

**INSTRUCTIONS TO UNREGISTERED NOTEHOLDERS**

URGENT – IMMEDIATE ACTION REQUIRED

October 24, 2012

TO: UNREGISTERED HOLDERS OF SINO-FOREST CORPORATION’S:

- (i) **US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);**
- (ii) **US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);**
- (iii) **US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and**
- (iv) **US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),**

(collectively, the “Notes”)

**Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the Companies’ Creditors Arrangement Act (the “Plan”)**

You are considered an Unregistered Noteholder if your Notes are shown by the books and records of the applicable indenture trustee to be held by your broker, DTC or another similar holder (a “Participant Holder”) on your behalf. If your Notes are held by a Participant Holder, these instructions apply to you.

We enclose in this package the following documents for your review and consideration:

1. Notice to Affected Creditors;
2. the Plan proposed in respect of Sino-Forest Corporation;

3. an Information Statement with respect to Sino-Forest and the Plan;
4. copy of the Meeting Order of the Ontario Superior Court of Justice dated August 31, 2012 (the “Meeting Order”), 2012;
5. copy of the endorsement of the Ontario Superior Court of Justice made on August 31, 2012 (the “Endorsement”); and
6. blank form of Noteholders’ Proxy, completion instructions and return envelope.

The purpose of these materials is to provide you with the documents required to enable you to consider the Plan and to cast your vote to accept or reject the resolution to approve the Plan at the meeting of the Affected Creditors to be held at 10:00 a.m. on November 29, 2012 (or such other date as may be set and announced in accordance with the Meeting Order) at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario (the “Meeting”).

## **CLAIM**

THE TOTAL AMOUNT OF ALL THE NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE, YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM. **HOWEVER IF YOU WISH TO VOTE ON THE PLAN, YOU MUST COMPLETE THE ENCLOSED NOTEHOLDERS’ PROXY IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT THEREIN AND ENSURE THAT IT IS RETURNED TO THE MONITOR PRIOR TO 5:00 P.M. (TORONTO TIME) ON THE THIRD BUSINESS DAY BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.**

## **PROXY**

The box on page 2 of your proxy should have been completed and signed by your Participant Holder to indicate the principal amount of Notes held by the Participant Holder on your behalf as at the Voting Record Date of August 31, 2012. If it has not been completed and signed, please return your completed proxy to your Participant Holder immediately to arrange for it to be completed and signed. You must complete your portion of the enclosed Noteholders’ Proxy (including paragraph 1 of the proxy) and ensure that it is provided to FTI Consulting Canada Inc.

(the “Monitor”) in the enclosed envelope or by facsimile transmission at the fax number noted below or by email (in PDF format) at the email address below, and received by the Monitor no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof. You must ensure that the completed proxy is received by the Monitor by this deadline if you wish to cast your vote at the Meeting of Affected Creditors.

If you have any questions regarding your obligations or the process, or require additional copies of any materials please contact the Monitor at the following address:

The Monitor  
FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

You can also view copies of documents relating to this process on the following website  
<http://cfcanda.fticonsulting.com/sfc/>.