Court File No.: CV-12-9667-00CL

### ONTARIO SUPERIOR COURT OF JUSTICE

#### **COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No. CV-11-431153-00CP

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

**Defendants** 

| Proceeding under the Class Proceedings Act, 1992 |                                                         |  |  |
|--------------------------------------------------|---------------------------------------------------------|--|--|
|                                                  | PLAINTIFFS' MOTION RECORD (returnable February 4, 2013) |  |  |

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Court File No.: CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

### AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

**Defendants** 

Proceeding under the Class Proceedings Act, 1992

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### NOTICE OF MOTION (returnable February 4, 2013)

**TAKE NOTICE** that the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the plaintiffs in the action commenced against Sino-Forest Corporation ("Sino-Forest") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Plaintiffs" and the "Ontario Class Action", respectively), will make a motion to a Judge of the Commercial List on February 4, 2013 at 10:00 a.m., 330 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, or at such other time and place as the Court may direct.

**PROPOSED METHOD OF HEARING**: The motion is to be heard orally.

#### THE MOTION IS FOR:

- (a) an order, in the form attached as Schedule "A" to this notice of motion,
  - (i) if necessary, validating and abridging the time for service and filing of this motion and motion record, and dispensing with any further service thereof;
  - (ii) appointing the Ontario Plaintiffs as representatives on behalf of the Securities Claimants as defined in the draft order;
  - (iii) declaring that the Ernst & Young Settlement (as defined in the Plan of Compromise and Reorganization of the Applicant under the *Companies' Creditors Arrangement Act* dated December 3, 2012 (the "Plan") and as provided for in section 11.1 of the Plan, such Plan having been approved by this Honourable Court by Order dated December 10, 2012) is fair and reasonable in all the circumstances and for the purposes of both proceedings;
  - (iv) approving the Ernst & Young Settlement and the Ernst & Young Release (as defined in the Plan) for all purposes and implementing them in accordance with their terms;

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- (v) establishing a settlement trust for the purposes of the Ernst & Young Settlement and irrevocably channeling all Ernst & Young Claims (as defined in the Plan) to the settlement trust in accordance with the terms of the order;
- (vi) directing that the entire Settlement Amount (net of class counsel fees, disbursements and taxes, including, without limitation, notice and administration costs and payments to Claims Funding International) shall be distributed to and for the benefit of the Securities Claimants for their claims against Ernst & Young; and
- (vii) requesting the recognition of the courts and other bodies in Canada or the United States to give effect to the order;
- (b) an order for the preservation and production of certain documents in the power, possession or control of Ernst & Young LLP; and
- (c) Such further and other relief as this Honourable Court deems just.

#### THE GROUNDS FOR THE MOTION ARE:

- (a) On July 20, 2012, the Ontario Plaintiffs commenced the Ontario Action against Sino-Forest, Ernst & Young LLP and other defendants;
- (b) Guining Liu (the "Quebec Plaintiff") brought a similar class proceeding against Sino-Forest, Ernst & Young LLP and other defendants in Quebec;
- (c) David Leapard and others (the "New York Plaintiffs") have brought a proceeding in the United States New York Southern District Court against Sino-Forest, Ernst & Young LLP and other defendants;
- (d) the Ontario Plaintiffs allege that the defendants made misrepresentations in Sino-Forest's public filings, including its financial statements and offering documents;

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(e) the Ontario Plaintiffs allege that Ernst & Young LLP misrepresented that (a) Sino-Forest's 2007, 2008, 2009 and 2010 annual financial statements were prepared in accordance with generally accepted accounting principles; and (b) Ernst & Young LLP had conducted its 2007, 2008, 2009 and 2010 audits of Sino-Forest in accordance with generally accepted auditing standards;

- (f) Ernst & Young LLP denies these allegations;
- (g) On March 30, 2012, Sino-Forest filed for protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA");
- (h) On May 8, 2012, the CCAA Court stayed the class actions against the third party defendants, including Ernst & Young LLP, to allow all stakeholders to focus on Sino-Forest's restructuring;
- (i) On May 14, 2012, the CCAA Court issued a claims procedure order, which required any person with a claim against Sino-Forest Corporation, its directors or officers, or its subsidiaries to file proofs of claim and permitted the Ontario Plaintiffs to file a proof of claim on behalf of the entire class;
- (j) Ernst & Young LLP filed two proofs of claim on June 20, 2012. Its proofs of claims stated that Ernst & Young LLP had claims against Sino-Forest, its directors and officers and 136 subsidiaries. These claims included contractual indemnities from the subsidiaries;
- (k) On July 25, 2012, the CCAA Court ordered that the Parties (as defined in that order) participate in mediation, including the Ontario Plaintiffs and Ernst & Young LLP;
- (l) An early draft of the Plan was first filed with the *CCAA* court on August 14, 2012. There have been amendments to the Plan since then, but the Plan has always provided for releases for Sino-Forest subsidiaries and

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certain of Sino-Forest directors and officers, who are third parties to the Plan. The releases of these subsidiaries was considered necessary to the restructuring of Sino-Forest;

- (m) The court-ordered mediation amongst all Parties proceeded in September, but did not result in a settlement at that time;
- (n) The Ontario Plaintiffs and Ernst & Young continued settlement discussions, including bi-lateral mediation in late November, 2012;
- (o) Continued discussions to resolve the issues of the various stakeholders was encouraged by the CCAA Court;
- (p) Until late November 2012, Ernst & Young LLP maintained its opposition to releases for the subsidiaries as the subsidiaries were neither debtors in the *CCAA* proceedings nor resident in Canada. Ernst & Young LLP had claims against the subsidiaries and it would challenge the fairness or legal basis of any Plan that provided for such releases;
- (q) On November 29, 2012, the Ontario Plaintiffs, the Quebec Plaintiff and Ernst & Young LLP, on behalf of itself, Ernst & Young Global Limited and all member firms thereof (collectively "Ernst & Young"), entered into Minutes of Settlement in order to resolve claims against Ernst & Young relating to Sino-Forest, its affiliates and subsidiaries;
- (r) Following the execution of the Minutes of Settlement, Ernst & Young negotiated the inclusion of the mechanics for and framework of the Ernst & Young Settlement and the Ernst & Young Release in the Plan;
- (s) In return, Ernst & Young agreed to abandon all objections to and support the Plan and the CCAA restructuring including the release of the subsidiaries, and agreed to forego any distributions under the Plan;

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- (t) The Ernst & Young Settlement provided the framework for settlements with other defendant (as set out in Article 11.2 of the Plan), which in part led other stakeholders of Sino-Forest to support the Plan;
- (u) This support meant that the Plan was unopposed by stakeholders who had participated to December 2012 in the CCAA Proceedings and materially contributed to Sino-Forest being able to meet its intended January 15, 2013 Plan Implementation Date (as defined in the Plan);
- (v) On December 3, 2012, the creditors of Sino-Forest, including Ernst & Young, overwhelmingly voted in favour of the Plan, which incorporated a framework for the implementation of the Ernst & Young Settlement;
- (w) On December 10, 2012, the court approved the Plan;
- (x) The Ernst & Young Settlement provides that Ernst & Young shall pay CDN \$117 million (the "Settlement Amount") in exchange, among other things, for a comprehensive release of claims against Ernst & Young in respect of Sino-Forest;
- (y) The settlement is fair, reasonable and in the best interests of Securities Claimants, particularly in light of the inherent risks, costs and delay associated with continued litigation;
- (z) The settlement is fair and reasonable in all of the circumstances of these CCAA Proceedings;
- (aa) The Ontario Plaintiffs and the Quebec Plaintiffs support the approval of the Ernst & Young Settlement;
- (bb) Counsel for the Ad Hoc Committee of Purchasers of the Applicant's Securities support the approval of the Ernst & Young Settlement and do so on the basis of
  - (i) extensive investigations in Canada, Hong Kong and China;

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- (ii) input from accounting experts and legal experts in China;
- (iii) reviews of public documents;
- (iv) the Ontario Securities Commission proceedings against Sino-Forest and Ernst & Young LLP including the allegations in those proceedings;
- (v) reviews of non-public documents provided by Sino-Forest relating to Ernst & Young LLP's audits;
- (vi) Ernst & Young LLP's responsive insurance policies;
- (vii) the risks relating to recovery in the class actions from Ernst & Young LLP, including risks in establishing liability and the severe limits on recoverable damages for statutory claims. In essence, while damages may be in the billions of dollars, recovery against Ernst & Young may be less than the Settlement Amount if certain of Ernst & Young's defences and arguments are successful at trial; and
- (viii) the practical likelihood of recovery from Ernst & Young LLP even if a large judgment were made.
- (cc) Based on information available in the public domain, the Settlement Amount would be the largest settlement paid by a Canadian auditing firm in a securities class action lawsuit;
- (dd) the *Class Proceedings Act*, 1992, S.O. 1992, c. 6;
- (ee) the Companies' Creditors Arrangement Act;
- (ff) the Rules of Civil Procedure; and
- (gg) such further grounds as counsel may advise and this Honourable Court may consider.

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THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) Affidavit of Charles Wright sworn January 10, 2013;
- (b) Affidavit of Joseph Redshaw sworn January 10, 2013;
- (c) Affidavit of Serge Kolloghlian sworn January 10, 2013;
- (d) Affidavit of Adam Pritchard sworn January 9, 2013;
- (e) Affidavit of Frank Torchio sworn January 11, 2013; and
- (f) such further or other material as counsel may advise and this Honourable Court may permit.

January 11, 2013

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TO: SERVICE LIST

## IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No: CV-11-431153-00CP

### ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto, Ontario

### NOTICE OF MOTION (Returnable February 4, 2013)

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Lawyers for the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Representative Plaintiffs in the Ontario Class Action

Court File No. CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

| THE HONOURABLE       | ) | MONDAY,                   | THE |
|----------------------|---|---------------------------|-----|
| MR. JUSTICE MORAWETZ | ) | 4TH DAY OF FEBRUARY, 2013 |     |

### IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

### AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

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**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

**Defendants** 

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#### **ORDER**

THIS MOTION made by the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the plaintiffs in the action commenced against Sino-Forest Corporation ("Sino-Forest" or the "Applicant") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Plaintiffs" and the "Ontario Class Action", respectively), in their own and proposed representative capacities, for an order giving effect to the Ernst & Young Release and the Ernst & Young Settlement (as defined in the Plan of Compromise and Reorganization of the Applicant under the *Companies' Creditors Arrangement Act* ("CCAA") dated December 3, 2012 (the "Plan") and as provided for in section 11.1 of the Plan, such Plan having been approved by this Honourable Court by Order dated December 10, 2012 (the "Sanction Order")), was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

**WHEREAS** the Ontario Plaintiffs and Ernst & Young (as defined in the Plan) entered into Minutes of Settlement dated November 29, 2012.

**AND WHEREAS** this Honourable Court issued the Sanction Order containing the framework and providing for the implementation of the Ernst & Young Settlement and the Ernst & Young Release, upon further notice and approval;

**AND WHEREAS** the Supervising CCAA Judge, the Honourable Justice Morawetz, in this proceeding was designated on December 13, 2012 by Regional Senior Justice Then to hear this motion for settlement approval pursuant to both the CCAA and the *Class Proceedings Act*, 1992;

**AND WHEREAS** this Honourable Court approved the form of notice and the plan for distribution of the notice to any Person with an Ernst & Young Claim, as defined in the Plan, of this settlement approval motion by Order dated December 21, 2012 (the "Notice Order");

**AND ON READING** the Ontario Plaintiffs' Motion Record, including the affidavits of Charles Wright, counsel to the plaintiffs, and the exhibits thereto, and of [●], and the exhibits thereto, and on reading the ● Report of FTI Consulting Canada Inc., in its capacity as Monitor of

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the Applicant (in such capacity, the "Monitor") dated ● including any notices of objection received, and on hearing the submissions of counsel for the Ontario Plaintiffs, Ernst & Young LLP, the Ad Hoc Committee of Sino-Forest Noteholders and the Applicant and those other parties present, no one appearing for any other party although duly served as appears from the affidavit of service of ● sworn ●, 2013 and such other notice as required by the Notice Order,

### **Sufficiency of Service and Definitions**

- 1. THIS COURT ORDERS that the time for service and manner of service of the Notice of Motion and the Motion Record and the Report of the Monitor on any Person are, respectively, hereby abridged and validated, and any further service thereof is hereby dispensed with so that this Motion is properly returnable today in both proceedings set out in the styles of cause hereof.
- 2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this order shall have the meanings attributed to those terms in the Plan.
- 3. **THIS COURT FINDS** that all applicable parties have adhered to, and acted in accordance with, the Notice Order and that the procedures provided in the Notice Order have provided good and sufficient notice of the hearing of this Motion, and that all Persons shall be and are hereby forever barred from objecting to the Ernst & Young Settlement or the Ernst & Young Release.

### Representation

- 4. **THIS COURT ORDERS** that Ontario Plaintiffs are hereby recognized and appointed as representatives on behalf of those Persons described in **Appendix "A"** hereto (collectively, the "Securities Claimants") in these insolvency proceedings in respect of the Applicant (the "CCAA Proceedings") and in the Ontario Class Action, including for the purposes of and as contemplated by section 11.1 of the Plan, and more particularly the Ernst & Young Settlement and the Ernst & Young Release.
- 5. **THIS COURT ORDERS** that Koskie Minsky LLP, Siskinds LLP and Paliare Roland Rosenberg Rothstein LLP are hereby recognized and appointed as counsel for the Securities

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Claimants for all purposes in these proceedings and as contemplated by section 11.1 of the Plan, and more particularly the Ernst & Young Settlement and the Ernst & Young Release ("CCAA Representative Counsel").

6. **THIS COURT ORDERS** that the steps taken by CCAA Representative Counsel pursuant to the Orders of this Court dated May 8, 2012 (the "Claims Procedure Order") and July 25, 2012 (the "Mediation Order") are hereby validated as of the date thereof and that CCAA Representative Counsel is and was authorized to negotiate and support the Plan on behalf of the Securities Claimants, to negotiate the Ernst & Young Settlement, to bring this motion before this Honourable Court to approve the Ernst & Young Settlement and to take any other necessary steps to effectuate the Ernst & Young Settlement, including bringing any necessary motion before the court, and as contemplated by section 11.1 of the Plan.

### **Approval of the Settlement & Release**

- 7. **THIS COURT ORDERS** that the Ernst & Young Settlement is fair and reasonable in all the circumstances and for the purposes of both proceedings.
- 8. **THIS COURT ORDERS** that the Ernst & Young Settlement and the Ernst & Young Release be and hereby are approved for all purposes and as contemplated by s. 11.1 of the Plan and paragraph 40 of the Sanction Order and shall be implemented in accordance with their terms, this Order, the Plan and the Sanction Order.
- 9. **THIS COURT ORDERS** that this Order, the Ernst & Young Settlement and the Ernst & Young Release are binding upon each and every Person or entity having an Ernst & Young Claim, including those Persons who are under disability, and any requirements of rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 are dispensed with in respect of the Ontario Class Action.

#### Payment, Release, Discharge and Channelling

10. **THIS COURT ORDERS** that upon satisfaction of all the conditions specified in section 11.1(a) of the Plan, Ernst & Young shall pay CDN \$117,000,000 (the "Settlement Fund")

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into the Settlement Trust (as defined in paragraph 16 below) less any amounts paid in advance as set out in paragraph 15 of this order or the Notice Order.

- 11. **THIS COURT ORDERS** that upon confirmation to the Monitor in writing by Ernst & Young of the fulfillment of all conditions precedent to the Ernst & Young Settlement and the payment contemplated by paragraph 10 hereof of the Settlement Fund to the Settlement Trust, the Monitor shall deliver to Ernst & Young the Monitor's Ernst & Young Settlement Certificate (as defined in the Plan) substantially in the form attached hereto as **Appendix** "B". The Monitor shall thereafter file the Monitor's Ernst & Young Settlement Certificate with the Court.
- 12. **THIS COURT ORDERS** that pursuant to the provisions of section 11.1(b) of the Plan, on the Ernst & Young Settlement Date,
  - a. all Ernst & Young Claims, including but not limited to the claims of the Securities Claimants, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against Ernst & Young in accordance with section 11.1(b) of the Plan;
  - b. section 7.3 of the Plan shall apply to Ernst & Young and the Ernst & Young Claims *mutatis mutandis*;
  - c. none of the plaintiffs in the Class Actions shall be permitted to claim from any of the other defendants that portion of any damages that corresponds with the liability of Ernst & Young, proven at trial or otherwise, that is the subject of the Ernst & Young Settlement ("Ernst & Young's Proportionate Liability");
  - d. Ernst & Young shall have no obligation to participate in and shall not be compelled to participate in any disputes about the allocation of the Settlement Fund from the Settlement Trust and any and all Ernst & Young Claims shall be irrevocably channeled to the Settlement Fund held in the Settlement Trust in accordance with paragraphs 16 and 17 of this order and the Claims and Distribution Protocol and forever discharged and released against Ernst &

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Young in accordance with paragraph 12(a) of this order, regardless of whether the Claims and Distribution Protocol is finalized as at the Ernst & Young Settlement Date;

- e. all Class Actions, as defined in the Plan, including the Ontario Class Action shall be permanently stayed as against Ernst & Young; and
- f. the Ontario Class Action shall be dismissed against Ernst & Young.
- 13. **THIS COURT ORDERS** that on the Ernst & Young Settlement Date, any and all claims which Ernst & Young may have had against any other defendant in the Ontario Class Action, or against any other defendant in any Class Actions in a jurisdiction in which this order has been recognized by a court of competent jurisdiction, any other defendant's insurers or any other Persons who may claim over against the other defendants or the other defendants' insurers, in respect of contribution, indemnity or other claims over which relate to the allegations made in the Class Actions, are hereby fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished (save and except for those claims in the Ontario Class Action as against Poyry Beijing Consulting Company Limited which were dealt with in the Order of Justice Perell J. dated September 25, 2012 in the Ontario Class Action).
- 14. **THIS COURT ORDERS** that nothing in this order shall fetter the discretion of any court to determine Ernst & Young's Proportionate Liability at the trial or other disposition of an action for the purposes of paragraph 12(c) above, whether or not Ernst & Young appears at the trial or other disposition (which Ernst & Young has no obligation to do) and Ernst & Young's Proportionate Liability shall be determined as if Ernst & Young were a party to the action and any determination by the court in respect of Ernst & Young's Proportionate Liability shall only apply in that action to the proportionate liability of the remaining defendants in those proceedings and shall not be binding on Ernst & Young for any purpose whatsoever and shall not constitute a finding against Ernst & Young for any purpose in any other proceeding.

