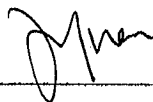


THIS IS EXHIBIT "N" TO
THE AFFIDAVIT OF W. JUDSON MARTIN
SWORN APRIL 23, 2012



A Commissioner, etc.

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

SOLICITATION AGENT AGREEMENT

June 24, 2009

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) if to the Company:
 Sino-Forest Corporation
 Suite 1208, 90 Burnhamthorpe Road West
 Mississauga, Ontario
 Canada, L5B 3C3

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

SINO-FOREST CORPORATION

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

Accepted as of the
date first above written:

CREDIT SUISSE SECURITIES (USA)
LLC

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

Exhibit A

Consent Solicitation Statement

CONSENT SOLICITATION STATEMENT



Sino-Forest Corporation

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

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

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

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

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

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

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

The Solicitation Agent for the Consent Solicitation is:

Credit Suisse

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

IMPORTANT DATES

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

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

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IMPORTANT NOTICE

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

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

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

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

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

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

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

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

CONCURRENT EXCHANGE OFFER

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

SUMMARY

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

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

The Consent Solicitations

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

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

THE PROPOSED AMENDMENTS

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

General

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

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

Reason for the Proposed Amendments

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

The Proposed Amendment

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

THE CONSENT SOLICITATIONS

Terms of the Consent Solicitations

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

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

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

Conditions to the Consent Solicitations

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

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

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

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

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

Expiration Date; Extensions; Amendments

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

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

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

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

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

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

Procedures for Consenting

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

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

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

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

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

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

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

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

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

Effectiveness of Proposed Amendments

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

Guarantee of Signature

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

Other Matters

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

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

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

Acceptance of Consents

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

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

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

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

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

U.S. Federal Backup Withholding

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

Canadian Federal Income Tax Considerations

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

Tabulation Agent

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

Information Agent

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

Solicitation Agent

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

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

Other Fees and Expenses

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

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

CERTAIN TAX CONSEQUENCES

Certain U.S. Federal Income Tax Considerations

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

* * * * *

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

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

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

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

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

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

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

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

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

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

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

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

Treatment of Consent Payment to U.S. Holders

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

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

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

Post-Consent Payment Notes

Payments of Interest

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

Original Issue Discount

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

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

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

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

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

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

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

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

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

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

Amortisable Bond Premium

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

Backup Withholding and Information Reporting

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

Certain Canadian Federal Income Tax Considerations

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

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

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

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

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

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

CERTAIN DOCUMENTS INCORPORATED BY REFERENCE

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

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

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

APPENDIX I

THE PROPOSED AMENDMENTS

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

Repurchase of Notes Upon a Change of Control Triggering Event

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

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

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

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

Redemption for Taxation Reasons

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

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

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

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

Any Notes that are redeemed will be cancelled.

Certain Covenants

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

Limitation on Indebtedness and Disqualified or Preferred Stock

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

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

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

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

(7) the Incurrence by the Company or any Restricted Subsidiaries of Indebtedness under Commodity Agreements, Interest Rate Agreements and Currency Agreements entered into in the ordinary course of business and designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation;

(8) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 90 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement; and

(9) (i) Guarantees by the Company or any Subsidiary Guarantor of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant, or (ii) Guarantees by any Restricted Subsidiary of Indebtedness of another Restricted Subsidiary that was permitted to be Incurred under clause (5), (7) or (8) above.

(b) For purposes of determining compliance with this "Limitation on Indebtedness and Disqualified or Preferred Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first paragraph of part (a), the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness.

(c) The Company will not incur, and will not permit any Subsidiary Guarantor to incur, any Indebtedness if such Indebtedness is subordinate in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also subordinate in right of payment to the Notes or the applicable Subsidiary Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

Limitation on Restricted Payments

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

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

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

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

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

- (A) a Default shall have occurred and be continuing;
- (B) the Company could not Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of part (a) of the covenant under the caption “— Limitation on Indebtedness and Disqualified or Preferred Stock;” or
- (C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after the Original Issue Date, shall exceed the sum of
 - (1) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter immediately following the Original Issue Date and ending on the last day of the Company’s most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile in a timely manner) are available and have been provided to the Trustee at the time of such Restricted Payment; *plus*
 - (2) 100% of the aggregate Net Cash Proceeds received by the Company after the Original Issue Date as a capital contribution or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Restricted Subsidiary of the Company, including any such Net Cash Proceeds received upon (x) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (y) the exercise by a Person who is not a Restricted Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; *plus*
 - (3) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Original Issue Date in any Person resulting from (a) payments of interest on Indebtedness, dividends or repayments of loans or advances, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), or (b) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Person; *plus*
 - (4) US\$20350.0 million (or the Dollar Equivalent thereof).

