



## **Sino-Forest Announces Implementation of Plan of Compromise and Reorganization**

**TORONTO, CANADA – January 30, 2013** – Sino-Forest Corporation ("Sino-Forest" or the "Company") today announced that it has implemented its previously announced Plan of Compromise and Reorganization dated December 3, 2012 pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and the *Canada Business Corporations Act* (as amended, the "Plan") with an implementation date of January 30, 2013. As previously announced, the Plan was overwhelmingly approved by creditors at a meeting of affected creditors held on December 3, 2012 and received approval of the Ontario Superior Court of Justice on December 10, 2012.

Pursuant to the Plan, the Company completed a restructuring transaction under which, among other things, Sino-Forest transferred substantially all of its assets, other than certain excluded assets, to a newly formed entity ("Newco") (and/or a wholly-owned subsidiary of Newco) owned by the affected creditors of Sino-Forest in exchange for a release of the claims of affected creditors against Sino-Forest and its subsidiaries. The assets transferred to Newco and/or its wholly-owned subsidiary pursuant to the restructuring transaction included all of the shares of the Company's directly owned subsidiaries which own, directly or indirectly, all of the business operations of the Company. The assets transferred to Newco and/or its wholly-owned subsidiary did not include, among other things, certain litigation claims of the Company against third parties which were transferred to a litigation trust (the "Litigation Trust") established pursuant to the Plan to pursue such claims on behalf of the affected creditors of the Company and certain other stakeholders, and certain cash amounts used to fund the Litigation Trust and certain other cash reserves established under the Plan. Pursuant to the Plan, affected creditors with proven claims against the Company received pro rata distributions of the equity of Newco, certain new notes issued by Newco and interests in the Litigation Trust. In connection with the implementation of the Plan, the court-appointed Monitor of the Company has issued a Sixteenth Report concerning the CCAA process and the Plan, which provides additional details concerning the Plan and Newco (and its wholly-owned subsidiary) and which is available at the Monitor's website for the CCAA proceedings at <http://cfcanda.fticonsulting.com/sfc>.

In addition, Sino-Forest ceased to be a reporting issuer in each of the applicable jurisdictions in Canada by order of the applicable Canadian securities regulators immediately prior to the completion of the restructuring transaction. All of the outstanding common shares of Sino-Forest will be cancelled for no consideration on March 4, 2013.

### **Inquiries**

All inquiries regarding the Company's proceedings under the CCAA should be directed to the Monitor, FTI Consulting, via email at: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com), or telephone: (416) 649-8094. Information about the CCAA proceedings, including copies of all court orders and the Monitor's reports, are available at the Monitor's website <http://cfcanda.fticonsulting.com/sfc>.