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15. THIS COURT ORDERS that the Ontario Plaintiffs shall incur and pay notice and administration costs that are incurred in advance of the Ernst & Young Settlement Date, as a result of an order of this Honourable Court, up to a maximum of the first \$200,000 thereof (the "Initial Plaintiffs' Costs"), which costs are to be immediately reimbursed from the Settlement Fund after the Ernst & Young Settlement Date. Ernst & Young shall incur and pay such notice and administration costs which are incurred in advance of the Ernst & Young Settlement Date, as a result of an order of this Honourable Court, over and above the Initial Plaintiffs' Costs up to a maximum of a further \$200,000 (the "Initial Ernst & Young Costs"). Should any costs in excess of the cumulative amount of the Initial Plaintiffs' Costs and the Initial Ernst & Young Costs, being a total of \$400,000, in respect of notice and administration as ordered by this Honourable Court be incurred prior to the Ernst & Young Settlement Date, such amounts are to be borne equally between the Ontario Plaintiffs and Ernst & Young. All amounts paid by the Ontario Plaintiffs and Ernst & Young as provided herein are to be deducted from or reimbursed from the Settlement Fund after the Ernst & Young Settlement Date. Should the settlement not proceed, the Ontario Plaintiffs and Ernst & Young shall each bear their respective costs paid to that time.

#### **Establishment of the Settlement Trust**

- 16. **THIS COURT ORDERS** that a trust (the "Settlement Trust") shall be established under which a claims administrator, to be appointed by CCAA Representative Counsel with the consent of the Monitor or with approval of the court, shall be the trustee for the purpose of holding and distributing the Settlement Fund and administering the Settlement Trust.
- 17. **THIS COURT ORDERS** that after payment of class counsel fees, disbursements and taxes (including, without limitation, notice and administration costs and payments to Claims Funding International) and upon the approval of a Claims and Distribution Protocol, defined below, the entire balance of the Settlement Fund shall, subject to paragraph 18 below, be distributed to or for the benefit of the Securities Claimants for their claims against Ernst & Young, in accordance with a process for allocation and distribution among Securities Claimants, such process to be established by CCAA Representative Counsel and approved by further order of this court (the "Claims and Distribution Protocol").

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- 18. Notwithstanding paragraph 17 above, the following Securities Claimants shall not be entitled to any allocation or distribution of the Settlement Fund: any Person or entity that is as at the date of this order a named defendant to any of the Class Actions (as defined in the Plan) and 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 the following Persons: Allen T.Y, Chan a.k.a. Tak Yuen Chan, W. Judson Martin, Kai Kit Poon, David J. Horsley, William E. Ardell, James P. Boland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, Garry J. West, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung.
- 19. **THIS COURT ORDERS** that the fees and costs of the claims administrator and CCAA Representative Counsel shall be paid out of the Settlement Trust, and for such purpose, the claims administrator and the CCAA Representative Counsel may apply to the court to fix such fees and costs in accordance with the laws of Ontario governing the payment of counsel's fees and costs in class proceedings.

#### **Recognition, Enforcement and Further Assistance**

- 20. **THIS COURT ORDERS** that the Court in the CCAA proceedings shall retain an ongoing supervisory role for the purposes of implementing, administering and enforcing the Ernst & Young Settlement and the Ernst & Young Release and matters related to the Settlement Trust including any disputes about the allocation of the Settlement Fund from the Settlement Trust. Any disputes arising with respect to the performance or effect of, or any other aspect of, the Ernst & Young Settlement and the Ernst & Young Release shall be determined by the court, and that, except with leave of the court first obtained, no Person or party shall commence or continue any proceeding or enforcement process in any other court or tribunal, with respect to the performance or effect of, or any other aspect of the Ernst & Young Settlement and the Ernst & Young Release.
- 21. **THIS COURT ORDERS** that the Ontario Plaintiffs and Ernst & Young with the assistance of the Monitor, shall use all reasonable efforts to obtain all court approvals and orders necessary for the implementation of the Ernst & Young Settlement and the Ernst & Young Release and shall take such additional steps and execute such additional agreements and

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documents as may be necessary or desirable for the completion of the transactions contemplated by the Ernst & Young Settlement, the Ernst & Young Release and this order.

- 22. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States or elsewhere, to give effect to this order and to assist the Applicant, the Monitor, the CCAA Representative Counsel and Ernst & Young LLP and their respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant, the Monitor as an officer of this Court, the CCAA Representative Counsel and Ernst & Young LLP, as may be necessary or desirable to give effect to this order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant, the Monitor, the CCAA Representative Counsel and Ernst & Young LLP and their respective agents in carrying out the terms of this order.
- 23. **THIS COURT ORDERS** that each of the Applicant, the Monitor, CCAA Representative Counsel and Ernst & Young LLP be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this order, or any further order as may be required, and for assistance in carrying out the terms of such orders.
- 24. **THIS COURT ORDERS** that the running of time for the purposes of the Ernst & Young Claims asserted in the Ontario Class Action, including statutory claims for which the Ontario Plaintiffs have sought leave pursuant to Part XXIII.1 of the *Ontario Securities Act*, R.S.O. 1990, c. S-5 and the concordant provisions of the securities legislation in all other provinces and territories of Canada, shall be suspended as of the date of this order until further order of this CCAA Court.
- 25. **THIS COURT ORDERS** that in the event that the Ernst & Young Settlement is not completed in accordance with its terms, the Ernst & Young Settlement and paragraphs 7-14 and 16-19 of this order shall become null and void and are without prejudice to the rights of the parties in the Ontario Class Action or in any proceedings and any agreement between the

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| parties incorporated into this order shall | be deemed in the Ontario Class Action and in any |
|--------------------------------------------|--------------------------------------------------|
| proceedings to have been made without p    | rejudice.                                        |
|                                            |                                                  |
|                                            |                                                  |
|                                            |                                                  |
| _                                          | Morawetz, J.                                     |

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### APPENDIX "A" TO SETTLEMENT APPROVAL ORDER DEFINITION OF SECURITIES CLAIMANTS

"Securities Claimants" are all Persons and entities, wherever they may reside, who acquired any securities of Sino-Forest Corporation including securities acquired in the primary, secondary and over-the-counter markets.

For the purpose of the foregoing,

"Securities" means common shares, notes or other securities defined in the *Securities Act*, R.S.O. 1990, c. S.5, as amended.

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### APPENDIX "B" TO SETTLEMENT APPROVAL ORDER MONITOR'S ERNST & YOUNG SETTLEMENT CERTIFICATE

Court File No. CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

### AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

**Defendants** 

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All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Court dated February [4], 2013 (the "Ernst & Young Settlement Approval Order") which, *inter alia*, approved the Ernst & Young Settlement and the Ernst & Young Release and established the Settlement Trust (as those terms are defined in the plan of compromise and reorganization dated December 3, 2012 (as the same may be amended, revised or supplemented in accordance with its terms, the "Plan") of Sino-Forest Corporation ("SFC"), as approved by the Court pursuant to an Order dated December 10, 2012).

Pursuant to section 11.1 of the Plan and paragraph 11 of the Ernst & Young Settlement Approval Order, FTI Consulting Canada Inc. (the "Monitor") in its capacity as Court-appointed Monitor of SFC delivers to Ernst & Young LLP this certificate and hereby certifies that:

- 1. Ernst & Young has confirmed that the settlement amount has been paid to the Settlement Trust in accordance with the Ernst & Young Settlement;

| 3. T          | The Ernst & Young Release | is in full force and effect in accordance with the Plan.                                                                 |
|---------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------|
| DATED at Toro | onto this day of          | _, 201 <b>=</b> .                                                                                                        |
|               |                           | FTI CONSULTING CANADA INC. solely in its capacity as Monitor of Sino-Forest Corporation and not in its personal capacity |
|               |                           | Name:<br>Title:                                                                                                          |

# ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

Proceeding commenced at Toronto

### **ORDER**

Court File No.: CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

### AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

**Defendants** 

Proceeding under the Class Proceedings Act, 1992

AFFIDAVIT OF CHARLES M. WRIGHT

- I, CHARLES M. WRIGHT, of the City of London, in the Province of Ontario, AFFIRM:
- 1. I am a partner at Siskinds LLP, who, along with Koskie Minsky LLP (together, "Class Counsel"), are counsel to the plaintiffs (the "Representative Plaintiffs") in the above-captioned class proceeding (the "Ontario Action").
- 2. Class Counsel have retained Paliare Roland Rosenberg Rothstein LLP for purposes of the above-captioned proceeding (the "Insolvency Proceeding") under the *Companies' Creditors Arrangement Act* ("*CCAA*"), who act for the Ad Hoc Committee of Purchasers of the Applicant's Securities (together with the Representative Plaintiffs, the "Ontario Plaintiffs").
- 3. Siskinds Demeules is counsel to the plaintiffs in the class proceeding in the Province of Quebec Superior Court styled as *Guining Liu v. Sino-Forest Corporation*, et al., File No. 200-06-000132-111.
- 4. I have knowledge of the matters deposed to below. Where I make statements in this affidavit that are not within my personal knowledge, I have indicated the source of my information, and I believe such information to be true.

#### NATURE OF THIS MOTION

5. On November 29, 2012, the Ontario Plaintiffs entered into Minutes of Settlement with the defendant, Ernst & Young LLP, in order to resolve all claims against Ernst & Young LLP, Ernst & Young Global Limited and any of its member firms, and any person or entity affiliated with or connected thereto ("Ernst & Young", as more fully defined in the Plan of Compromise and Reorganization of the Applicant under the *CCAA* dated December 3, 2012 (the "Plan")) including all claims that have been asserted or that could have been asserted against Ernst & Young in these class proceedings (the "Ernst & Young Claims", as more fully defined in the as

defined in the Plan). Along with the Minutes of Settlement, the framework of the proposed settlement and release of Ernst & Young is contained in the Plan, and in particular at Article 11.1 and the corresponding definitions (the "Ernst & Young Release" and the "Ernst & Young Settlement"). A copy of the Minutes of Settlement is attached hereto as Exhibit "A." Copies of the draft settlement approval orders are attached hereto as Exhibits "B-1" and "B-2." A copy of the Plan is attached hereto as Exhibit "C" and a copy of the order sanctioning the Plan dated December 10, 2012 (the "Sanction Order") is attached hereto as Exhibit "D." The endorsement and reasons of the Honourable Justice Morawetz sanctioning the Plan are attached hereto as Exhibits "E-1" and "E-2." Where I have used capitalized terms that I have not defined in this affidavit, those terms have the same meanings attributed to them in the draft settlement orders or the Plan.

6. I affirm this affidavit in support of the motion brought by the Ontario Plaintiffs for approval of the Ernst & Young Settlement.

#### OVERVIEW OF THE SETTLEMENT

- 7. Subject to the terms of the Ernst & Young Settlement, Ernst & Young has agreed to pay CAD\$117,000,000.00 (the "Settlement Amount") to a Settlement Trust to be administered in accordance with orders of the court.
- 8. In consideration for the Settlement Amount, it is a condition of the Ernst & Young Settlement that Ernst & Young will receive a full and final release in respect of all claims relating to its relationship with Sino-Forest Corporation ("Sino"), its subsidiaries and affiliates, as more fully defined as the Ernst & Young Release in the Plan.

- 9. The Ernst & Young Settlement is also conditional on the approvals by courts in Ontario,
  Quebec and the United States and certain other conditions contained in the Minutes of
  Settlement, the Plan and the Sanction Order.
- 10. The draft settlement approval orders provide that the distribution of the net Settlement Amount<sup>1</sup> shall be made to the Securities Claimants.

#### **BACKGROUND OF THE ACTION**

- 11. Sino shares were publicly traded at all material times on the Toronto Stock Exchange (the "TSX"), on the Berlin exchange, on the over-the-counter market in the United States and on the Tradegate market. Sino shares also traded on alternative trading venues in Canada and elsewhere including, without limitation, AlphaToronto and PureTrading. During the period from March 19, 2007 through June 2, 2011, approximately 93.4% of the aggregate global volume of trade in Sino common shares took place in Canada (82.9% on the TSX and 10.5% on other trading venues in Canada).
- 12. Sino also issued and had various notes outstanding. These notes were offered to investors by way of offering memoranda, and were underwritten by various financial institutions who are defendants in the Ontario Action. In addition to those primary market offerings, these notes traded in the secondary market.
- 13. On June 2, 2011, Muddy Waters Research ("Muddy Waters") released a research report alleging fraud against Sino and alleging that it "massively exaggerates its assets." The release of this report was immediately followed by a dramatic decline in Sino's share price.

<sup>1</sup> The net Settlement Amount is the amount remaining from the Settlement Amount after payment of administration and notice costs, class counsel fees and expenses as approved by the Court and payment to Claims Funding International in accordance with the funding order of Justice Perell dated May 17, 2012, attached hereto as **Exhibit "F."** 

- 14. On June 1, 2011, the day prior to the publication of the Muddy Waters report, Sino's common shares closed at \$18.21. After the Muddy Waters report became public, Sino shares fell to \$14.46 on the TSX (a decline of 20.6%), at which point trading was halted. When trading resumed the next day, Sino's shares fell to a close of \$5.23 (a decline of 71.3% from June 1).
- 15. A copy of the Muddy Waters report is attached hereto as Exhibit "G."
- 16. Sino's notes also fell in value following the Muddy Waters report. On May 9, 2012 an auction was held to settle the credit derivative trades for Sino-Forest credit default swaps ("CDS"). CDS are essentially an insurance contract for debt instruments, and the price set in that auction represents the market's view of the value of the notes as of May 9, 2012. The CDS auction price was 29% of the notes' face values.
- 17. On June 3, 2011, Sino issued and filed on SEDAR a press release titled "Sino-Forest Comments on Share Price Decline," which is attached hereto as **Exhibit "H."**
- 18. On June 6, 2011, Sino issued and filed on SEDAR a press release titled "Sino-Forest Releases Supporting Evidence against Allegations from Short Seller," and announced that a committee of its Board of Directors (the "Independent Committee") had been established and had retained Osler, Hoskin & Harcourt LLP to conduct an investigation into Muddy Waters' allegations. Attached hereto as **Exhibit "I"** is a copy of that press release.
- 19. Also on June 6, 2011, Sino issued a press release titled "Sino-Forest Independent Committee Appoints PricewaterhouseCoopers," relating to the Independent Committee's investigation into Muddy Waters' allegations, which is attached hereto as **Exhibit "J."**
- 20. On June 13, 2011, Muddy Waters issued a document titled "Reaction to TRE Q1 Earnings Call," which is attached hereto as **Exhibit "K."**

- 21. On June 18, 2011, the *Globe and Mail* published an article titled "Key partner casts doubt on Sino-Forest claim," which is attached hereto as **Exhibit "L."**
- 22. On June 19, 2011, the *Globe and Mail* published an article titled "On the trail of the truth behind Sino-Forest," which is attached hereto as **Exhibit "M**."
- 23. On June 20, 2011, Sino issued and filed on SEDAR a press release titled "Sino-Forest Responds to the Globe and Mail Article," which is attached hereto as **Exhibit "N."**
- 24. On June 20, 2011, Muddy Waters issued a document titled "The Ties that Blind, Part 1: Huaihua Yuda," which is attached hereto as **Exhibit "O."**
- 25. On August 10, 2011, November 15, 2011 and January 31, 2012, the Independent Committee released three reports, reporting its findings.
- 26. On August 26, 2011, the Ontario Securities Commission ("OSC") issued a temporary cease-trade order in respect of Sino's securities, attached hereto as **Exhibit "P."** The recitals to the cease trade order reflect that Sino appeared to the OSC to have engaged in significant non-arm's length transactions which may have been contrary to Ontario securities laws and the public interest, that Sino and certain of its officers and directors appeared to have misrepresented some of Sino's revenue and exaggerated some of its timber holdings, and that Sino and certain of its officers and directors appeared to be engaging or participating in acts, practices or a course of conduct related to Sino's securities which they (or any of them) knew or ought reasonably to know would perpetuate a fraud.
- 27. On January 10, 2012, Sino issued a press release stating, among other things, that its historical financial statements and related auditors reports should not be relied upon. Attached hereto as **Exhibit "Q"** is a copy of Sino's press release dated January 10, 2012.

- 28. As discussed further below, on March 30, 2012, Sino filed for protection from its creditors under the *CCAA* and obtained a stay of proceedings against it, its subsidiaries and directors and officers, including the Ontario Action.
- On May 9, 2012, Sino's shares were delisted from the TSX. The delisting was imposed due to Sino's failure to meet the continued listing requirements of the TSX as a result of the Insolvency Proceeding (discussed below), and for failure to file on a timely basis certain of its interim financial statements and the audited financial statements for the year ended December 31, 2011. Sino has not filed audited financial statements for any period subsequent to 2010. Ernst & Young resigned as Sino's auditors effective April 4, 2012. No new auditors have been appointed. Copies of Sino's press releases announcing the resignation of Ernst & Young and the delisting of Sino shares from the TSX are attached hereto as **Exhibits "R"** and **"S**."

# **ACTIONS AGAINST ERNST & YOUNG RELATING TO SINO**

- 30. On July 20, 2011, the Ontario Action was commenced under the *Class Proceedings Act*, 1992 (the "*CPA*") against Sino, Ernst & Young LLP and other defendants on behalf of persons who had purchased Sino securities in the period from March 19, 2007 to June 2, 2011. In this action, the Ontario Plaintiffs allege that Sino misstated its financial statements, overstated the value of its assets, and concealed material information about its business and operations from investors in its public filings. As a result, Sino's securities allegedly traded at artificially inflated prices for many years.
- 31. Before commencing the Ontario Action, Class Counsel conducted an investigation into the Muddy Waters allegations with the assistance of the Dacheng law firm, one of China's largest law firms ("Dacheng"). This firm retained Dacheng on the day after the Muddy Waters report was issued. Class Counsel's investigation into the Muddy Waters allegations has

continued since that time, and has been aided not only by Dacheng, but also by Hong Kong-based investigators specializing in financial fraud; two separate Toronto-based firms that specialize in forensic accounting, generally accepted accounting principles and generally accepted auditing standards; a lawyer qualified to practice in the Republic of Suriname, where Sino purported to own, through an affiliate, certain timber assets; and a financial economist who specializes in the measurement of damages in securities class actions.

