

**SINO-FOREST CORPORATION CLASS ACTION
TO CURRENT AND FORMER SINO-FOREST SHAREHOLDERS AND
NOTEHOLDERS**

Notice of Settlement with Pöyry (Beijing) Consulting Company Limited

This notice is to everyone, including non-Canadians, who acquired Sino-Forest Corporation (“Sino-Forest”) securities in Canada or in a Canadian market between March 19, 2007 and June 2, 2011.

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.
YOU MAY NEED TO TAKE PROMPT ACTION.**

IMPORTANT DEADLINE:

Opt-Out Deadline (for individuals and entities that wish to exclude themselves from the Class Action. See pages 2-3 for more details.):

January 15, 2013

Opt-Out Forms will not be accepted after this deadline. As a result, it is necessary that you act without delay.

COURT APPROVAL OF THE CLASS ACTION SETTLEMENT

In June and July of 2011, class actions were commenced in the Ontario Superior Court of Justice (the “Ontario Proceeding”) and the Québec Superior Court (the “Québec Proceeding”) (collectively, the “Proceedings”) against Sino-Forest, its senior officers and directors, its auditors, its underwriters and a consulting company, Pöyry (Beijing) Consulting Company Limited (“Pöyry (Beijing)”). The actions alleged that the public filings of Sino-Forest contained false and misleading statements about Sino-Forest’s assets, business, and transactions.

Since that time, the litigation has been vigorously contested. On March 30, 2012, Sino-Forest obtained creditor protection under the *Companies’ Creditors Arrangement Act* (the “CCAA”), which allowed an interim stay of proceedings against the company. Orders and other materials relevant to the CCAA proceeding can be found at the CCAA Monitor’s website at <http://cfcanada.fticonsulting.com/sfc/>. Ten days before the stay of proceedings was ordered, on March 20, 2012, the plaintiffs entered into a settlement agreement with Pöyry (Beijing) that sought to settle the claims against this defendant alone in the Proceedings (the “Settlement Agreement”). The parties to the Proceedings agreed to, and the Courts have since ordered, a partial lifting of the stay of proceedings for, among other things, the purpose of allowing the Courts to consider the fairness of the Settlement Agreement.

The Settlement Agreement stipulates that Pöyry (Beijing) will cooperate with the plaintiffs through the provision of information, documents, and other evidence that the plaintiffs

believe will assist them in the continued litigation against the remaining defendants. Pöyry (Beijing) will not provide monetary compensation to the plaintiffs. In return, the Proceedings will be dismissed against Pöyry (Beijing) and future claims against Pöyry (Beijing) in relation to these Proceedings will be barred.

Pöyry (Beijing) does not admit to any wrongdoing or liability. The Settlement Agreement does not resolve any claims against Sino-Forest, its senior officers and directors, its auditors, or its underwriters. A complete copy of the Settlement Agreement is available at: www.kmlaw.ca/sinoforestclassaction and www.classaction.ca.

On September 25, 2012, the Ontario Superior Court certified the Ontario Proceeding as a class action for settlement purposes and approved the Settlement Agreement. On November 9, 2012 the Québec Proceeding was authorized as a class action for settlement purposes and the Settlement Agreement was approved by the Québec Superior Court (the “Québec Court”). Both Courts declared that the Settlement Agreement is fair, reasonable, and in the best interest of those affected by it.

WHO IS INCLUDED IN THIS CLASS ACTION AND BOUND BY THE SETTLEMENT?

The Courts have certified the Proceedings and approved the Settlement Agreement on behalf of classes which encompass the following individuals and entities (the “Class” or “Class Members”):

All persons and entities, wherever they may reside, who acquired Sino-Forest Corporation common shares, notes, or other securities, as defined in the Ontario *Securities Act*, during the period from and including March 19, 2007 to and including June 2, 2011:

- a) by distribution in Canada or on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter or
- b) who are resident of Canada or were resident of Canada at the time of acquisition and who acquired Sino-Forest Corporation’s securities outside of Canada.

excluding the defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of an individual defendant.

REQUESTING EXCLUSION FROM THE CLASS

All persons and entities that fall within the definition of the Class are Class Members unless and until they exclude themselves from the Class (“opt out”). Class Members that do not opt out of the Class will not be able to make or maintain any other claims or legal proceeding in

relation to the matters alleged in the Proceedings against Pöyry (Beijing) or any other person released by the Settlement Agreement.

If you are a Class Member and you do not want to be bound by the Settlement Agreement you must opt out. If you wish to opt out, you may do so by completing an “Opt-Out Form”.

IF YOU CHOOSE TO OPT OUT OF THE CLASS, YOU WILL BE OPTING OUT OF THE ENTIRE PROCEEDING. THIS MEANS THAT YOU WILL BE UNABLE TO PARTICIPATE IN ANY FUTURE SETTLEMENT OR JUDGMENT REACHED WITH OR AGAINST THE REMAINING DEFENDANTS.

In order to successfully opt out, you must include all of the information requested by the Opt-Out Form. Specifically, you must sign a written election that contains the following information:

- a) your full name, current address, and telephone number;
- b) the name and number of Sino-Forest securities purchased between March 19, 2007 and June 2, 2011 (the “Class Period”), and the date and price of each such transaction;
- c) a statement to the effect that you wish to be excluded from the Settlement Agreement; and
- d) your reasons for opting out.

If you wish to opt out, you must submit your fully complete Opt-Out form to the Opt-Out Administrator or the Québec Court (if you are a resident of Québec) at the applicable below-noted address, **no later than January 15, 2013**.

OPT-OUT ADMINISTRATOR

The Court has appointed NPT Ricepoint Class Action Services as the Opt-Out Administrator for the Settlement Agreement. The Opt-Out Administrator will receive and process opt-out forms for Class Members **outside Québec**. The Opt-Out Administrator can be contacted at:

Telephone:	1-866-432-5534
Mailing Address:	Sino-Forest Class Action Opt-Out Administrator PO Box 3355 London, ON N6A 4K3
Email:	<u>sino@nptricepoint.com</u>

The opt-out forms for Class Members that are **residents of Québec** will be received and processed by the Québec Court, which can be contacted at:

Mailing Address:

Greffier de la Cour supérieure du Québec
Palais de justice de Québec
300, boulevard Jean-Lesage, salle 1.24
Québec (Québec) G1K 8K6
No de dossier : 200-06-000132-111

THE LAWYERS THAT REPRESENT THE CLASS MEMBERS

The law firms of Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, sncrl (“Class Counsel”) jointly represent the Class in the Proceedings. They can be reached by mail, email, or by telephone, as provided below:

Koskie Minsky LLP

20 Queen St. West, Suite 900, Box 52, Toronto, ON, M5H 3R3

Re: Sino-Forest Class Action

Tel: **1.866.474.1739**

Email: **sinoforestclassaction@kmlaw.ca**

Siskinds LLP

680 Waterloo Street, P.O. Box 2520 London, ON N6A 3V8

Re: Sino-Forest Class Action

Tel: **1.800.461.6166 x.2380**

Email: **nicole.young@siskinds.com**

Siskinds Desmeules, sncrl

43 Rue Buade, Bureau 320, Québec City, Québec, G1R 4A2

Re: Sino-Forest Class Action

Tel: **418.694-2009**

Email: **simon.hebert@siskindsdesmeules.com**

INTERPRETATION

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

Please do not direct inquiries about this notice to the Court. All inquiries should be directed to the Opt-Out Administrator or Class Counsel.

**DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO
SUPERIOR COURT OF JUSTICE AND THE QUEBEC SUPERIOR COURT**