The foregoing provision shall not be violated by reason of:

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

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

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

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

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

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

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

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

Limitation on Issuances of Guarantees by Restricted Subsidiaries

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

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

Limitation on Transactions with Shareholders and Affiliates

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

- (1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or the relevant Restricted Subsidiary with an unrelated Person; and
- (2) the Company delivers to the Trustee:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$15.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

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

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

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

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

Limitation on Asset Sales

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

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

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

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

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

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

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

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

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

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

Provision of Financial Statements and Reports

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

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

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

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

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

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

Events of Default

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

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

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

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

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

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

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

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

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

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

Defeasance

Defeasance and Discharge

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

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

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

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

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

Defeasance of Certain Covenants

The Indenture further will provide that the provisions of the Indenture will no longer be in effect with respect to clauses (3), (4), ~~(5)(x)~~ and ~~(5)(x7)~~ under the first paragraph and clauses (3), (4), ~~(5)(x)~~ and (6) under the second paragraph under "Consolidation, Merger and Sale of Assets" and all the covenants described herein under "Covenants," clause (c) under "Events of Default" with respect to such clauses (3), (4), ~~(5)(x)~~ and ~~(5)(x7)~~ under the first paragraph and clauses (3), (4), ~~(5)(x)~~ and (6) under the second paragraph under "Consolidation, Merger and Sale of Assets," clause (d) under "Events of Default" with respect to such other covenants and clauses (e), (f), (i), (j) and (k) under "Events of Default" shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, the satisfaction of the provisions described in clause (B)(2) of the preceding paragraph and the delivery by the Company to the Trustee of an Opinion of Counsel to the effect that, among other things, the Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

Definitions

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

- (a) sales or other dispositions of inventory, receivables and other current assets (including, but not limited to wood chips, logs, lumber, and manufactured wood and wood panel products) or standing timber in the ordinary course of business,
- (b) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the "Limitation on Restricted Payments" covenant,
- (c) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$11.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Investment" means:

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

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

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

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

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

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

- (4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Payment Date;
- (5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and
- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided that* each Note purchased and each new Note issued shall be in a principal amount of US\$1,0002,000 or integral multiples of US\$1,000.

On the Payment Date, the Company shall (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; (b) deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted; and (c) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail to the Holders so accepted payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided that* each Note purchased and each new Note issued shall be in a principal amount of US\$1,0002,000 or integral multiples of US\$1,000. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

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

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

"Permitted Investment" means:

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

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

“Permitted Liens” means:

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

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

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

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

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

"Temporary Cash Investment" means any of the following:

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

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

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

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

PRINCIPAL AND REGISTERED OFFICES OF THE COMPANY

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

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

INFORMATION AND TABULATION AGENT

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

SOLICITATION AGENT

11 Madison Avenue
New York, New York 10010
United States
+1 (800) 820-1653 (toll free)
+1 (212) 538-1862 (collect)
Attention: Liability Management
Group

One Cabot Square
London E14 4QJ
+44 20 7883 6748
Attention: Liability Management
Group

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



Sino-Forest Corporation

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

CONSENT SOLICITATION STATEMENT

Credit Suisse

June 24, 2009

Exhibit B

Consent Letter



LETTER OF CONSENT

Sino-Forest Corporation

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

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

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

The Information and Tabulation Agent for the Consent Solicitation is:

Global Bondholder Services Corporation

*By Facsimile
 (Eligible Institutions Only):*

(212) 430-3775

Attn: Corporate Actions

For Information or Confirmation by Telephone:

(212) 430-3774

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

Global Bondholder Services Corporation

65 Broadway — Suite 723

New York, New York 10006

Attention: Corporate Actions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DELIVERY OF CONSENTS

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

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

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

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

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

Signature of Holder(s) or Authorized Signatory

Date

Signature of Holder(s) or Authorized Signatory

Date

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

Name(s): _____
(Please Print)

Capacity (Full Title): _____

Address: _____

(Include Zip Code)

(Daytime Telephone Number, including Area Code)

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

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

Authorized Signature: _____

Name: _____
(Please Print)

Name of Firm: _____

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

Telephone Number, including Area Code: _____

Dated: _____, 2009

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Backup Withholding and Information Reporting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER

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

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

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

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

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

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

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

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

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

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

Society of Corporate Secretaries, Inc., Nominee List.

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

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

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

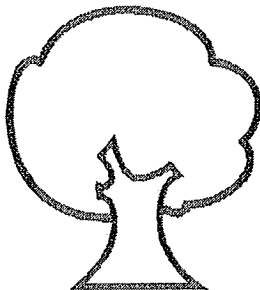
Payments that are not subject to information reporting are also not subject to backup withholding. For details see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N, and the regulations under such sections.

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

Penalties.

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

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



Sino-Forest Corporation

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

LETTER OF CONSENT

The Tabulation Agent for the Consent Solicitation is:

Global Bondholder Services Corporation

By Facsimile
(Eligible Institutions Only):

(212) 430-3775

Attn: Corporate Actions

For Information or Confirmation by Telephone:

(212) 430-3774

By Registered or Certified Mail
Hand or Overnight Delivery:

Global Bondholder Services Corporation

65 Broadway — Suite 723

New York, New York 10006

Attention: Corporate Actions

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

The Information Agent for the Consent Solicitation is:

Global Bondholder Services Corporation

65 Broadway — Suite 723

New York, New York 10006

Attention: Corporate Actions

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

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

The Solicitation Agent for the Consent Solicitation is:

CREDIT SUISSE SECURITIES (USA) LLC

Eleven Madison Avenue

New York, NY 10010-3629

Toll free: +1 (800) 820-1653

Exhibit C-1

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

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

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

Exhibit C-2

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

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

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

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

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