- 32. On June 9, 2011, Siskinds Desmeules, a Quebec City law firm affiliated with Siskinds, commenced a parallel proceeding against Sino, Ernst & Young LLP and certain other defendants in the Quebec Superior Court. Class Counsel in Ontario and Quebec have been working together in a coordinated manner in both of these proceedings.
- 33. There were also two other proposed class proceedings commenced in Ontario relating to Sino. Smith et al. v. Sino Forest Corporation et al., commenced on June 8, 2011 (the "Smith Action") and Northwest & Ethical Investments L.P. et al. v. Sino-Forest Corporation et. al., commenced on September 26, 2011 (the "Northwest Action"). Rochon Genova LLP acted for the plaintiffs in the Smith Action, and Kim Orr LLP acted for the plaintiffs in the Northwest Action.
- 34. A copy of the Statement of Claim issued in the *Northwest Action* is attached hereto as **Exhibit "T**."
- 35. In the *Northwest Action*, the plaintiffs sought a declaration that the misrepresentations alleged were made by the defendants (including Ernst & Young) with knowledge, fraudulently, recklessly or negligently. The Statement of Claim made specific allegations of fraud against

each of the defendants (including Ernst & Young) at paragraphs 226-228 and allegations of knowing, reckless or willfully blind misrepresentations elsewhere.

- 36. In December 2011, there was a motion to determine which of the three actions in Ontario should be permitted to proceed and which should be stayed. By order dated January 6, 2012, attached hereto as **Exhibit "U,"** the Honourable Justice Perell granted carriage to the Ontario Plaintiffs. His Honour stayed the *Smith Action* and the *Northwest Action*, and appointed Siskinds LLP and Koskie Minsky LLP to prosecute the Ontario Action on behalf of the proposed class. Following that decision, and pursuant to the Court's order, David Grant was added as a proposed representative plaintiff and the scope of the class was expanded to its current scope.
- 37. On January 27, 2012, the Washington, DC-based law firm of Cohen Milstein Sellers & Toll PLLC ("US Plaintiffs' Counsel") commenced a proposed class action against Sino, Ernst & Young LLP, Ernst & Young Global Limited and other defendants in the New York Supreme Court (the "US Action"). The US Action was transferred from the New York state court to the federal District Court for the Southern District of New York in March 2012.
- 38. United States securities class actions procedure features a process by which the "lead plaintiff" is selected. On October 18, 2012, US Plaintiffs' Counsel issued the press release required by that process. All parties that intended to seek lead plaintiff status were required to move the U.S. Court within 60 days (by December 17, 2012). A review of the electronic database indicates that David Leapard, IMF Finance SA and Myong Hyon Yoo, represented by US Plaintiffs' Counsel, moved for appointment as lead plaintiffs on December 17, 2012. No other parties filed motions for appointment as lead plaintiffs by the December 17, 2012 deadline.

- 39. By way of Order of the United States District Court Southern District of New York dated January 4, 2013, David Leapard, IMF Finance SA and Myong Hyon Yoo were appointed as the lead plaintiffs and US Plaintiffs' Counsel as lead counsel to represent the interests of the proposed class. The US action is presently ongoing, and asserts claims on behalf of a class of:
  - i) all persons or entities who, from March 19, 2007 through August 26, 2011 (the "Class Period") purchased the common stock of Sino-Forest on the Over-the-Counter ("OTC") market and who were damaged thereby; and ii) all persons or entities who, during the Class Period, purchased debt securities issued by Sino-Forest other than in Canada and who were damaged thereby.
- 40. Class Counsel have had numerous interactions with US Plaintiffs' Counsel concerning developments in the Canadian and New York litigation.
- 41. On April 18, 2012, the plaintiffs filed a Fresh as Amended Statement of Claim, a copy of which is attached hereto and marked as **Exhibit "V**." A Proposed Fresh as Amended Statement of Claim was served on the defendants as part of the Ontario Plaintiffs' motion record in support of their motion seeking leave under Part XXIII.1 of the *Securities Act* (the "Leave Motion"). Attached and marked as **Exhibit "W**" is a copy of the Proposed Fresh as Amended Statement of Claim.

## PLAINTIFFS' MOTIONS FOR CERTIFICATION AND LEAVE

- 42. In March and April 2012, the Ontario Plaintiffs brought (a) a motion for certification of the Ontario Action as a class action under the *CPA*; and (b) a motion for leave to proceed with statutory claims under Part XXIII.1 of the Ontario *Securities Act* (the "*OSA*").
- 43. The Ontario Plaintiffs filed voluminous motion records in support of their motions, comprising evidence from their investigations and expert reports. The motion records included:
  - (a) an affidavit of Steven Chandler, a former senior law enforcement official from Hong Kong who was involved in investigating Sino in China;

- (b) an affidavit of Alan Mak, an expert in forensic accounting;
- (c) an affidavit of Dennis Deng, a lawyer qualified to practice in the People's Republic of China, and a partner in Dacheng law firm; and
- (d) an affidavit of Carol-Ann Tjon-Pian-Gi, a lawyer qualified to practice in the Republic of Suriname.
- 44. Justice Perell set a schedule for the proceeding by way of Order dated March 26, 2012. The defendants entered into a tolling agreement with the Ontario Plaintiffs and a separate tolling agreement was entered into amongst the defendants to deal with any potential claims over or third party claims. The tolling agreement between the defendants and the Ontario Plaintiffs was made as of March 6, 2012, and suspended the running of time for the purpose of the proposed Part XXIII.1 claims of the Ontario Plaintiffs and members of the putative class until February 28, 2013. Following the *CCAA* stay of proceedings, a second tolling agreement between these parties was made as of May 8, 2012, wherein the parties agreed that the running of time for the purpose of the proposed Part XXIII.1 claims of the Ontario Plaintiffs and members of the putative class was to be suspended as of March 6, 2012 until the earlier of 12 months following the lifting of the *CCAA* stay or February 1, 2014. This tolling agreement was a result of the Ontario Plaintiffs agreeing to consent to the stay order.
- 45. The certification and leave motions were scheduled for November 21 to 30, 2012. Those motions were not heard in November 2012 as a result of Sino's insolvency.

#### SINO'S INSOLVENCY

46. On March 30, 2012, Sino commenced the Insolvency Proceeding and obtained an order for an interim stay of proceedings against the company, its subsidiaries and its directors and officers. Pursuant to an order on May 8, 2012, the stay of proceedings was extended to all other

defendants in the action, including Ernst & Young. The Ontario Plaintiffs agreed not to oppose this order on condition that (a) there was an order permitting a settlement approval hearing and certification hearing relating to a settlement with the defendant Pöyry (Beijing) Consulting Company Limited (described below); and (b) the defendants execute the second tolling agreement reflecting the delay caused by the Insolvency Proceeding. The stay of proceedings is currently extended through to February 1, 2013.

- 47. From the outset, it was apparent to counsel to the Ontario Plaintiffs that the Insolvency Proceeding presented a material risk to the Ontario Plaintiffs. Namely that in order to effect a restructuring that generated as much value as possible for Sino's creditors, there could be a plan of arrangement that had the effect of imposing an unfavourable settlement on the Ontario Plaintiffs.
- 48. Consequently, Class Counsel immediately entered into negotiations with other stakeholders in the Insolvency Proceeding, and took a number of steps to vigorously represent the interests of the purchasers of Sino's securities. The following were among Class Counsel's main objectives:
  - (a) Reserving the Ontario Plaintiffs' rights to object to various features of the Insolvency Proceeding, so as to generate and/or preserve momentum for the Ontario Plaintiffs' claims and positions;
  - (b) Ensuring that a Claims Process was established that identified the universe of stakeholders having an interest in the Insolvency Proceeding while ensuring the recognition of the totality of the representative claim advanced by the Ontario Plaintiffs;
  - (c) Establishing a process for the mediation in the Insolvency Proceeding through which the positions of the various stakeholders would be defined; and

- (d) Obtaining access to information that would permit Class Counsel to make informed recommendations to the Ontario Plaintiffs and the court in connection with the terms of any Plan.
- 49. To further these objectives, Class Counsel took a number of steps in the Insolvency Proceeding, including the following:
  - (a) Bringing or appearing in response to the following motions:
    - (i) March 30, 2012 Attending at the initial application regarding *CCAA* protection and sales process for Sino and its subsidiaries, including a stay of proceedings against Sino, its subsidiaries and directors and officers;
    - (ii) April 13, 2012 Attending at the Company's motion regarding stay extension;
    - (iii) April 20, 2012 Bringing a motion regarding advice and direction on the *CCAA* stay and its impact on the pending motions in the Ontario Action;
    - (iv) April 20, 2012 Attending at the Company's motion regarding expansion of the powers of the Monitor;
    - (v) May 8, 2012 Attending and participating actively in the motion regarding a third party stay;
    - (vi) May 8, 2012 Bringing a motion regarding Pöyry settlement leave;
    - (vii) May 14, 2012 Attending and participating in a motion regarding Claims Procedure Order, including granting of leave to the Ontario Plaintiffs to file a Claim in respect of the substance of the matters set out in the Ontario Action on behalf of the proposed Class and the same leave to the Quebec Plaintiffs;
    - (viii) May 14, 2012 Attending a motion brought by Contrarian, one of Sino's noteholders;
      - (ix) May 17, 2012 Bringing a motion in the Ontario Action regarding a thirdparty funding agreement;

- (x) May 17, 2012 Bringing a motion in the Ontario Action regarding Pöyry settlement approval;
- (xi) May 31, 2012 Attending at the Company's motion regarding stay extension;
- (xii) June 26, 2012 Attending at the Company's motion regarding the status of Shareholder Claims and Related Indemnity Claims under the *CCAA*;
- (xiii) July 25, 2012 Precipitating and attending at a motion regarding mediation in the *CCAA* proceedings, which included an order that the Ontario Plaintiffs were a party to the mediation;
- (xiv) July 27, 2012 Attending at the Company's motion regarding the status of Shareholder Claims and Related Indemnity Claims under the *CCAA*;
- (xv) July 30, 2012 Bringing a motion regarding document production and a data room;
- (xvi) August 31, 2012 Attending at the Company's motion regarding plan filing and meeting Order;
- (xvii) August 31, 2012 Attending at the Company's motion regarding adjournment of Ad Hoc Committee's motion (regarding appointment of Representative Plaintiff and leave to vote on Plan of Compromise);
- (xviii) September 28, 2012 Attending at the Company's motion regarding stay extension;
  - (xix) October 9, 2012 Attending and participating in the Company's motion regarding adjournment of the Ad Hoc Committee's motion (regarding lifting of the stay against the Third Parties);
  - (xx) October 9, 2012 Attending at the Company's motion regarding stay extension;
  - (xxi) October 28, 2012 Bringing a motion to limit the scope of stay to exclude to the Third Party Defendants and others;
- (xxii) October 29, 2012 Attending at the Company's motion regarding revised noteholder noticing process;

- (xxiii) November 13, 2012 Attending an appeal regarding Equity Claims decision; and
- (xxiv) November 23, 2012 Attending at the Company's motion regarding stay extension;
- (xxv) December 7, 2012 Attending and participating in the motion to sanction the Plan;
- (b) almost from the inception of the Insolvency Proceeding, engaging in extensive and protracted negotiations with the Ad Hoc Noteholder Group and with Sino with respect to the terms of the Plan of Reorganization;
- (c) bringing a motion early in the proceeding seeking various relief challenging the framework of the Insolvency Proceeding, such as the appointment of a receiver and providing for representation on behalf of the Class Members, and reserving all rights with respect to those issues throughout the Insolvency Proceeding;
- (d) supporting a motion for an order increasing the powers of the Monitor to administer Sino which took away powers from entrenched management and the then-existing board, protecting the assets of the company for all stakeholders and ensuring greater transparency and balance in the proceeding;
- (e) negotiating the claims procedure in the Insolvency Proceeding and obtaining the right to file a representative claim so as to protect the interests of the putative Class;
- (f) obtaining a data room of confidential non-public documents from Sino, which related principally to the audits of Sino's financial statements so as to permit the Ontario Plaintiffs to negotiate with other stakeholders at the Mediation and respond to any plan of arrangement in an informed manner;
- (g) examining all applicable insurance policies and indemnity agreements and assessed the capacity to pay of various defendants, including Ernst & Young;
- (h) compelling the attendance of Sino's CEO at a cross-examination and testing his evidence in the Insolvency Proceeding;

- (i) engaging in multiple formal and informal, group and individual mediation and negotiation sessions with other stakeholders regarding the Class Members' claims, including a court-ordered, 2-day Mediation in September presided over by the Honourable Justice Newbould; and
- (j) bringing a motion, in response to the form of the restructuring plan initially filed with the court, which the Ontario Plaintiffs deemed to be contrary to their interests, challenging various features of the Plan, and seeking the right to vote on the Plan, and expressly reserving all of the Ontario Plaintiffs' rights in connection with that motion pending the presentation of the plan for sanction by the court, to ensure that the plan was in the best interests of the Class Members.

# **SETTLEMENT WITH PÖYRY (BEIJING)**

- The Ontario Plaintiffs engaged in settlement discussions with Pöyry (Beijing) Consulting Company Limited ("Pöyry (Beijing)"), a defendant in these proceedings, starting in January 2012. Following arm's-length negotiations, the Ontario Plaintiffs entered into a settlement with Pöyry (Beijing) in March 2012. In connection with the motion for court approval of the Pöyry settlement agreement, a notice was disseminated in the form marked and attached hereto as **Exhibit "X."** No one, including any potential Class Member, objected to the settlement with Pöyry (Beijing) at the motion to approve the settlement.
- 51. On September 25, 2012, this action was certified as a class proceeding as against Pöyry (Beijing) for the purposes of settlement and the Pöyry settlement was approved between the Class (as defined) and Pöyry (Beijing). A copy of the certification and settlement approval order is attached hereto as **Exhibit "Y."**
- 52. Notice of the certification and Pöyry settlement has been given in accordance with the order of the Honourable Justice Perell, dated September 25, 2012. A copy of this notice is marked and attached hereto as **Exhibit "Z."**

- 53. The notice states that "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 JUDGEMENT REACHED WITH OR AGAINST THE REMAINING DEFENDANTS." [emphasis and caps in original]. The opt-out deadline is January 15, 2013.
- 54. As of this date, I am advised by the administrators that only one retail investor who purchased Sino shares during the period of March 19, 2007 through June 2, 2011 has validly opted out. That person had purchased 700 Sino shares during that period and explained that he opted out because he has closed his LIRA accounts and gave up rights to Scotiabank, and does not wish to participate in the class action. There is one other retail investor (who did not submit information of the number of shares owned) that submitted invalid documentation, and it is possible that he or she purchased securities during the class period. This individual gave no reason for the decision to opt-out.

## SETTLEMENT APPROVAL

## **Negotiation Process**

- 55. The negotiations leading to the Ernst & Young Settlement were conducted on an adversarial, arm's-length basis.
- 56. On July 25, 2012, this Court ordered the various constituencies in the Insolvency Proceeding to attend a mediation. A copy of that order is attached hereto as **Exhibit "AA."**
- 57. On September 4 and 5, 2012, the Ontario Plaintiffs attended an all-parties mediation, which included Ernst & Young. The mediation was conducted with the assistance of the Honourable Justice Newbould, acting as mediator. Extensive mediation briefs were filed by all parties. The briefs and the mediation itself set forth the positions of the parties, including Ernst &

Young and the plaintiffs. The mediation did not result in a settlement with any of the parties, including Ernst & Young, at that time.

- 58. It is Class Counsel's opinion that, given the defendants' negotiating stance at the mediation, the Ontario Plaintiffs could not have negotiated a significant all-party settlement at that mediation.
- 59. Following the mediation, settlement discussions continued with the defendants. However, those settlement discussions did not come close to bridging the significant difference between the positions of the parties.
- 60. In mid-October 2012, the Ontario Plaintiffs began bilateral discussions with Ernst & Young. Several offers were exchanged between the Ontario Plaintiffs and Ernst & Young over a number of weeks. Those discussions did not result in a settlement at that time.
- 61. On October 18, 2012, the Honourable Justice Morawetz issued an endorsement scheduling the Company's motion to sanction the Plan for December 7 and 10, 2012. Attached hereto as **Exhibit "BB"** is a copy of the Endorsement of the Honourable Justice Morawetz dated October 18, 2012.
- 62. The Ontario Plaintiffs brought a motion returnable October 28, 2012 to have the scope of stay limited to exclude the Third Party Defendants, including Ernst & Young, and certain other parties. By way of Endorsement dated November 6, 2012, the Honourable Justice Morawetz denied the relief sought by the Ontario Plaintiffs to allow the parties to focus on the Plan and the *CCAA* proceedings. Justice Morawetz held that the motion could and should be re-evaluated following the sanction hearing, and in any event no later than December 10, 2012. Attached

hereto as **Exhibit "CC"** is copy of the Endorsement of the Honourable Justice Morawetz dated November 6, 2012.

- 63. In late November Ernst & Young and the Ontario Plaintiffs agreed to further formal mediation.
- On November 27, 2012, Clifford Lax, Q.C. conducted a mediation between Ernst & Young and the Ontario Plaintiffs. The parties exchanged mediation briefs in advance of the mediation which were, in the main, the briefs previously filed for the September mediation. At the conclusion of the day, the parties had made progress, but a resolution had not been reached. The parties reconvened the next day and did reach agreement on quantum, but continued to aggressively negotiate other terms of the Minutes of Settlement until the early morning of November 29. At 4 a.m. on November 29, the parties took a four-hour break, and then came back to discuss the terms of the Minutes of Settlement which were finalized in the evening of November 29. The discussions were protracted and challenging.
- 65. The mediation session resulted in the Ernst & Young Settlement, which conditions include court approval of the Ernst & Young Settlement, and the Ernst & Young Release. Following satisfaction of all conditions precedent as set out in the Minutes of Settlement, Ernst & Young agreed to pay CAD\$117,000,000.
- 66. The Minutes of Settlement reflect that Ernst & Young would not have entered into the settlement agreement with the Ontario Plaintiffs (and would not have offered the large Settlement Amount) but for the *CCAA* proceedings. Paragraph 10 and Schedule B of the Minutes of Settlement make it clear that the parties intend the settlement to be approved in the

Sino *CCAA* proceedings and that it is conditional upon the full and final release of Ernst & Young by order of the *CCAA* court.

