title: Director

Schedule I

List of Subsidiary Guarantors

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

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

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

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

Court of Appeal File No.
Court File No. CV-12-9667-00CL

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

COURT OF APPEAL FOR ONTARIO

**MOTION RECORD OF THE
UNDERWRITERS
NAMED IN CLASS ACTION
(Motion Seeking Leave to Appeal)**

VOLUME II OF V

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named in Class Actions