



Sino-Forest Announces the Resignation of Allen Chan as Chairman and Chief Executive Officer and his Appointment as Founding Chairman Emeritus

William Ardell, Lead Director and Chairman of the Independent Committee, and Judson Martin, Vice Chairman and Executive Director of the Company, have assumed the roles of the Chairman and CEO, respectively

TORONTO, CANADA – August 28, 2011 - Sino-Forest Corporation (“Sino-Forest” or the “Company”) (TSX:TRE) announced that Allen Chan has voluntarily resigned as Chairman, Chief Executive Officer and Director, pending completion of the review by the Independent Committee of the allegations made by Muddy Waters. The Board has appointed William Ardell, Lead Director and Chairman of the Independent Committee, to the role of Chairman and Judson Martin, Executive Director and Vice-Chairman of the Company, to the role of CEO. Mr. Martin will continue as CEO of Greenheart Group Limited, the Company's controlled subsidiary listed on the Hong Kong Stock Exchange. Mr. Chan will become Founding Chairman Emeritus of the Company and will be fully available to assist Mr. Martin with operational matters and with the Independent Committee review as requested. Mr. Chan had expressed his willingness to step aside prior to the issuance on the morning of August 26, 2011, of a cease trade order by the Ontario Securities Commission (the “OSC”). David Horsley and Tom Maradin are continuing in their current roles as Chief Financial Officer and Vice President Corporate Finance respectively. The three overriding priorities of the Company are to complete the work of the Independent Committee, to cooperate with the OSC and to preserve shareholder value.

In addition, Sino-Forest has placed three employees on administrative leave, during which they have been relieved of their responsibilities but remain available to assist the Company if required. A fourth senior employee has been requested to act solely on the instructions of Mr. Martin to assist the Company in certain matters relating to the work of the Independent Committee and the continuing operations of the Company's business. These actions were undertaken by the Company after certain information was uncovered during the course of the Independent Committee's review, subsequent to the release of the Company's second quarter financial results, and before the OSC's cease trade order was issued.

The allegations made in the OSC's temporary order, while unproven, are of a serious nature. The Independent Committee, assisted by its independent legal counsel in three jurisdictions and its independent accounting advisors, has been engaged in its review process for approximately 10 weeks, and its work continues, including in relation to recent developments. The Company's business is complex, the scope of the review is significant and there are enormous amounts of data that have been marshalled and are under review. In these circumstances, the Independent Committee has not yet reached any conclusions. The Company has been cooperating with the OSC throughout, including by responding to numerous and extensive information requests and by providing regular periodic briefings. As previously announced, the Independent Committee has indicated that it expects to provide a further interim report within four to six weeks and currently believes that its review process will be completed prior to the Company's year end.

Trading of the Company's stock on the Toronto Stock Exchange has been suspended as a result of the OSC's temporary order. The Company does not believe any default under its Guaranteed Senior Notes or its Convertible Senior Notes has been triggered by these events. It will continue to review the terms of all of its debt and other contractual arrangements.

About Sino-Forest Corporation

Sino-Forest Corporation is a leading commercial forest plantation operator in China. Its principal businesses include the ownership and management of tree plantations, the sale of standing timber and

wood logs, and the complementary manufacturing of downstream engineered-wood products. Sino-Forest also holds a majority interest in Greenheart Group Limited (HKSE:00094), a Hong-Kong listed investment holding company with assets in Suriname (South America) and New Zealand and involved in sustainable harvesting, processing and sales of its logs and lumber to China and other markets around the world. Sino-Forest's common shares have been listed on the Toronto Stock Exchange under the symbol TRE since 1995. Learn more at www.sinoforest.com.

Cautionary notes: No stock exchange or regulatory authority has approved or disapproved of information contained herein. Certain information included in this news release is forward-looking and is subject to important risks and uncertainties. When used in this news release, the words "believe", "intend", "estimate", "expect", "plan" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements are based on current expectations. The results or events predicted in these statements may differ materially from actual results or events and are not guarantees of future performance of Sino-Forest. Factors which could cause results or events to differ from current expectations include, among other things: the outcome of examinations currently underway by the Independent Committee and securities regulatory authorities, the outcome of class action proceedings initiated against the Company as a result of allegations made in the Muddy Waters Report, our ability to acquire rights to additional standing timber, our ability to meet our expected plantation yields, the cyclical nature of the forest products industry and price fluctuation in and the demand and supply of logs, our reliance on the relationship with local plantation land owners and/or plantation land use rights holders, authorized intermediaries, key customers, suppliers and third party service providers, our ability to operate our production facilities on a profitable basis, changes in currency exchange rates and interest rates, the evaluation of our provision for income and related taxes, economic, political and social conditions and government policy in the People's Republic of China, the Republic of Suriname and New Zealand, and stock market volatility, the risk factors referred to under "Recent Developments" in the Company's Management Discussion and Analysis for the period ended June 30, 2011, and other factors not currently viewed as material that could cause actual results to differ materially from those described in the forwarding-looking statements. For additional information with respect to certain of these and other factors, see the reports filed by Sino-Forest with applicable Canadian securities administrators. Sino-Forest disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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