- 67. Paragraph 11 and Schedule B of the Minutes of Settlement make it clear that the settlement is conditional upon obtaining orders in the *CCAA* proceedings and in the United States Bankruptcy Court resolving all claims against Ernst & Young in relation to Sino.
- 68. The framework of the Ernst & Young Settlement, as contemplated by the Minutes of Settlement, is contained in the Plan at Article 11.1, and includes the framework for the Ernst & Young Release.
- 69. A similar framework for Named Third Party Defendants, including the Underwriters and BDO, is contained at Article 11.2 of the Plan. The Ernst & Young Settlement was the template for the framework for the Named Third Party Defendant settlement provisions.
- 70. Article 11.2 in respect of Named Third Party Defendants provides the Ontario Plaintiffs (and the Underwriters and BDO) with the ability to complete further settlements within the context of the *CCAA* proceedings, subject to further court approval. Such settlements could have the benefit of a full release for the Underwriters or BDO, if ordered by the Court, and would likely result in those parties paying a premium for settlement to resolve all claims against them, to the benefit of the Class.
- 71. Ernst & Young and the Ontario Plaintiffs supported the Plan on the basis of the inclusion of the framework for the Ernst & Young Settlement and the Ernst & Young Release in the Plan. Ernst & Young, as a creditor of Sino, voted in favour of the Plan. Ernst & Young and the Ontario Plaintiffs supported the Plan at the sanction hearing.

## THE ONTARIO PLAINTIFFS SUPPORT THE SETTLEMENT

## 72. The Ontario Plaintiffs are:

- (a) The trustees of the Labourers' Pension Fund of Central and Eastern Canada ("Labourers Fund"). The Labourers Fund is a multi-employer pension plan providing benefits for employees working in the construction industry. The trustees of the Labourers Fund manage more than \$2.5 billion of assets. During the period from March 19, 2007 to June 2, 2011 the Labourers Fund purchased 360,700 Sino common shares. Most of those shares were purchased in the secondary market over the TSX. The Labourers Fund also purchased Sino common shares pursuant to a prospectus that Sino issued during the Class Period. As at the day before the issuance of the Muddy Waters report, the Labourers Fund held a total of 128,700 Sino shares. The Labourers Fund is a long-standing client of Koskie Minsky LLP;
- (b) The trustees of the International Union of Operating Engineers ("OE Fund"). The OE Fund is a multi-employer pension plan providing pension benefits for operating engineers in Ontario. The trustees of the OE Fund manage approximately \$1.5 billion of assets. The OE Fund purchased 465,130 Sino common shares over the TSX during the Class Period, and held 436,300 such shares at the day before the issuance of the Muddy Waters report. The OE Fund is a long-standing client of Koskie Minsky LLP;
- (c) Sjunde AP-Fonden ("AP7"), the Swedish National Pension Fund. AP7 manages billions of dollars in assets. AP7 purchased 139,398 common shares over the TSX during the Class Period, and held all of those shares as at the day before the issuance of the Muddy Waters report;
- (d) David Grant, an individual resident in Calgary, Alberta. During the Class Period, he purchased 100 of the Sino 6.25% Guaranteed Senior Notes due 2017 pursuant to an offering memorandum. Mr. Grant continued to hold these notes as at the day before the issuance of the Muddy Waters report; and

- (e) Robert Wong, an individual residing in Kincardine, Ontario. Mr. Wong purchased hundreds of thousands Sino shares from 2002 (when he first became a Sino shareholder) through June 2011. During the Class Period, he purchased 896,400 Sino common shares in the secondary market over the TSX and 30,000 shares pursuant to a prospectus that Sino issued during the Class Period, for a total of 926,400 shares. Mr. Wong continued to hold 518,700 Sino common shares at the day before the issuance of the Muddy Waters report.
- 73. Collectively, the Ontario Plaintiffs owned 1,223,098 Sino common shares at the day before the issuance of the Muddy Waters report, and those shares had a market value immediately prior to the issuance of the Muddy Waters report of approximately \$23.3 million.
- 74. I am advised by Jonathan Ptak of Koskie Minsky that the trustees of the Labourers Fund and the OE Fund are extremely pleased with the settlement with Ernst & Young and have instructed Class Counsel to seek approval of the Ernst & Young Settlement. I am advised by Dimitri Lascaris that Robert Wong, David Grant and AP7 are also very pleased with the settlement and have instructed Class Counsel to seek approval of the Ernst & Young Settlement.
- 75. In addition, I am advised by Mr. Lascaris that the proposed settlement with Ernst & Young is supported by the institutions that were the two largest shareholders of Sino, namely, New York-based Paulson & Co. Inc. ("Paulson") and Arizona-based Davis Selected Advisers LP ("Davis"). Paulson and Davis, respectively, owned approximately 14.1 % and 12.6% of Sino's outstanding common shares prior to the issuance of the Muddy Waters report, representing in aggregate a market value of more than \$1.1 billion.
- 76. Class Counsel have been retained by Davis. Mr. Lascaris advises me that, since the commencement of the class action, he has had numerous and extensive discussions with responsible officials of both Davis and Paulson in regard to the progress generally of the class

action and the Insolvency Proceeding, and in regard in particular to negotiations with Ernst & Young and the terms of and rationale for the settlement.

# FACTORS CONSIDERED IN ASSESSING THE FAIRNESS AND REASONABLENESS OF THE SETTLEMENT

# **Experience of Class Counsel**

- 77. Siskinds LLP and Koskie Minsky LLP both have extensive experience litigating and resolving complex class action litigation similar to this case. In addition, Kessler Topaz Meltzer and Check LLP, counsel to AP7, are one of the leading U.S. class action firms with particular expertise in securities class actions.
- 78. Siskinds acted for the plaintiffs in the first action certified as a class proceeding under the *CPA*, *Bendall v McGhan Medical Corp* (1993), 14 OR (3d) 734 (Gen Div). Since that time, Siskinds has been lead or co-lead counsel to the plaintiffs in well over 100 class proceedings and has successfully resolved over 60 such proceedings, in areas such as securities, competition (price-fixing), product liability (particularly with respect to pharmaceuticals and medical products), the environment and consumer claims.
- 79. To the date of this affidavit, Siskinds has had approximately 20 securities class actions and 2 derivative proceeding settlements approved by courts, including most recently the SunOpta, CV Technologies, Bear Lake Gold, PetroKazakhstan, Gildan Activewear, Canadian Superior Energy, Redline Communications, Gammon Gold, and Arctic Glacier securities class action settlements.
- 80. Koskie Minsky has prosecuted class actions at all levels of court in Ontario as well as before the Supreme Court of Canada, and has been responsible for shaping class actions law through leading cases including *Cloud v The Attorney General of Canada*, *Pearson v Inco Ltd*, *Caputo v Imperial Tobacco*, and *Markson v MBNA Canada Bank*. Koskie Minsky has

prosecuted actions for securities fraud, pension fund and investment claims, intellectual property violations, environmental damage and residential school abuse, among others.

- 81. Koskie Minsky has acted for shareholders in securities class actions, including *Lawrence* v Atlas Cold Storage Holdings Inc, Toevs v Yorkton, and Frohlinger v Nortel Networks Corp.
- 82. Paliare Roland has appeared as counsel in many *CCAA* restructuring proceedings, and has acted for a variety of stakeholders in those proceedings, including stakeholders acting in representative capacities. Past engagements include, among others, advising and appearing on behalf of a number of institutional and other investors including various dissident noteholders in connection with the restructuring of Canada's non-bank asset backed commercial paper market, advising and appearing on behalf of the Superintendent of Financial Services in his capacity as administrator of Ontario's Pension Benefits Guarantee Fund in connection with the restructuring of Nortel Networks Corporation and its global subsidiaries, advising and appearing on behalf of the United Steelworkers in connection with the Stelco restructuring, as well as in connection with the restructuring of a variety of other steel mills, pulp mills, and manufacturing facilities across Ontario, and advising and appearing on behalf of the Air Line Pilots Association in connection with the restructuring of Air Canada. Paliare Roland also appeared as counsel to the committee of non-unionized Quebec employees in the restructuring of Fraser Papers, and, most recently, as counsel to a committee of former employees in the Cinram restructuring.
- 83. As of December 14, 2012, Class Counsel, together with Paliare Roland, in aggregate had more than \$5,701,546.50 in time and \$950,205.51 in disbursements for a total of \$6,651,752.01, exclusive of applicable taxes.

- 84. As a result of Class Counsel's involvement in other cases, we have gained considerable experience in the settlement mechanics and imperatives, damages methodologies, and risks associated with this type of litigation.
- 85. Class Counsel recommend the approval of the Ernst & Young Settlement. In our view, its terms, including the consideration available to the Class, are fair and reasonable in the circumstances. The Ernst & Young Settlement delivers a substantial, immediate benefit to Class Members on claims that faced significant risks.
- 86. I explain below our rationale for recommending to the Ontario Plaintiffs, and to this Court, the compromise of the claims advanced against Ernst & Young in this action.

# Information supporting settlement

- 87. In assessing our clients' position and the proposed settlement, we had access to and considered the following sources of information:
  - (a) all of Sino's public disclosure documents and other publicly available information with respect to Sino;
  - (b) the available trading data for Sino's securities;
  - (c) non-public documents uploaded by Sino into the data-room established in the Insolvency Proceeding for purposes of the global mediation, which included the documents listed at Schedule "A" to the July 30, 2012 Order of Justice Morawetz, which is marked and attached hereto as **Exhibit "DD"**;
  - (d) Ernst & Young LLP's responsive insurance policies;
  - (e) the input and opinions of our accounting experts, insolvency law experts, and insurance coverage experts;

- (f) the input and opinion of Frank C. Torchio, the President of Forensic Economics, Inc., who has consulted or given independent damage opinions in securities fraud lawsuits for over 20 years.
- (g) the Statement of Allegations issued against Sino and certain officers and directors by the OSC, dated May 22, 2012, marked and attached hereto as **Exhibit "EE**";
- (h) the mediation briefs provided by the parties at the global mediation in September, 2012 and by Ernst & Young LLP at the mediation in November, 2012; and
- (i) input from experienced U.S. securities counsel, Kessler Topaz Meltzer & Check, LLP, and discussions with US Plaintiffs' Counsel.
- 88. On December 3, 2012, after the Ontario Plaintiffs had entered into the Ernst & Young Settlement and on the day of the creditors vote on the Plan, the OSC issued a Statement of Allegations against Ernst & Young relating to the matter of Sino, which is marked and attached hereto as **Exhibit "FF."** Although Class Counsel's recommendation and the Ontario Plaintiffs' approval of the Ernst & Young Settlement were grounded on numerous factors, the OSC Statement of Allegations against Ernst & Young provided further insight about the risks associated with litigating the claims as against Ernst & Young going forward. As explained below, the OSC Statement of Allegation has since become a further factor, alongside the other documents listed above and the considerations explained below, for Class Counsel to now recommend the approval of the Ernst & Young Settlement.
- 89. In our view, Class Counsel had more than adequate information available from which to make an appropriate recommendation concerning the resolution of the claims as against Ernst & Young.
- 90. It has always been Class Counsel's view that the claims against Ernst & Young have merit. However, a number of factors in this case presented a significant risk to the ultimate

success and recovery from Ernst & Young. These risks weighed in favour of settlement with Ernst & Young. It is Class Counsel's view that this Ernst & Young Settlement (and the Ernst & Young Release) are fair and reasonable and in the best interests of the Class. Class Counsel's assessment of the Ernst & Young Settlement and our recommendation of it rest primarily on the following factors, in addition to the general risks of proceeding with complex litigation.

# Recoverable damages could be far lower than actual damages

- 91. The Class asserts the following causes of action as against Ernst & Young:
  - (a) statutory liability in respect of primary market share purchaser claims pursuant to s 130 of the *OSA*;
  - (b) statutory liability in respect of secondary market share purchaser and note purchaser claims pursuant to Part XXIII.1 of the OSA; and
  - (c) common law claims for negligent misrepresentation, negligence *simpliciter* and knowing or willfully blind misrepresentation for all purchasers of Sino securities.
- 92. These claims, if entirely successful, could result in an award for significant damages against all defendants. I have reviewed various expert reports by Mr. Torchio regarding damages in this action. Mr. Torchio is the President of Forensic Economics, Inc., and has consulted or given independent opinions in securities fraud lawsuits for over 20 years.
- 93. We were guided by the advice Mr. Torchio, but were also cognizant that it is common for defendants to produce opinions which make different assumptions and put forth lower damages figures. Indeed, in the course of settlement discussions in this case, Ernst & Young and other defendants insisted that far more conservative damages figures would be appropriate.

- 94. It is also important to recognize that Mr. Torchio opines on the total estimated damages. His opinions are based in large part on trading models and various assumptions, the results of which could vary from the actual trading patterns of the Class Members.
- 95. The damages alleged are for all losses suffered, including those attributable to Sino and the defendant directors and officers. Following the *CCAA* Proceedings, only the assets of certain of the defendants (Chan, Poon and Horsley) and the Director and Officer insurance proceeds following major draw-downs and hold-backs, are available to the Ontario Plaintiffs in respect of those claims.
- 96. Further, as part of the Plan, the Ontario Plaintiffs negotiated a cap of CAD\$150,000,000 for claims by noteholders in the various class actions indemnifiable by the Company, including claims by the Third Party Defendants, including Ernst & Young, for indemnification in respect of any noteholder claims against them (the "Noteholder Class Action Cap"). The Company admitted all claims for indemnification of the Third Party Defendants, including Ernst & Young, for the purposes of the Noteholder Class Action Cap. Ernst & Young waived all distribution to it under the Plan in return for the inclusion of Article 11.1 in the Plan. Therefore, the maximum that may be recovered by all noteholders with regard to indemnifiable claims in all of the class actions against all defendants in the aggregate is CAD\$150,000,000.
- 97. Moreover, the actual damages to be paid may only be for claims filed. For a variety of reasons, less than 100% of the Class Members generally file claims. Although claim rates vary from case to case, it is never the case in a matter of this nature that all Class Members file claims. Therefore actual payable damages could be some portion Mr. Torchio's figures if the matter proceeded to trial and the defendants succeeded in establishing that damages should be based only on claims filed.

98. Finally, and most significantly, irrespective of the scale of actual damages, the legal impediments to recovery for the claims against Ernst & Young weigh strongly in our recommendation of the Ernst & Young Settlement. In essence, while the damages alleged are in the billions of dollars, recovery against Ernst & Young may be less than the Settlement Amount if certain of Ernst & Young's defences and arguments are successful at trial.

## Statutory claims on behalf of primary market share and note purchasers

- 99. The Ontario Action advances claims against Ernst & Young under s 130 of the *OSA*. Although no Statements of Defence have been delivered in the Ontario Action, the Ontario Plaintiffs understand that Ernst & Young denies that: (i) its auditors' reports contain the misrepresentation alleged; (ii) Sino's financial statements on which Ernst & Young opined were not GAAP-compliant; and (iii) Ernst & Young's audit work was not GAAS-compliant.
- 100. The Ontario Plaintiffs would be put to the proof that the auditors' reports contained the misrepresentations alleged. The Ontario Plaintiffs also understand that Ernst & Young asserts a due diligence defence under ss130(3) and (4) of the *OSA*. The Ontario Plaintiffs also understand that Ernst & Young takes issue with the damages calculations by Mr. Torchio. The damages for these claims are limited in the aggregate to approximately \$77.8 million.
- 101. However, recovery from Ernst & Young could be smaller. It is very likely that if Ernst & Young is found liable, responsibility would also be borne by Sino, its officers and directors, BDO Limited, and, notably, the Underwriters. Although liability under section 138 of the *OSA* is joint and several, Ernst & Young would be able to claim contribution from the other codefendants found responsible for the misconduct. Ernst & Young waives this right to contribution as part of the Ernst & Young Settlement. The Settlement Fund provides certainty of the amount to be paid by Ernst & Young to the Class.

102. It should be noted that the Ontario Action advances claims pursuant to s 130.1 of the *OSA* against Sino for misrepresentations in the offering memoranda that Sino issued during the Class Period. However, the *OSA* does not provide for a statutory right of action relating to the offering memoranda in respect of any other defendant, including Ernst & Young, a fact that Class Counsel have taken into account in recommending the Ernst & Young Settlement.

# Common law claims: auditors' duty and standard of care

- 103. The Ontario Action has asserted common law claims on behalf of secondary market share purchasers against Ernst & Young for negligent misrepresentation, negligence *simpliciter* and knowing or willfully blind misrepresentation.
- 104. As stated above, the Ontario Plaintiffs understand that Ernst & Young denies these claims.
- 105. A significant hurdle faced by the Class in asserting these claims is establishing that Ernst & Young, as auditor of Sino's financial statements, owed a duty of care to the Class. The Supreme Court of Canada held in *Hercules*<sup>2</sup> that the auditor in that case owed no duty of care to the shareholders of a corporation that it had audited. While Class Counsel believe that *Hercules* is distinguishable, a significant risk exists that a court would rely on the reasoning in *Hercules* and find that Ernst & Young did not owe a duty of care to the Class, thereby defeating the common law claims based on negligence against Ernst & Young.
- 106. Moreover, even if the Class is able to establish that Ernst & Young owed a duty of care to shareholders, there remains the possibility that we will be unable to prove that Ernst & Young breached the standard of care. Within the settlement context and on a privileged basis, Ernst &

<sup>2</sup> Hercules Managements Ltd v Ernst & Young, [1997] 2 SCR 165 ("Hercules").

