

## **SINO-FOREST CLASS ACTION**

### **TO CURRENT AND FORMER SINO SHAREHOLDERS AND NOTEHOLDERS**

#### **Notice of Tentative Settlement with Pöyry (Beijing) Consulting Company Limited**

This notice is for any person, 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.

#### **Background of Sino-Forest Class Action**

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”) against Sino-Forest, its senior officers and directors, its auditors, its underwriters and a consulting company, Pöyry (Beijing) Consulting Company Limited (“Pöyry (Beijing)”). It is alleged that the public filings of Sino-Forest contained false and misleading statements about Sino-Forest’s business and affairs.

#### **Who Is Included In This Class Action**

The proposed classes encompass the following individuals and entities:

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.

#### **Who Acts For The Proposed Class**

Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, sncrl (“Class Counsel”) jointly represent the proposed classes in this case. If you want to be represented by another lawyer, you may hire one to appear in court for you at your own expense.

You will not have to pay any fees and expenses to Class Counsel. However, if this action succeeds or there is a monetary settlement, Class Counsel may seek to have their fees and expenses paid from any money obtained for the class or paid separately by the defendants.

### **Tentative Settlement with Pöyry (Beijing) Consulting Company Limited**

There is a tentative settlement with one of the defendants, Pöyry (Beijing). The tentative settlement only settles the claims against Pöyry (Beijing) in both the Ontario and Québec proceedings. Pöyry (Beijing) does not admit to any wrongdoing or liability. The settlement does not involve the resolution of any claims against Sino-Forest Corporation or any of the other defendants.

The Pöyry (Beijing) settlement provides that Pöyry (Beijing) will initially provide cooperation to the Plaintiffs in the form of information and, if the Pöyry (Beijing) settlement is approved by the Ontario and Québec Courts, documents and other evidence, which the Plaintiffs believe will assist them in the continued litigation. Pöyry (Beijing) will contribute to the cost of providing notice, but will not otherwise provide monetary compensation to the Plaintiffs. In return for this assistance, the action will be dismissed against Pöyry (Beijing) and there will be an order barring claims against it and other persons or entities related to Pöyry (Beijing) as described in the settlement agreement that are not named as parties in the Ontario or Québec proceedings.

The settlement agreement with Pöyry (Beijing) is subject to court approval, as discussed below.

### **Stay of Proceedings Against Sino-Forest and Partial Lifting of the Stay**

On March 30, 2012, Sino-Forest obtained creditor protection under the Companies' Creditors Arrangement Act ("CCAA"). The initial order provided for an interim stay of proceedings against Sino-Forest. This and other materials can be found at the CCAA Monitor's website at <http://cfcanada.fticonsulting.com/sfc/>. The parties to this action have agreed to, and the Court has ordered, a partial lifting of the stay of proceedings for, among other things, the purpose of allowing the Court to consider the fairness of the settlement between the Plaintiffs and Pöyry (Beijing).

### **Hearings to Approve Settlement on September 21, 2012 in Toronto and on October 30 and 31, 2012 in Québec City, Canada**

On September 21, 2012 at 10:00 a.m., there will be a settlement approval hearing before the Ontario Superior Court of Justice. The courthouse is located at Osgoode Hall, 130 Queen Street West, Toronto, Ontario, Canada.

On October 30 and 31, 2012 at 9:30 a.m., there will be a settlement approval hearing before the Québec Superior Court. The courthouse is located at 300 Boulevard Jean-Lesage, Québec City, Québec, Canada.

On these dates, the courts will decide whether to approve the Pöyry (Beijing) settlement. Also on these dates, the Plaintiffs will seek orders certifying or authorizing the class proceeding for settlement purposes only as against Pöyry (Beijing).

Former or current security holders may attend the hearings and ask to make submissions regarding the proposed settlement. Any person who wishes to object to the Pöyry (Beijing) settlement must provide written notice to Class Counsel at the addresses below by August 21, 2012.

### **Further Information**

If you would like additional information or to object to the Pöyry (Beijing) settlement, please contact Koskie Minsky LLP, Siskinds LLP, or Siskinds Desmeules LLP at the addresses 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](mailto: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](mailto:nicole.young@siskinds.com)

Siskinds Desmeules, sencrl  
43 Rue Buade, Bureau 320, Québec City, Québec, G1R 4A2  
Re: Sino-Forest Class Action  
Tel: (418) 694-2009  
Email: [simon.hebert@siskindsdesmeules.com](mailto:simon.hebert@siskindsdesmeules.com)

A copy of the Pöyry (Beijing) settlement agreement and other information about this class action are available on Koskie Minsky LLP's website at [www.kmlaw.ca/sinoforestclassaction](http://www.kmlaw.ca/sinoforestclassaction) and Siskinds LLP's website at [www.classaction.ca](http://www.classaction.ca).

**PLEASE DO NOT CONTACT THE COURT OR THE REGISTRAR OF THE COURT ABOUT THIS CLASS ACTION. THEY ARE NOT ABLE TO ANSWER YOUR QUESTIONS.**