Young has provided Class Counsel with the opinion of an auditing expert, who opines that Ernst & Young complied with Generally Accepted Auditing Standards ("GAAS") and was not negligent in the preparation of its 2010 audit report (Ernst & Young's counsel have advised us that, as of the date hereof, it expects to receive similar opinions with respect to audit reports for prior years, if necessary).

- 107. We anticipate that Ernst & Young will argue that it was itself the victim of a fraud by Sino's management, and appropriately relied on other experts during the conduct of its audits, including a major Chinese law firm, and the valuation reports of Pöyry (Beijing) and its affiliate entities. In its Statement of Allegations against Sino and certain of its former senior officers, staff of the OSC allege that Sino's auditors, including Ernst & Young, were not made aware of Sino's alleged falsified contracts.
- 108. Ernst & Young could also argue, and a court could find, that a negligence claim requires a showing of reliance by each individual class member. Depending on the process a court adopts, this may require active participation by Class Members in the litigation. The need to actively participate, and to prove reliance, is likely to reduce the total judgment ultimately rendered against Ernst & Young in this class proceeding and increase the length, complexity and cost of the proceedings.
- 109. Finally, to the extent proof of individual reliance is required as an element of these common law claims, it was by no means certain that a court would grant class certification in respect of these claims. Recent authority has been divided on this issue, and without doubt the certification order would be appealed by the losing party.

## Part XXIII.1 liability limits

- 110. The Class asserts statutory secondary market misrepresentation claims against Ernst & Young under Part XXIII.1 of the *OSA*. The Ontario Plaintiffs understand that Ernst & Young denies these claims. The Ontario Plaintiffs understand that Ernst & Young asserts a reasonable investigation defence pursuant to s 138.4(6) of the *OSA*. The Ontario Plaintiffs also understand that Ernst & Young takes issue with the quantification of damages. Further, the Ontario Plaintiffs understand that it is Ernst & Young's position that s 138.7(1) of the *OSA* could limit recoverable damages to the fees that Ernst & Young earned while auditing Sino, being in the range of \$4-\$8.5 million. In other words, even though the damages of these secondary market purchasers is over \$3 billion, the *OSA* could restrict recovery for the Part XXIII.1 claims to a relatively tiny amount.
- 111. The only exception to this potentially paltry recovery would be for the Ontario Plaintiffs to prove that Ernst & Young knowingly made the alleged misrepresentations. This could be a challenging standard to meet, one which Ernst & Young denies and which Ernst & Young asserts requires proof of fraud.
- 112. Class Counsel's view that establishing knowledge will be challenging is bolstered by the recent Statement of Allegations against Ernst & Young released by the OSC, more than 15 months after the cease-trade order. The OSC's Statement of Allegations does not include any allegations that amount to knowledge of or recklessness with regards to a representation.

# Claims on behalf of purchasers of notes

- 113. The Ontario Action also advances common law claims against Ernst & Young on behalf of note purchasers (debt securities purchased pursuant to an offering memorandum).<sup>3</sup> Class Counsel are mindful that there are challenges to the prosecution of these claims in the circumstance of this case.
- 114. Recovery on behalf of noteholders in the class actions is limited, with respect to indemnifiable claims, by virtue of the Plan to a total of CAD\$150,000,000, for both primary and secondary market purchasers, and as against all defendants.
- 115. Certification of the common law claims relating to Sino notes remains subject to certain risks, including those described above in respect of common law claims on behalf of shareholders. These claims are also subject to a number of unique defenses. For example, the trust indentures governing Sino notes restrict the right of individual noteholders to assert claims in relation to their notes. As such, the Ontario Plaintiffs understand that Ernst & Young may assert that anyone who is not a current noteholder, even if they sold their notes only recently, has no right of action. The defendants assert that those former noteholders transferred all of their rights in the notes, including any right to sue for misrepresentations. Further, to allow the common law claims may violate the rule against double proof; the claimants cannot sue both for trading losses and under the note covenants.
- 116. Ernst & Young has also raised the argument that the current noteholders have chosen to recover from Sino's assets pursuant to the *CCAA* Plan of Arrangement, and that any other remedy would amount to double recovery.

<sup>3</sup> As noted, the *OSA* does not provide for a statutory right of action against Ernst & Young in relation to the alleged misrepresentations in the offering memoranda by way of which the notes were distributed.

117. In assessing the noteholders' common law claims in the context of the settlement, Class Counsel have been cognizant of such risks and uncertainties.

# Ernst & Young LLP's Insurance

118. Taking into account the available insurance and annual revenues of the firm, it is the view of plaintiffs' counsel that the amount of damages estimated by the plaintiffs' expert would not reasonably be recoverable against an organization such as Ernst & Young LLP.

#### Other Auditor Settlements in Securities Class Actions

- 119. Attached as **Exhibit "GG"** is a list titled "Top 50 Accounting Malpractice Settlements" prepared by Audit Analytics, an independent research provider focused on the accounting, insurance, regulatory, legal and investment communities.
- 120. Based on our assessment of the Audit Analytics document and other information available in the public domain, the Settlement Amount would represent the largest securities class action settlement paid by defendants involving a Canadian issuer, the shares of which were not listed on a U.S. stock exchange. Before this settlement, the largest such settlement was in the *YBM Magnex* case where the defendants collectively paid \$85 million to settle the action, which claimed \$875 million in damages, on a global basis.
- 121. Based on our assessment of the Audit Analytics document and other information available in the public domain, the Settlement Amount would also be the largest settlement paid by a Canadian auditing firm in a securities class action lawsuit. Previously, the largest recovery to shareholders by a Canadian auditing firm was a US\$50.5 million settlement paid by the Canadian branch of Deloitte & Touche in *In Re Philip Services Corp Securities Litigation*.

- 122. Based on our assessment of the Audit Analytics document and other information available in the public domain, the Settlement Amount ranks as the fifth largest settlement paid by an auditing firm worldwide in a securities class action.
- 123. The other class action settlements were: i) the \$335 million payment to Cendant shareholders in December 1999; ii) the \$225 million payment to Tyco shareholders in November 2007; iii) the \$210 million payment to Adelphia shareholders in August 2007; and iv) the \$125 million payment to Rite Aid shareholders in March 2003.
- 124. The remaining settlements on the Audit Analytics list that rank above the Ernst & Young settlement relate to payments made by auditing firms to government regulators or the auditors' clients, or relate to non-securities litigation.

# **CONCLUSION**

125. In light of all of the above considerations, it is Class Counsel's opinion that the Ernst & Young Settlement and Settlement Amount are fair and reasonable to the Class. Class Counsel have no hesitation in recommending to the Court that it approve this settlement.

**SWORN** before me at the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

A Commissioner, etc.

Lsuc # 62311 B

S. Satjad Nematollahi

Charles M. Wright

The Trustees of the Labourers' Pension Fund of Central and Eastern Canada, et al.

Plaintiffs

and

Sino-Forest Corporation, et al.

Defendants

Court File No: CV-11-431153-00CP

# ONTARIO SUPERIOR COURT OF JUSTICE

Proceedings Under the Class Proceedings Act, 1992

Proceeding commenced at Toronto

# AFFIDAVIT OF CHARLES M. WRIGHT

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# A. Dimitri Lascaris (LSUC#: 50074A)

Tel: 519.660.7844 Fax: 519.660.7845

Lawyers for the Plaintiffs

This is Exhibit "A" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

# IN THE MATTER OF SINO-FOREST CORPORATION

#### BETWEEN:

The Trustees of the Labourers' Pension Fund of Central and Eastern Canada,
The Trustees of the International Union of Operating Engineers Local 793 Pension Plan for
Operating Engineers in Ontario, Sjunde AP-Fonden, David Grant, Robert Wong, Guining Liu,
and any other proposed representative plaintiffs in Ontario Superior Court Action No. CV-11431153-00CP and in Quebec Superior Court No. 200-06-000132-111,

in their personal and proposed representative capacities (the "Plaintiffs")

-and-

Ernst & Young LLP, on behalf of itself and Ernst & Young Global Limited and all member firms thereof ("EY", together with the Plaintiffs the "Parties")

## MINUTES OF SETTLEMENT

- 1. These Minutes of Settlement represent the agreement between the Plaintiffs and EY reached on November 28, 2012 to resolve in accordance with the terms more particularly set out herein the actions, causes of action, claims and/or demands, on all counts howsoever arising and in all jurisdictions, made against EY or which could have been made concerning any claims related to Sino-Forest Corporation and its affiliates and subsidiaries, whether or not captured by the "Class" or the "Class Period", as variously defined, including the actions (the "Actions") listed on Schedule "A" hereto (the "Claims");
- 2. The terms of these Minutes of Settlement are binding on the Parties;
- 3. These Minutes of Settlement are and shall remain confidential, and neither party shall publicly disclose or include in a court filing the terms hereof without the prior written consent of the other;
- 4. EY makes no admissions of liability and waives no defences available to it with respect to the Claims or otherwise;
- 5. A settlement amount of CDN \$117,000,000 (the "Settlement Fund") shall be paid by EY in accordance with the applicable orders of the courts (Ontario Superior Court of Justice, Ontario Superior Court of Justice Commercial List (supervising CCAA judge), Province of Quebec Superior Court, United States District Court and the United States Bankruptcy Court) ("Courts") on the Effective Date (save for any amounts payable in advance of the Effective Date as set out in paragraph 7), being the date that all requisite approvals and orders are obtained from the Courts and are final and non-appealable;

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- 6. The Settlement Fund represents the full monetary contribution or payment of any kind to be made by EY in settlement of the Claims, inclusive of claims, costs, interest, legal fees, taxes (inclusive of any GST, HST, or any other taxes which may be payable in respect of this settlement), any payments to Claims Funding International, all costs associated with the distribution of benefits, all costs of any necessary notice, all costs associated with the administration of the settlement and any other monetary costs or amounts associated with the settlement or otherwise;
- 7. No payment of the Settlement Fund shall be made by EY until all conditions herein and set out in Schedule B hereto have been met. However, with respect to notice and administration costs which are incurred in advance of the Effective Date, as a result of an Order of the Court, the Plaintiffs will incur and pay such costs up to \$200,000 (the "Initial Plaintiffs Costs"), which costs are to be immediately reimbursed from the Settlement Fund after the Effective Date. EY will incur and pay such notice and administration costs which are incurred in advance of the Effective Date, as a result of an Order of the Court, over and above the Initial Plaintiffs Costs up to a further \$200,000 (the "Initial EY Costs"). The Initial EY Costs shall be deducted from the amount of the Settlement Fund payable to the Plaintiffs. Should any costs in excess of the cumulative amount of the Initial Plaintiffs Costs and the Initial EY Costs, being a total of \$400,000, in respect of notice and administration be incurred prior to the Effective Date, as a result of an Order of the Court, such amounts are to be borne equally between the Plaintiffs and EY, which amounts are to be reimbursed or deducted as the case may be from the Settlement Fund, on the terms set out above in this section. Should the settlement not proceed, the Parties shall bear their respective costs paid to that time;
- 8. No further proceedings shall be commenced or continued by the Plaintiffs or their counsel against EY in respect of any Claims, other than as necessary to complete the settlement herein:
- 9. The Plaintiffs agree not to claim from the non-settling defendants in the Actions, that portion of any damages that corresponds to the proportionate share of liability of EY, proven at trial or otherwise, such that EY is not further exposed to the Claims;
- 10. It is the intention of the Parties that this settlement shall be approved and implemented in the Sino-Forest Corporation CCAA proceedings. The settlement shall be conditional upon full and final releases and claims bar orders in favour of EY and which satisfy and extinguish all Claims against EY, and without opt-outs, and as contemplated by the additional terms attached hereto as Schedule B hereto and incorporated as part of these Minutes of Settlement;
- 11. This settlement is conditional upon obtaining appropriate orders from the Ontario Superior Court of Justice Commercial List (supervising CCAA judge) and the United States Bankruptcy Court that provide that the payment of the Settlement Fund is in full satisfaction of any and all claims that could be brought in connection with the claims of any security holder or creditor of Sino-Forest Corporation, including claims over for contribution and indemnity or otherwise, howsoever arising in Canada and the United States;

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- 12. The releases in the Sino-Forest Corporation CCAA proceedings shall include Ernst & Young LLP (Canada) and Ernst & Young Global Limited and all member firms thereof, and all present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns of each, but does not include any non-settling defendants in the Actions or their respective present or former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers or successors, administrators, heirs and assigns of each in their capacity as officers or directors of Sino-Forest Corporation ("EY Global"). The releases to be provided to EY by the Plaintiffs shall include EY Global and will release all Claims of the Plaintiffs' counsels' clients in all jurisdictions;
- 13. It is the intention of the Parties that the Settlement Fund shall be distributed in a claims process satisfactory to the CCAA Court, with a prior claims bar order;
- 14. The Parties shall use all reasonable efforts to obtain all Court approvals and/or orders necessary for the implementation of these Minutes of Settlement, including an order in the CCAA proceedings granting the plaintiffs appropriate representative status to effect the terms herein;
- 15. If the settlement between the Parties or any terms hereof are not approved by order(s) of the applicable Courts fulfilling all conditions precedent in paragraph 10 hereto the settlement between the Parties and these Minutes of Settlement are null and void;
- 16. These terms shall be further reduced to a written agreement reflecting the terms of the agreement between the Parties hereto with such additional terms agreed to by the Parties consistent herewith or as agreed to give efficacy in Quebec and the United States. Should the Parties be unable to agree on the form of written agreement, the Parties agree to appoint Clifford Lax as mediator/arbitrator to assist the Parties and his decision as arbitrator shall be final and binding on the Parties, in accordance with the terms herein but subject to the terms of Schedule B hereof, and not subject to appeal;
- 17. The Parties will agree on a level of disclosure by EY for the purposes of reasonably assisting in the approval process of the applicable Courts, consistent with the Parties' obligations under the relevant class proceedings legislation. Should the Parties be unable to agree on the level of disclosure after good faith efforts to do so, the Parties agree to appoint Clifford Lax as mediator to assist the Parties. If the Parties after mediation are still unable to reach an agreement, then either Party may terminate the settlement;
- 18. Pending the implementation of this settlement, including the distribution of the Settlement Fund, EY shall advise the plaintiffs of any agreements reached by it with the Ad Hoc Committee of Noteholders, Sino-Forest, the Litigation Trustee, or counsel or representatives of any of these parties, to pay any monetary consideration to any of them.

## SIGNATURE LINES ON NEXT PAGE

-4-

| Date: |                  | KOSKIE MINSKY LLP Lawyers for the Plaintiffs                                                                                                      |
|-------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Date: |                  | SISKINDS LLP Lawyers for the Plaintiffs                                                                                                           |
| Date: |                  | PALIARE ROLAND ROSENBERG ROTHSTEIN LLP Lawyers for the Plaintiffs                                                                                 |
| Date: | Non-ber 29, 2012 | LENCZNER SLAGHT ROYCE SMITH GRIFFIN LLP Lawyers for Ernst & Young LLP, and on behalf of Ernst & Young Global Limited and all member firms thereof |

### **SCHEDULE "A"**

- The Trustees of The Labourers' Pension Fund of Central and Eastern Canada, et al. v. Sino-Forest Corporation, et al., Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP
- 2. Guining Liu v. Sino-Forest Corporation, et al., Province of Quebec Superior Court, File No. 200-06-000132-111
- 3. David Leapard, et al. v. Allen T.Y. Chan, et al., United States New York Southern District Court, Case Number 1:2012-cv-01726-VM



#### SCHEDULE "B"

#### Terms and Conditions of any Ernst & Young LLP (Settlement with Class Action Plaintiffs

A settlement unilaterally with E&Y will be conditional upon such settlement being made to a resolution that:

- a) is a settlement of all Claims, proceedings and potential claims against E&Y in all jurisdictions;
- b) reflects approval of appropriate Courts in relevant jurisdictions as described below;
- c) accordingly must reflect the following elements in a form satisfactory to E&Y in its sole discretion, without which E&Y is at liberty to reject the settlement at any time:

### I. Court Proceedings

- (A) CCAA
  - (i) Plan of Arrangement (in form consented to);
  - (ii) Final Sanction Order;
  - (iii) Both Plan and Sanction Order to include:
    - (a) a release of E&Y, and all affiliate firms, partners, staff, agents and assigns for any and all Claims (including cross-claims and third-party claims), and
    - (b) a claims bar (must expressly exclude all claims against all Pöyry entities).
- (B) Ontario Class Action
  - (i) Final Order approving settlement containing satisfactory Pieringer terms and structure and dismissing action;
  - (ii) i) above requires:
    - (a) certification for settlement purposes with i) class definition agreeable to E&Y; ii) notice in all relevant jursidictions

(including Canada, U.S., Hong Kong, Singapore and PRC); and iii) opt-out threshold agreeable to E&Y;

- (b) fairness hearing having been held to result in (i).
- (C) Quebec Class Action
  - (i) Final order approving settlement containing satisfactory Pieringer terms and structure and dismissing action;
  - (ii) certification and settlement approval as in (B).
- (D) U.S. Proceedings including Class Action
  - (i) Final order approving settlement containing satisfactory Pieringer terms and structure and dismissing action;
  - (ii) certification and settlement approval as in (B).
  - (iii) Undertaking of Company (Applicant) to bring Chapter 15 proceeding to enforce Canadian CCAA order;
  - (iv) final U.S. order, in compliance with U.S. laws, recognizing CCAA order.

### II. Releases and Undertakings

- (A) Full and Final Release and Claims Bar in both CCAA Plan and final Sanction Order;
- (B) Full and Final Release from Ontario Class Action Representative Plaintiffs on their own behalf and in their representative capacities, including an agreement not to consult or cooperate with any other party in advancing Claims against E&Y;
- (C) Full and Final Release from Company, directors and officers, noteholders and others on satisfactory Pieringer terms and language;
- (D) Agreement from Ontario class counsel and from noteholders' counsel to not act for or consult with or assist any plaintiff/representative plaintiff/claimant in respect of any Claim or potential Claim against E&Y in any jurisdiction;
- (E) Full and Final Release from Quebec Class Action Representative Plaintiffs on their own behalf and in their representative capacities, including an agreement not to consult or cooperate with any other party in advancing Claims against E&Y;



- (F) Agreement from Quebec class counsel to not act for or consult with or assist any plaintiff/representative plaintiff in any jurisdiction;
- (G) Full and Final Release from U.S. Class Action Representative Plaintiffs on their own behalf and in their representative capacities including an agreement not to consult or cooperate with any other party advancing Claims against E&Y; and
- (H) Agreement from U.S. class counsel to not act for or consult with or assist any plaintiff/representative plaintiff/claimant in respect of any Claim or potential Claim against E&Y in any jurisdiction.



This is Exhibit "B-1" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

A Commissioner, etc.

Court File No. CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

| THE HONOURABLE       | ) MONDAY,                 | THE |  |
|----------------------|---------------------------|-----|--|
| MR. JUSTICE MORAWETZ | )<br>)                    |     |  |
|                      | 4TH DAY OF FEBRUARY, 2013 |     |  |

### IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

### AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

**Defendants** 

#### ORDER

THIS MOTION made by the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the plaintiffs in the action commenced against Sino-Forest Corporation ("Sino-Forest") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Plaintiffs" and the "Ontario Class Action", respectively), in their own and proposed representative capacities, for an order giving effect to the Ernst & Young Release and the Ernst & Young Settlement (as defined in the Plan of Compromise and Reorganization of the Applicant under the *Companies' Creditors Arrangement Act* ("CCAA") dated December 3, 2012 (the "Plan") and as provided for in section 11.1 of the Plan, such Plan having been approved by this Honourable Court by Order dated December 10, 2012 (the "Sanction Order")), was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

**WHEREAS** the Ontario Plaintiffs and Ernst & Young (as defined in the Plan) entered into Minutes of Settlement dated November 29, 2012.

**AND WHEREAS** this Honourable Court issued the Sanction Order containing the framework and providing for the implementation of the Ernst & Young Settlement and the Ernst & Young Release, upon further notice and approval;

AND WHEREAS the Supervising CCAA Judge in this proceeding was designated on December 13, 2012 by Regional Senior Justice Then to hear this motion for settlement approval pursuant to both the CCAA and the *Class Proceedings Act*, 1992;

**AND WHEREAS** this Honourable Court approved the form of notice and the plan for distribution of the notice to any Person with an Ernst & Young Claim, as defined in the Plan, of this settlement approval motion by Order dated December 21, 2012 (the "Notice Order");

AND ON READING the Ontario Plaintiffs' Motion Record, including the affidavits of Charles Wright, counsel to the plaintiffs, and the exhibits thereto, and of [●], and the exhibits thereto, and on reading the ● Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Applicants (in such capacity, the "Monitor") dated ● including any notices of

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objection received, and on hearing the submissions of counsel for the Ontario Plaintiffs, Ernst & Young LLP, the Ad Hoc Committee of Sino-Forest Noteholders and the Applicant and those other parties present, no one appearing for any other party although duly served as appears from the affidavit of service of ● sworn ●, 2013 and such other notice as required by the Notice Order,

### **Sufficiency of Service and Definitions**

- 1. THIS COURT ORDERS that the time for service and manner of service of the Notice of Motion and the Motion Record and the Report of the Monitor on any Person are, respectively, hereby abridged and validated, and any further service thereof is hereby dispensed with so that this Motion is properly returnable today in both proceedings set out in the styles of cause hereof.
- 2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this order shall have the meanings attributed to those terms in the Plan.
- 3. **THIS COURT FINDS** that all applicable parties have adhered to, and acted in accordance with, the Notice Order and that the procedures provided in the Notice Order have provided good and sufficient notice of the hearing of this Motion, and that all Persons shall be and are hereby forever barred from objecting to the Ernst & Young Settlement or the Ernst & Young Release.

### Representation

- 4. **THIS COURT ORDERS** that Ontario Plaintiffs are hereby recognized and appointed as representatives on behalf of those Persons described in **Appendix "A"** hereto (collectively, the "Securities Claimants") in these insolvency proceedings in respect of the Applicant (the "CCAA Proceedings") and in the Ontario Class Action, including for the purposes of and as contemplated by section 11.1 of the Plan, and more particularly the Ernst & Young Settlement and the Ernst & Young Release.
- 5. **THIS COURT ORDERS** that Koskie Minsky LLP, Siskinds LLP and Paliare Roland Rosenberg Rothstein LLP are hereby recognized and appointed as counsel for the

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Securities Claimants for all purposes in these proceedings and as contemplated by section 11.1 of the Plan, and more particularly the Ernst & Young Settlement and the Ernst & Young Release ("CCAA Representative Counsel").

6. THIS COURT ORDERS that the steps taken by CCAA Representative Counsel pursuant to the Orders of this Court dated May 8, 2012 (the "Claims Procedure Order") and July 25, 2012 (the "Mediation Order") are hereby validated as of the date thereof and that CCAA Representative Counsel is and was authorized to negotiate and support the Plan on behalf of the Securities Claimants, to negotiate the Ernst & Settlement, to bring this motion before this Honourable Court to approve the Ernst & Young Settlement and to take any other necessary steps to effectuate the Ernst & Young Settlement, including bringing any necessary motion before the court, and as contemplated by section 11.1 of the Plan.

### Approval of the Settlement & Release

- 7. **THIS COURT ORDERS** that the Ernst & Young Settlement is fair and reasonable in all the circumstances and for the purposes of both proceedings.
- 8. **THIS COURT ORDERS** that the Ernst & Young Settlement and the Ernst & Young Release be and hereby are approved for all purposes and as contemplated by s. 11.1 of the Plan and paragraph 40 of the Sanction Order and shall be implemented in accordance with its terms, this Order, the Plan and the Sanction Order.
- 9. **THIS COURT ORDERS** that this Order, the Ernst & Young Settlement and the Ernst & Young Release are binding upon each and every Person or entity having an Ernst & Young Claim, including those Persons who are under disability, and any requirements of rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 are dispensed with in respect of the Ontario Class Action.

### Payment, Release, Discharge and Channelling

10. **THIS COURT ORDERS** that upon satisfaction of the conditions specified in section 11.1(a) of the Plan, Ernst & Young shall pay CDN \$117,000,000 (the "Settlement Fund")

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into the Settlement Trust (as defined in paragraph 16 below) less any amounts paid in advance as set out in paragraph 15 of this order or the Notice Order.

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### 11. **THIS COURT ORDERS** that upon

- a. the granting of final orders under Chapter 15 of the United States Bankruptcy Code recognizing and enforcing the Sanction Order and this order in the United States and the expiry or exhaustion of any appeal rights from such recognition and enforcement;
- b. confirmation to the Monitor in writing by Ernst & Young of the fulfillment of all conditions precedent in the Ernst & Young Settlement and the fulfillment by the Ontario Plaintiffs of all of their obligations thereunder;
- c. the Sanction Order and this order being final orders and not subject to further appeal or challenge; and
- d. Ernst & Young making the payment contemplated by paragraph 10 above,

the Monitor is authorized and directed to deliver to Ernst & Young the Monitor's Ernst & Young Settlement Certificate and the Monitor shall file the Monitor's Ernst & Young Settlement Certificate with this Court after delivery of such certificate to Ernst & Young.

- 12. **THIS COURT ORDERS** that pursuant to the provisions of section 11.1(b) of the Plan, on the Ernst & Young Settlement Date,
  - a. all Ernst & Young Claims, including but not limited to the claims of the Securities Claimants, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against Ernst & Young in accordance with section 11.1(b) of the Plan;
  - b. section 7.3 of the Plan shall apply to Ernst & Young and the Ernst & Young Claims *mutatis mutandis*;

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- c. none of the plaintiffs in the Class Actions shall be permitted to claim from any of the other defendants that portion of any damages that corresponds with the liability of Ernst & Young, proven at trial or otherwise, that is the subject of the Ernst & Young Settlement ("Ernst & Young's Proportionate Liability");
- d. Ernst & Young shall have no obligation to participate in and shall not be compelled to participate in any disputes about the allocation of the Settlement Fund from the Settlement Trust and any and all Ernst & Young Claims shall be irrevocably channeled to the Settlement Fund held in the Settlement Trust in accordance with paragraphs 16 and 17 of this order and the Claims and Distribution Protocol and forever discharged and released against Ernst & Young in accordance with paragraph 12(a) of this order, regardless of whether the Claims and Distribution Protocol is finalized as at the Ernst & Young Settlement Date;
- e. all Class Actions, as defined in the Plan, including the Ontario Class Action shall be permanently stayed as against Ernst & Young; and
- f. the Ontario Class Action shall be dismissed against Ernst & Young.
- 13. **THIS COURT ORDERS** that on the Ernst & Young Settlement Date, any and all claims which Ernst & Young may have had against any other defendant in the Ontario Class Action, or against any other defendant in any Class Actions in a jurisdiction in which this order has been recognized by a court of competent jurisdiction, any other defendant's insurers or any other Persons who may claim over against the other defendants or the other defendants' insurers, in respect of contribution, indemnity or other claims over which relate to the allegations made in the Class Actions, are hereby fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished (save and except for those claims in the Ontario Class Action as against Poyry Beijing Consulting Company Limited which were dealt with in the Order of Justice Perell J. dated September 25, 2012 in the Ontario Class Action).

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- 14. **THIS COURT ORDERS** that nothing in this order shall fetter the discretion of any court to determine Ernst & Young's Proportionate Liability at the trial or other disposition of an action for the purposes of paragraph 12(c) above, whether or not Ernst & Young appears at the trial or other disposition (which Ernst & Young has no obligation to do) and Ernst & Young's Proportionate Liability shall be determined as if Ernst & Young were a party to the action and any determination by the court in respect of Ernst & Young's Proportionate Liability shall only apply in that action to the proportionate liability of the remaining defendants in those proceedings and shall not be binding on Ernst & Young for any purpose whatsoever and shall not constitute a finding against Ernst & Young for any purpose in any other proceeding.
- 15. THIS COURT ORDERS that the Ontario Plaintiffs shall incur and pay notice and administration costs that are incurred in advance of the Ernst & Young Settlement Date, as a result of an order of this Honourable Court, up to a maximum of the first \$200,000 thereof (the "Initial Plaintiffs' Costs"), which costs are to be immediately reimbursed from the Settlement Fund after the Ernst & Young Settlement Date. Ernst & Young shall incur and pay such notice and administration costs which are incurred in advance of the Ernst & Young Settlement Date, as a result of an order of this Honourable Court, over and above the Initial Plaintiffs' Costs up to a maximum of a further \$200,000 (the "Initial Ernst & Young Costs"). Should any costs in excess of the cumulative amount of the Initial Plaintiffs' Costs and the Initial Ernst & Young Costs, being a total of \$400,000, in respect of notice and administration as ordered by this Honourable Court be incurred prior to the Ernst & Young Settlement Date, such amounts are to be borne equally between the Ontario Plaintiffs and Ernst & Young. All amounts paid by the Ontario Plaintiffs and Ernst & Young as provided herein are to be deducted from or reimbursed from the Settlement Fund after the Ernst & Young Settlement Date. Should the settlement not proceed, the Ontario Plaintiffs and Ernst & Young shall each bear their respective costs paid to that time.

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#### **Establishment of the Settlement Trust**

- 16. **THIS COURT ORDERS** that a trust (the "Settlement Trust") as required by s. 11.1 of the Plan shall be established under which a claims administrator, to be appointed by CCAA Representative Counsel with the consent of the Monitor or with approval of the court, shall be the trustee for the purpose of holding and distributing the Settlement Fund and administering the Settlement Trust.
- 17. THIS COURT ORDERS that after payment of class counsel fees, disbursements and taxes (including, without limitation, notice and administration costs and payments to Claims Funding International) and upon the approval of a Claims and Distribution Protocol, defined below, the entire balance of the Settlement Fund shall, subject to paragraph 18 below, be distributed to or for the benefit of the Securities Claimants for their claims against Ernst & Young, in accordance with a process for allocation and distribution among Securities Claimants, such process to be established by CCAA Representative Counsel and approved by further order of this court (the "Claims and Distribution Protocol").
- 18. Notwithstanding paragraph 17 above, the following Securities Claimants shall not be entitled to any allocation or distribution of the Settlement Fund: any Person or entity that is as at the date of this order a named defendant to any of the Class Actions (as defined in the Plan, and 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 the following Persons: Allen T.Y, Chan a.k.a. Tak Yuen Chan, W. Judson Martin, Kai Kit Poon, David J. Horsley, William E. Ardell, James P. Boland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, Garry J. West, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung.
- 19. **THIS COURT ORDERS** that the fees and costs of the claims administrator and CCAA Representative Counsel shall be paid out of the Settlement Trust, and for such purpose, the claims administrator and the CCAA Representative Counsel may apply to the court to fix such fees and costs in accordance with the laws of Ontario governing the payment of counsel's fees and costs in class proceedings.

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### Recognition, Enforcement and Further Assistance

- 20. THIS COURT ORDERS that the CCAA Court will retain an ongoing supervisory role for the purposes of implementing, administering and enforcing the Ernst & Young Settlement and the Ernst & Young Release and matters related to the Settlement Trust including any disputes about the allocation of the Settlement Fund from the Settlement Trust. Any disputes arising with respect to the performance or effect of, or any other aspect of, the Ernst & Young Settlement and the Ernst & Young Release shall be determined by the court, and that, except with leave of the court first obtained, no Person or party shall commence or continue any proceeding or enforcement process in any other court or tribunal, with respect to the performance or effect of, or any other aspect of the Ernst & Young Settlement and the Ernst & Young Release.
- 21. THIS COURT ORDERS that the Ontario Plaintiffs and Ernst & Young with the assistance of the Monitor, and the Applicant (if prior to the Implementation Date), shall use all reasonable efforts to obtain all court approvals and orders necessary for the implementation of the Ernst & Young Settlement and the Ernst & Young Release and shall take such additional steps and execute such additional agreements and documents as may be necessary or desirable for the completion of the transactions contemplated by the Ernst & Young Settlement, the Ernst & Young Release and this order.
- 22. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States or elsewhere, to give effect to this order and to assist the Applicant, the Monitor, the CCAA Representative Counsel and Ernst & Young LLP and their respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant, the Monitor as an officer of this Court, the CCAA Representative Counsel and Ernst & Young LLP, as may be necessary or desirable to give effect to this order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant, the Monitor, the CCAA Representative Counsel and Ernst & Young LLP and their respective agents in carrying out the terms of this order.

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23. **THIS COURT ORDERS** that each of the Applicant, the Monitor, CCAA Representative Counsel and Ernst & Young LLP be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this order, or any further order as may be required, and for assistance in carrying out the terms of such orders.

- 24. **THIS COURT ORDERS** that the running of time for the purposes of the Ernst & Young Claims asserted in the Ontario Class Action, including statutory claims for which the Ontario Plaintiffs have sought leave pursuant to Part XXIII.1 of the OSA and the concordant provisions of the securities legislation in all other provinces and territories of Canada, shall be suspended as of the date of this order until further order of this CCAA Court.
- 25. **THIS COURT ORDERS** that in the event that the Ernst & Young Settlement is not completed in accordance with its terms, the Ernst & Young Settlement and paragraphs 7-14 and 16-19 of this order shall become null and void and are without prejudice to the rights of the parties in the Ontario Class Action or in any proceedings and any agreement between the parties incorporated into this order shall be deemed in the Ontario Class Action and in any proceedings to have been made without prejudice.

| Morawetz, J. |  |
|--------------|--|

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### APPENDIX "A" TO SETTLEMENT APPROVAL ORDER DEFINITION OF SECURITIES CLAIMANTS

"Securities Claimants" are all Persons and entities, wherever they may reside, who acquired any securities of Sino-Forest Corporation including securities acquired in the primary, secondary and over-the-counter markets.

For the purpose of the foregoing,

"Securities" means common shares, notes or other securities defined in the *Securities Act*, R.S.O. 1990, c. S.5, as amended.

# ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

Proceeding commenced at Toronto

### **ORDER**

This is Exhibit "B-2" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

Court File No. CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

| THE HONOURABLE       | ) MONDAY, THE               |
|----------------------|-----------------------------|
|                      | )                           |
| MR. JUSTICE MORAWETZ | ) 4TH DAY OF FEBRUARY, 2013 |

### IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

### AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

### ONTARIO SUPERIOR COURT OF JUSTICE

#### BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

**Defendants** 

**ORDER** 

THIS MOTION made by the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the plaintiffs in the action commenced against Sino-Forest Corporation ("Sino-Forest") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Plaintiffs" and the "Ontario Class Action", respectively), in their own and proposed representative capacities, for an order providing for the preservation and production of certain documents in the possession of Ernst & Young LLP.

**WHEREAS** the Ontario Plaintiffs and Ernst & Young (as defined in the Plan) entered into Minutes of Settlement dated November 29, 2012.

**AND WHEREAS** this Honourable Court issued the Sanction Order containing the framework and providing for the implementation of the Ernst & Young Settlement and the Ernst & Young Release, upon further notice and approval;

**AND WHEREAS** the Supervising CCAA Judge in this proceeding was designated on December 13, 2012 by Regional Senior Justice Then to hear this motion for settlement approval pursuant to both the CCAA and the *Class Proceedings Act, 1992*;

**AND WHEREAS** this Honourable Court approved the form of notice and the plan for distribution of the notice to any Person with an Ernst & Young Claim, as defined in the Plan, of this settlement approval motion by Order dated December 21, 2012 (the "Notice Order");

**AND WHEREAS** this Honourable Court approved the Ernst & Young Settlement and the Ernst & Young Release, as defined in the Plan, including the bar orders sought by Order dated February 4, 2013 (the "Settlement Order");

AND WHEREAS paragraph 12(c) of the Settlement Order provides that none of the plaintiffs in the Class Actions, as defined in the Settlement Order, shall be permitted to claim from any of the other defendants that portion of any damages that corresponds with the liability of Ernst & Young, proven at trial or otherwise, that is the subject of the Ernst & Young Settlement.

AND ON READING the Ontario Plaintiffs' Motion Record, including the affidavits of Charles Wright, counsel to the plaintiffs, and the exhibits thereto, and of [●], and the exhibits thereto, and on reading the ● Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Applicants (in such capacity, the "Monitor") dated ● including any notices of objection received, and on hearing the submissions of counsel for the Ontario Plaintiffs, Ernst & Young LLP, the Ad Hoc Committee of Sino-Forest Noteholders and the Applicant and those other parties present, no one appearing for any other party although duly served as appears from the affidavit of service of ● sworn ●, 2013 and such other notice as required by the Notice Order,

THIS COURT ORDERS that the time for service and manner of service of the Notice of
Motion and the Motion Record and the ● Report of the Monitor on any Person are,
respectively, hereby abridged and validated, and any further service thereof is hereby

dispensed with so that this Motion is properly returnable today in both proceedings set out in the styles of cause hereof.

- 2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this order shall have the meanings attributed to those terms in the Plan.
- 3. **THIS COURT ORDERS** that for the purposes of paragraph 12(c) in the Settlement Order and commencing on the Ernst & Young Settlement Date, Ernst & Young and all other parties to the Ontario Action shall be bound by the terms of the Production Protocol attached to this Order as **Appendix "A"**.
- 4. **THIS COURT ORDERS** that the document production as set out in the Production Protocol shall proceed pursuant to an agreement between the parties to the Ontario Class Action and Ernst & Young in respect of a discovery plan pursuant to Rule 29.1.03(1) of the *Rules of Civil Procedure*, or failing such agreement, a further order of the court in respect of a discovery plan.

### APPENDIX "A" PRODUCTION PROTOCOL

This documents production protocol is intended to describe the process for obtaining production of documents from Ernst & Young LLP ("Ernst & Young") in Ontario Superior Court of Justice, Court File No. CV-11-431153CP ("the Action"). The protocol assumes that the Ernst & Young Settlement and Ernst & Young Release will have been approved by the courts, including the bar orders sought, and confirmation to the Monitor in writing by Ernst & Young of the fulfillment of all conditions precedent in the Ernst & Young Settlement and the fulfillment by the Ontario Class Action Plaintiffs of all of their obligations thereunder, and, where necessary, upon the recognition of these matters by appropriate courts in other jurisdictions.

Ernst & Young has confirmed that to the best of its knowledge documents related to Sino-Forest Corporation and its subsidiaries ("Sino-Forest") in its power, possession and control have been preserved in response to a document preservation memorandum dated June 9, 2011 and will continue to be preserved until the Action has been finally resolved.

After the close of pleadings and following production of documents by the parties (not including Ernst & Young) to the Action and following delivery of affidavits of documents by the parties (not including Ernst & Young) to the Action, and in accordance with the timetable set out in the Discovery Plan (referenced in paragraph 3 below):

- 1) Ernst & Young will identify and produce its working papers related to the quarterly and annual audit work performed for and in respect of Sino-Forest Corporation and its subsidiaries relevant to the Action, as determined by reference to the pleadings in the Action, subject to privilege and other confidentiality claims;
- 2) The working papers referred to in paragraph (1) hereof shall be made available for inspection and, if requested, copies shall be produced;
- 3) Ernst & Young shall be consulted about the proposed schedule for production and discovery with respect to productions pursuant to this protocol before the

finalization of the Discovery Plan pursuant to Rules 29.1.03(1) of the *Rules of Civil Procedure*. Ernst & Young shall thereafter make documents available for inspection in accordance with the established schedule. Any dispute with respect to the schedule as it affects Ernst & Young may be referred to the Ontario Superior Court pursuant to paragraph 9 hereof;

- 4) Ernst & Young shall be provided notice of all motions affecting Ernst & Young, including but not limited to any motion in respect of this Production Protocol;
- 5) The parties to the Action will be permitted to access the aforementioned categories of documents for an agreed duration during which any such party may request copies of them;
- Ernst & Young will arrange for copies of the documents to be made and thereafter provided to, not only the party to the Action requesting copies of the documents, but also every other party to the Action. In the case of documents that are now in electronic form, production of such documents will be by electronic copies;
- Any party to the Action that requests copies of documents pursuant to paragraphs 2 and 5 hereof agrees to pay all reasonable expenses relating to the copying or scanning of the requested documents incurred by the Non-Parties (including the costs incurred as a result of Ernst & Young retaining a third party vendor for such copying or scanning) for both the party requesting the documents and all other parties to the Action who are entitled to receive a duplicate copy, subject to the rights of the parties to the Action to recover the same from the other parties to the Action as costs in the Action. Nothing in this paragraph is intended to prevent the parties to the Action from allocating the costs referred to among themselves in any way they agree is appropriate;
- 8) All other costs of Ernst & Young relating to the preparation for inspection and the production of documents shall be in the discretion of the Court pursuant to rule 30.10 of the *Rules of Civil Procedure* and s. 131 of the *Courts of Justice Act* and

- Ernst & Young or any party to the Action may refer the issue of the responsibility for payment of such costs to the Court pursuant to paragraph 9 hereof;
- Ontario Superior Court, in case managing or resolving any issues that may arise during implementation of the abovementioned document production protocol, including the application and/or waiver of privilege and the responsibility for costs incurred by Ernst & Young referred to in paragraph 8 hereof;
- 10) The deemed undertaking, as described in Rule 30.1 of the *Rules of Civil Procedure* shall apply to all documents made available for inspection or produced by Ernst & Young;
- Nothing in this document protocol waives or prejudices the rights that the parties to the Action and Ernst & Young might have pursuant to Rules 30.10, 31.10 and 53.07 of the *Rules of Civil Procedure* and section 131 of the *Courts of Justice Act* (Ontario).

This is Exhibit "C" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

Court File No. CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

## AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF SINO-FOREST CORPORATION

#### PLAN OF COMPROMISE AND REORGANIZATION

pursuant to the Companies' Creditors Arrangement Act and the Canada Business Corporations Act concerning, affecting and involving

SINO-FOREST CORPORATION

December 3, 2012

**APPLICANT** 

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#### PLAN OF COMPROMISE AND REORGANIZATION

WHEREAS Sino-Forest Corporation ("SFC") is insolvent;

AND WHEREAS, on March 30, 2012 (the "Filing Date"), the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "Court") granted an initial Order in respect of SFC (as such Order may be amended, restated or varied from time to time, the "Initial Order") pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") and the Canada Business Corporation Act, R.S.C. 1985, c. C-44, as amended (the "CBCA");

AND WHEREAS, on August 31, 2012, the Court granted a Plan Filing and Meeting Order (as such Order may be amended, restated or varied from time to time, the "Meeting Order") pursuant to which, among other things, SFC was authorized to file this plan of compromise and reorganization and to convene a meeting of affected creditors to consider and vote on this plan of compromise and reorganization.

**NOW THEREFORE**, SFC hereby proposes this plan of compromise and reorganization pursuant to the CCAA and CBCA.

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

- "2013 Note Indenture" means the indenture dated as of July 23, 2008, by and between SFC, the entities listed as subsidiary guarantors therein, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented.
- "2014 Note Indenture" means the indenture dated as of July 27, 2009, by and between SFC, the entities listed as subsidiary guarantors therein, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented.
- "2016 Note Indenture" means the indenture dated as of December 17, 2009, by and between SFC, the entities listed as subsidiary guarantors therein, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented.
- "2017 Note Indenture" means the indenture dated as of October 21, 2010, by and between SFC, the entities listed as subsidiary guarantors therein, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented.
- "2013 Notes" means the aggregate principal amount of US\$345,000,000 of 5.00% Convertible Senior Notes Due 2013 issued pursuant to the 2013 Note Indenture.

- "2014 Notes" means the aggregate principal amount of US\$399,517,000 of 10.25% Guaranteed Senior Notes Due 2014 issued pursuant to the 2014 Note Indenture.
- "2016 Notes" means the aggregate principal amount of US\$460,000,000 of 4.25% Convertible Senior Notes Due 2016 issued pursuant to the 2016 Note Indenture.
- "2017 Notes" means the aggregate principal amount of US\$600,000,000 of 6.25% Guaranteed Senior Notes Due 2017 issued pursuant to the 2017 Note Indenture.
- "Accrued Interest" means, in respect of any series of Notes, all accrued and unpaid interest on such Notes, at the regular rates provided in the applicable Note Indentures, up to and including the Filing Date.
- "Administration Charge" has the meaning ascribed thereto in the Initial Order.
- "Administration Charge Reserve" means the cash reserve to be established by SFC on the Plan Implementation Date in the amount of \$500,000 or such other amount as agreed to by the Monitor and the Initial Consenting Noteholders, which cash reserve: (i) shall be maintained and administered by the Monitor, in trust, for the purpose of paying any amounts secured by the Administration Charge; and (ii) upon the termination of the Administration Charge pursuant to the Plan, shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge.
- "Affected Claim" means any Claim, D&O Claim or D&O Indemnity Claim that is not: an Unaffected Claim; a Section 5.1(2) D&O Claim; a Conspiracy Claim; a Continuing Other D&O Claim; a Non-Released D&O Claim; or a Subsidiary Intercompany Claim, and "Affected Claim" includes any Class Action Indemnity Claim. For greater certainty, all of the following are Affected Claims: Affected Creditor Claims; Equity Claims; Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims); and Class Action Indemnity Claims.
- "Affected Creditor" means a Person with an Affected Creditor Claim, but only with respect to and to the extent of such Affected Creditor Claim.
- "Affected Creditor Claim" means any Ordinary Affected Creditor Claim or Noteholder Claim.
- "Affected Creditors Class" has the meaning ascribed thereto in section 3.2(a) hereof.
- "Affected Creditors Equity Sub-Pool" means an amount of Newco Shares representing 92.5% of the Newco Equity Pool.
- "Alternative Sale Transaction" has the meaning ascribed thereto in section 10.1 hereof.
- "Alternative Sale Transaction Consideration" has the meaning ascribed thereto in section 10.1 hereof.
- "Applicable Law" means any applicable law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada,

the United States, Hong Kong, the PRC or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

"Auditors" means the former auditors of SFC that are named as defendants to the Class Actions Claims, including for greater certainty Ernst & Young LLP and BDO Limited.

"Barbados Loans" means the aggregate amount outstanding at the date hereof pursuant to three loans made by SFC Barbados to SFC in the amounts of US\$65,997,468.10 on February 1, 2011, US\$59,000,000 on June 7, 2011 and US\$176,000,000 on June 7, 2011.

"Barbados Property" has the meaning ascribed thereto in section 6.4(j) hereof.

"BIA" means the Bankruptcy and Insolvency Act, R. S. C. 1985, c. B-3.

"Business Day" means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario.

"Canadian Tax Act" means the *Income Tax Act* (Canada) and the *Income Tax Regulations*, in each case as amended from time to time.

"Causes of Action" means any and all claims, actions, causes of action, demands, counterclaims, suits, rights, entitlements, litigation, arbitration, proceeding, hearing, complaint, debt, obligation, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries of whatever nature that any Person may be entitled to assert in law, equity or otherwise, whether known or unknown, foreseen or unforeseen, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly, indirectly or derivatively, existing or hereafter arising and whether pertaining to events occurring before, on or after the Filing Date.

"CBCA" has the meaning ascribed thereto in the recitals.

"CCAA" has the meaning ascribed thereto in the recitals.

"CCAA Proceeding" means the proceeding commenced by SFC under the CCAA on the Filing Date in the Ontario Superior Court of Justice (Commercial List) under court file number CV-12-9667-00CL.

"Charges" means the Administration Charge and the Directors' Charge.

"Claim" means any right or claim of any Person that may be asserted or made against SFC, in whole or in part, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express,

implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person (including any Directors or Officers of SFC or any of the Subsidiaries) to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable against SFC in bankruptcy within the meaning of the BIA had SFC become bankrupt on the Filing Date, or is an Equity Claim, a Noteholder Class Action Claim against SFC, a Class Action Indemnity Claim against SFC, a Restructuring Claim or a Lien Claim, provided, however, that "Claim" shall not include a D&O Claim or a D&O Indemnity Claim.

"Claims Bar Date" has the meaning ascribed thereto in the Claims Procedure Order.

"Claims Procedure" means the procedure established for determining the amount and status of Claims, D&O Claims and D&O Indemnity Claims, including in each case any such claims that are Unresolved Claims, pursuant to the Claims Procedure Order.

"Claims Procedure Order" means the Order under the CCAA of the Honourable Justice Morawetz dated May 14, 2012, establishing, among other things, a claims procedure in respect of SFC and calling for claims in respect of the Subsidiaries, as such Order may be amended, restated or varied from time to time.

"Class Action Claims" means, collectively, any rights or claims of any kind advanced or which may subsequently be advanced in the Class Actions or in any other similar proceeding, whether a class action proceeding or otherwise, and for greater certainty includes any Noteholder Class Action Claims.

"Class Actions" means, collectively, the following proceedings: (i) Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al v. Sino-Forest Corporation et al. (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP); (ii) Guining Liu v. Sino-Forest Corporation et al. (Quebec Superior Court, Court File No. 200-06-000132-111); (iii) Allan Haigh v. Sino-Forest Corporation et al. (Saskatchewan Court of Queen's Bench, Court File No. 2288 of 2011); and (iv) David Leapard et al. v. Allen T.Y. Chan et al. (District Court of the Southern District of New York, Court File No. 650258/2012).

"Class Action Court" means, with respect to the Class Action Claims, the court of competent jurisdiction that is responsible for administering the applicable Class Action Claim.

"Class Action Indemnity Claim" means any right or claim of any Person that may be asserted or made in whole or in part against SFC and/or any Subsidiary for indemnity, contribution, reimbursement or otherwise from or in connection with any Class Action Claim asserted against

such Person. For greater certainty, Class Action Indemnity Claims are distinct from and do not include Class Action Claims.

"Consent Date" means May 15, 2012.

"Conspiracy Claim" means any D&O Claim alleging that the applicable Director or Officer committed the tort of civil conspiracy, as defined under Canadian common law.

"Continuing Noteholder Class Action Claim" means any Noteholder Class Action Claim that is: (i) a Section 5.1(2) D&O Claim; (ii) a Conspiracy Claim; (iii) a Non-Released D&O Claim; (iv) a Continuing Other D&O Claim; (v) a Noteholder Class Action Claim against one or more Third Party Defendants that is not an Indemnified Noteholder Class Action Claim; (vi) the portion of an Indemnified Noteholder Class Action Claim that is permitted to continue against the Third Party Defendants, subject to the Indemnified Noteholder Class Action Limit, pursuant to section 4.4(b)(i) hereof.

"Continuing Other D&O Claims" has the meaning ascribed thereto in section 4.9(b) hereof.

"Court" has the meaning ascribed thereto in the recitals.

"D&O Claim" means (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC that relates to a Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers of SFC, or (ii) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty and including, for greater certainty, any monetary administrative or other monetary penalty or claim for costs asserted against any Officer or Director of SFC by any Government Entity) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such Directors or Officers of SFC or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, or (B) relates to a time period prior to the Filing Date.

"D&O Indemnity Claim" means any existing or future right of any Director or Officer of SFC against SFC that arose or arises as a result of any Person filing a D&O Proof of Claim (as

defined in the Claims Procedure Order) in respect of such Director or Officer of SFC for which such Director or Officer of SFC is entitled to be indemnified by SFC.

"Defence Costs" has the meaning ascribed thereto in section 4.8 hereof.

"Director" means, with respect to SFC or any Subsidiary, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of such SFC Company.

"Directors' Charge" has the meaning ascribed thereto in the Initial Order.

"Direct Registration Account" means, if applicable, a direct registration account administered by the Transfer Agent in which those Persons entitled to receive Newco Shares and/or Newco Notes pursuant to the Plan will hold such Newco Shares and/or Newco Notes in registered form.

"Direct Registration Transaction Advice" means, if applicable, a statement delivered by the Monitor, the Trustees, the Transfer Agent or any such Person's agent to any Person entitled to receive Newco Shares or Newco Notes pursuant to the Plan on the Initial Distribution Date and each subsequent Distribution Date, as applicable, indicating the number of Newco Shares and/or Newco Notes registered in the name of or as directed by the applicable Person in a Direct Registration Account.

"Direct Subsidiaries" means, collectively, Sino-Panel Holdings Limited, Sino-Global Holdings Inc., Sino-Panel Corporation, Sino-Capital Global Inc., SFC Barbados, Sino-Forest Resources Inc. Sino-Wood Partners, Limited.

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan to effect distributions in respect of the Proven Claims, excluding the Initial Distribution Date.

"Distribution Escrow Position" has the meaning ascribed thereto in section 5.2(d) hereof.

"Distribution Record Date" means the Plan Implementation Date, or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"DTC" means The Depository Trust Company, or any successor thereof.

"Early Consent Equity Sub-Pool" means an amount of Newco Shares representing 7.5% of the Newco Equity Pool.

"Early Consent Noteholder" means any Noteholder that:

(a) (i) as confirmed by the Monitor on June 12, 2012, executed the (A) RSA, (B) a support agreement with SFC and the Direct Subsidiaries in the form of the RSA or (C) a joinder agreement in the form attached as Schedule C to the RSA; (ii) provided evidence satisfactory to the Monitor in accordance with section 2(a) of the RSA of the Notes held by such Noteholder as at the Consent Date (the "Early Consent Notes"), as such list of Noteholders and Notes held has been verified

- and is maintained by the Monitor on a confidential basis; and (iii) continues to hold such Early Consent Notes as at the Distribution Record Date; or
- (b) (i) has acquired Early Consent Notes; (ii) has signed the necessary transfer and joinder documentation as required by the RSA and has otherwise acquired such Early Consent Notes in compliance with the RSA; and (iii) continues to hold such Early Consent Notes as at the Distribution Record Date.

"Effective Time" means 8:00 a.m. (Toronto time) on the Plan Implementation Date or such other time on such date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"Eligible Third Party Defendant" means any of the Underwriters, BDO Limited and Ernst & Young (in the event that the Ernst & Young Settlement is not completed), together with any of their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, (but excludes excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such), and any Director or Officer together with their respective successors, administrators, heirs and assigns.

"Employee Priority Claims" means the following Claims of employees and former employees of SFC:

- (a) Claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if SFC had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date.

"Encumbrance" means any security interest (whether contractual, statutory, or otherwise), hypothec, mortgage, trust or deemed trust (whether contractual, statutory, or otherwise), lien, execution, levy, charge, demand, action, liability or other claim, action, demand or liability of any kind whatsoever, whether proprietary, financial or monetary, and whether or not it has attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including: (i) any of the Charges; and (ii) any charge, security interest or claim evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

"Equity Cancellation Date" means the date that is the first Business Day at least 31 days after the Plan Implementation Date, or such other date as may be agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"Equity Claim" means a Claim that meets the definition of "equity claim" in section 2(1) of the CCAA and, for greater certainty, includes any of the following:

(a) any claim against SFC resulting from the ownership, purchase or sale of an equity interest in SFC, including the claims by or on behalf of current or former shareholders asserted in the Class Actions;

- (b) any indemnification claim against SFC related to or arising from the claims described in sub-paragraph (a), including any such indemnification claims against SFC by or on behalf of any and all of the Third Party Defendants (other than for Defence Costs, unless any such claims for Defence Costs have been determined to be Equity Claims subsequent to the date of the Equity Claims Order); and
- (c) any other claim that has been determined to be an Equity Claim pursuant to an Order of the Court.

"Equity Claimant" means any Person having an Equity Claim, but only with respect to and to the extent of such Equity Claim.

"Equity Claimant Class" has the meaning ascribed thereto in section 3.2(b).

"Equity Claims Order" means the Order under the CCAA of the Honourable Justice Morawetz dated July 27, 2012, in respect of Shareholder Claims and Related Indemnity Claims against SFC, as such terms are defined therein.

"Equity Interest" has the meaning set forth in section 2(1) of the CCAA.

"Ernst & Young" means Ernst & Young LLP (Canada), Ernst & Young Global Limited and all other member firms thereof, and all present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns of each, but excludes any Director or Officer (in their capacity as such) and successors, administrators, heirs and assigns of any Director or Officer (in their capacity as such).

"Ernst & Young Claim" means any and all demands, claims, actions, Causes of Action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any claim, indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person, including any Person who may claim contribution or indemnification against or from them and also including for greater certainty the SFC Companies, the Directors (in their capacity as such), the Officers (in their capacity as such), the Third Party Defendants, Newco, Newco II, the directors and officers of Newco and Newco II, the Noteholders or any Noteholder, any past, present or future holder of a direct or indirect equity interest in the SFC Companies, any past, present or future direct or indirect investor or security holder of the SFC Companies, any direct or indirect security holder of Newco or Newco II, the Trustees, the Transfer Agent, the Monitor, and each and every member (including members of any committee or governance council), present and former affiliate, partner, associate, employee, servant, agent, contractor, director, officer, insurer and each and every successor, administrator, heir and assign of each of any of the foregoing may or could (at any time past present or future) be entitled to assert against Ernst & Young, including any and all claims in respect of statutory liabilities of Directors (in their capacity as such), Officers (in their capacity as such) and any alleged fiduciary (in any capacity) whether known or unknown, matured or unmatured, direct or derivative, foreseen or unforeseen, suspected or unsuspected, contingent or not contingent, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on, prior to or after the Ernst & Young Settlement Date relating to, arising out of or in connection with the SFC Companies, the SFC Business, any Director or Officer (in their capacity as such) and/or professional services performed by Ernst & Young or any other acts or omissions of Ernst & Young in relation to the SFC Companies, the SFC Business, any Director or Officer (in their capacity as such), including for greater certainty but not limited to any claim arising out of:

- (a) all audit, tax, advisory and other professional services provided to the SFC Companies or related to the SFC Business up to the Ernst & Young Settlement Date, including for greater certainty all audit work performed, all auditors' opinions and all consents in respect of all offering of SFC securities and all regulatory compliance delivered in respect of all fiscal periods and all work related thereto up to and inclusing the Ernst & Young Settlement Date;
- (b) all claims advanced or which could have been advanced in any or all of the Class Actions;
- (c) all claims advanced or which could have been advanced in any or all actions commenced in all jurisdictions prior the Ernst & Young Settlement Date; or
- (d) all Noteholder Claims, Litigation Trust Claims or any claim of the SFC Companies,

provided that "Ernst & Young Claim" does not include any proceedings or remedies that may be taken against Ernst & Young by the Ontario Securities Commission or by staff of the Ontario Securities Commission, and the jurisdiction of the Ontario Securities Commission and staff of the Ontario Securities Commission in relation to Ernst & Young under the Securities Act, R.S.O. 1990, c. S-5 is expressly preserved.

"Ernst & Young Orders" has the meaning ascribed thereto in section 11.1(a) hereof.

"Ernst & Young Release" means the release described in 11.1(b) hereof.

"Ernst & Young Settlement" means the settlement as reflected in the Minutes of Settlement executed on November 29, 2012 between Ernst & Young LLP, on behalf of itself and Ernst & Young Global Limited and all member firms thereof and the plaintiffs in Ontario Superior Court Action No. CV-11-4351153-00CP and in Quebec Superior Court No. 200-06-00132-111, and such other documents contemplated thereby.

"Ernst & Young Settlement Date" means the date that the Monitor's Ernst & Young Settlement Certificate is delivered to Ernst & Young.

"Excluded Litigation Trust Claims" has the meaning ascribed thereto in section 4.12(a) hereof.

"Excluded SFC Assets" means (i) the rights of SFC to be transferred to the Litigation Trust in accordance with section 6.4(o) hereof; (ii) any entitlement to insurance proceeds in respect of Insured Claims, Section 5.1(2) D&O Claims and/or Conspiracy Claims; (iii) any secured property of SFC that is to be returned in satisfaction of a Lien Claim pursuant to section 4.2(c)(i)

hereof; (iv) any input tax credits or other refunds received by SFC after the Effective Time; and (v) cash in the aggregate amount of (and for the purpose of): (A) the Litigation Funding Amount; (B) the Unaffected Claims Reserve; (C) the Administration Charge Reserve; (D) the Expense Reimbursement and the other payments to be made pursuant to section 6.4(d) hereof (having regard to the application of any outstanding retainers, as applicable); (E) any amounts in respect of Lien Claims to be paid in accordance with section 4.2(c)(ii) hereof; and (F) the Monitor's Post-Implementation Reserve; (vi) any office space, office furniture or other office equipment owned or leased by SFC in Canada; (vii) the SFC Escrow Co. Share; (viii) Newco Promissory Note 1; and (ix) Newco Promissory Note 2.

"Existing Shares" means all existing shares in the equity of SFC issued and outstanding immediately prior to the Effective Time and all warrants, options or other rights to acquire such shares, whether or not exercised as at the Effective Time.

"Expense Reimbursement" means the aggregate amount of (i) the reasonable and documented fees and expenses of the Noteholder Advisors, pursuant to their respective engagement letters with SFC, and other advisors as may be agreed to by SFC and the Initial Consenting Noteholders and (ii) the reasonable fees and expenses of the Initial Consenting Noteholders incurred in connection with the negotiation and development of the RSA and this Plan, including in each case an estimated amount for any such fees and expenses expected to be incurred in connection with the implementation of the Plan, including in the case of (ii) above, an aggregate work fee of up to \$5 million (which work fee may, at the request of the Monitor, be paid by any of the Subsidiaries instead of SFC).

"Filing Date" has the meaning ascribed thereto in the recitals.

"Fractional Interests" has the meaning given in section 5.12 hereof.

"FTI HK" means FTI Consulting (Hong Kong) Limited.

"Governmental Entity" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"Government Priority Claims" means all Claims of Governmental Entities in respect of amounts that were outstanding as of the Plan Implementation Date and that are of a kind that could be subject to a demand under:

- (a) subsections 224(1.2) of the Canadian Tax Act;
- (b) any provision of the Canada Pension Plan or the Employment Insurance Act (Canada) that refers to subsection 224(1.2) of the Canadian Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or employee's premium or employer's premium as defined in the Employment

- Insurance Act (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Canadian Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Canadian Tax Act; or
  - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.
- "Greenheart" means Greenheart Group Limited, a company established under the laws of Bermuda.
- "Indemnified Noteholder Class Action Claims" has the meaning ascribed thereto in section 4.4(b)(i) hereof.
- "Indemnified Noteholder Class Action Limit" means \$150 million or such lesser amount agreed to by SFC, the Monitor, the Initial Consenting Noteholders and counsel to the Ontario Class Action Plaintiffs prior to the Plan Implementation Date or agreed to by the Initial Consenting Noteholders and counsel to the Class Action Plaintiffs after the Plan Implementation Date.
- "Initial Consenting Noteholders" means, subject to section 12.7 hereof, the Noteholders that executed the RSA on March 30, 2012.
- "Initial Distribution Date" means a date no more than ten (10) Business Days after the Plan Implementation Date or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.
- "Initial Newco Shareholder" means a Person to be determined by the Initial Consenting Noteholders prior to the Effective Time, with the consent of SFC and the Monitor, to serve as the initial sole shareholder of Newco pursuant to section 6.2(a) hereof.
- "Initial Order" has the meaning ascribed thereto in the recitals.
- "Insurance Policies" means, collectively, the following insurance policies, as well as any other insurance policy pursuant to which SFC or any Director or Officer is insured: ACE INA Insurance Policy Number DO024464; Chubb Insurance Company of Canada Policy Number 8209-4449; Lloyds of London, England Policy Number XTFF0420; Lloyds of London, England

Policy Number XTFF0373; and Travelers Guarantee Company of Canada Policy Number 10181108, and "Insurance Policy" means any one of the Insurance Policies.

"Insured Claim" means all or that portion of any Claim for which SFC is insured and all or that portion of any D&O Claim for which the applicable Director or Officer is insured, in each case pursuant to any of the Insurance Policies.

"Intellectual Property" means: (i) patents, and applications for patents, including divisional and continuation patents; (ii) registered and unregistered trade-marks, logos and other indicia of origin, pending trade-mark registration applications, and proposed use application or similar reservations of marks, and all goodwill associated therewith; (iii) registered and unregistered copyrights, including all copyright in and to computer software programs, and applications for and registration of such copyright (including all copyright in and to the SFC Companies' websites); (iv) world wide web addresses and internet domain names, applications and reservations for world wide web addresses and internet domain names, uniform resource locators and the corresponding internet sites; (v) industrial designs; and (vi) trade secrets and proprietary information not otherwise listed in (i) through (v) above, including all inventions (whether or not patentable), invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, corporate and business names, trade names, trade dress, brand names, know-how, formulae, methods (whether or not patentable), designs, processes, procedures, technology, business methods, source codes, object codes, computer software programs (in either source code or object code form), databases, data collections and other proprietary information or material of any type, and all derivatives, improvements and refinements thereof, howsoever recorded, or unrecorded.

"Letter of Instruction" means a form, to be completed by each Ordinary Affected Creditor and each Early Consent Noteholder, and that is to be delivered to the Monitor in accordance with section 5.1 hereof, which form shall set out:

- (a) the registration details for the Newco Shares and, if applicable, Newco Notes to be distributed to such Ordinary Affected Creditor or Early Consent Noteholder in accordance with the Plan; and
- (b) the address to which such Ordinary Affected Creditor's or Early Consent Noteholder's Direct Registration Transaction Advice or its Newco Share Certificates and Newco Note Certificates, as applicable, are to be delivered.

"Lien Claim" means any Proven Claim of a Person indicated as a secured creditor in Schedule "B" to the Initial Order (other than the Trustees) that is secured by a lien or encumbrance on any property of SFC, which lien is valid, perfected and enforceable pursuant to Applicable Law, provided that the Charges and any Claims in respect of Notes shall not constitute "Lien Claims".

"Lien Claimant" means a Person having a Lien Claim, other than any Noteholder or Trustee in respect of any Noteholder Claim.

- "Litigation Funding Amount" means the cash amount of \$1,000,000 to be advanced by SFC to the Litigation Trustee for purposes of funding the Litigation Trust on the Plan Implementation Date in accordance with section 6.4(o) hereof.
- "Litigation Funding Receivable" has the meaning ascribed thereto in section 6.4(0) hereof.
- "Litigation Trust" means the trust to be established on the Plan Implementation Date at the time specified in section 6.4(p) in accordance with the Litigation Trust Agreement pursuant to the laws of a jurisdiction that is acceptable to SFC and the Initial Consenting Noteholders, which trust will acquire the Litigation Trust Claims and will be funded with the Litigation Funding Amount in accordance with the Plan and the Litigation Trust Agreement.
- "Litigation Trust Agreement" means the trust agreement dated as of the Plan Implementation Date, between SFC and the Litigation Trustee, establishing the Litigation Trust.
- "Litigation Trust Claims" means any Causes of Action that have been or may be asserted by or on behalf of: (a) SFC against any and all third parties; or (b) the Trustees (on behalf of the Noteholders) against any and all Persons in connection with the Notes issued by SFC; provided, however, that in no event shall the Litigation Trust Claims include any (i) claim, right or cause of action against any Person that is released pursuant to Article 7 hereof or (ii) any Excluded Litigation Trust Claim. For greater certainty: (x) the claims being advanced or that are subsequently advanced in the Class Actions are not being transferred to the Litigation Trust; and (y) the claims transferred to the Litigation Trust shall not be advanced in the Class Actions.
- "Litigation Trust Interests" means the beneficial interests in the Litigation Trust to be created on the Plan Implementation Date.
- "Litigation Trustee" means a Person to be determined by SFC and the Initial Consenting Noteholders prior to the Effective Time, with the consent of the Monitor, to serve as trustee of the Litigation Trust pursuant to and in accordance with the terms thereof.
- "Material" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the SFC Companies (taken as a whole).
- "Material Adverse Effect" means a fact, event, change, occurrence, circumstance or condition that, individually or together with any other event, change or occurrence, has or would reasonably be expected to have a material adverse impact on the assets, condition (financial or otherwise), business, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or operations of the SFC Companies (taken as a whole); provided, however, that a Material Adverse Effect shall not include and shall be deemed to exclude the impact of any fact, event, change, occurrence, circumstance or condition resulting from or relating to: (A) changes in Applicable Laws of general applicability or interpretations thereof by courts or Governmental Entities or regulatory authorities, which changes do not have a Material disproportionate effect on the SFC Companies (taken as a whole), (B) any change in the forestry industry generally, which does not have a Material disproportionate effect on the SFC Companies (taken as a whole) (relative to other industry participants operating primarily in the PRC), (C) actions and omissions

of any of the SFC Companies required pursuant to the RSA or this Plan or taken with the prior written consent of the Initial Consenting Noteholders, (D) the effects of compliance with the RSA or this Plan, including on the operating performance of the SFC Companies, (E) the negotiation, execution, delivery, performance, consummation, potential consummation or public announcement of the RSA or this Plan or the transactions contemplated thereby or hereby, (F) any change in U.S. or Canadian interest rates or currency exchange rates unless such change has a Material disproportionate effect on the SFC Companies (taken as a whole), and (G) general political, economic or financial conditions in Canada, the United States, Hong Kong or the PRC, which changes do not have a Material disproportionate effect on the SFC Companies (taken as a whole).

"Meeting" means the meeting of Affected Creditors, and any adjournment or extension thereof, that is called and conducted in accordance with the Meeting Order for the purpose of considering and voting on the Plan.

"Meeting Order" has the meaning ascribed thereto in the recitals.

"Monitor" means FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of SFC in the CCAA Proceeding.

"Monitor's Post-Implementation Reserve" means the cash reserve to be established by SFC on the Plan Implementation Date in the amount of \$5,000,000 or such other amount as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders, which cash reserve shall be maintained and administered by the Monitor for the purpose of administering SFC and the Claims Procedure, as necessary, from and after the Plan Implementation Date.

"Monitor's Ernst & Young Settlement Certificate" has the meaning ascribed thereto in section 11.1(a) hereof.

"Monitor's Named Third Party Settlement Certificate" has the meaning ascribed thereto in section 11.2(b) hereof.

"Named Directors and Officers" means Andrew Agnew, William E. Ardell, James Bowland, Leslie Chan, Michael Cheng, Lawrence Hon, James M.E. Hyde, Richard M. Kimel, R. John (Jack) Lawrence, Jay A. Lefton, Edmund Mak, Tom Maradin, Judson Martin, Simon Murray, James F. O'Donnell, William P. Rosenfeld, Peter Donghong Wang, Garry West and Kee Y. Wong, in their respective capacities as Directors or Officers, and "Named Director or Officer" means any one of them.

"Named Third Party Defendant Settlement" means a binding settlement between any applicable Named Third Party Defendant and one or more of: (i) counsel to the plaintiffs in any of the Class Actions; and (ii) the Litigation Trustee (on behalf of the Litigation Trust) (if after the Plan Implementation Date), provided that, in each case, such settlement must be acceptable to SFC (if on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date) and the Litigation Trustee (if after the Plan Implementation Date), and provided further that such settlement shall not affect the

plaintiffs in the Class Actions without the consent of counsel to the Ontario Class Action Plaintiffs.

- "Named Third Party Defendant Settlement Order" means an Order of the Courta court order approving a Named Third Party Defendant Settlement in form and in substance satisfactory to the applicable Named Third Party Defendant, SFC (if occurring on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date), the Litigation Trustee (if after the Plan Implementation Date) and counsel to the Ontario Class Action Plaintiffs (if the plaintiffs in any of the Class Actions are affected by the applicable Named Third Party Defendant Settlement).
- "Named Third Party Defendant Release" means a release of any applicable Named Third Party Defendant agreed to pursuant to a Named Third Party Defendant Settlement and approved pursuant to a Named Third Party Defendant Settlement Order, provided that such release must be acceptable to SFC (if on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date) and the Litigation Trustee (if after the Plan Implementation Date), and provided further that such release shall not affect the plaintiffs in the Class Actions without the consent of counsel to the Ontario Class Action Plaintiffs.
- "Named Third Party Defendants" means the Third Party Defendants listed on Schedule "A" to the Plan in accordance with section 11.2(a) hereof, provided that only Eligible Third Party Defendants may become Named Third Party Defendants.
- "Newco" means the new corporation to be incorporated pursuant to section 6.2(a) hereof under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.
- "Newco II" means the new corporation to be incorporated pursuant to section 6.2(b) hereof under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.
- "Newco II Consideration" has the meaning ascribed thereto in section 6.4(x) hereof.
- "Newco Equity Pool" means all of the Newco Shares to be issued by Newco on the Plan Implementation Date. The number of Newco Shares to be issued on the Plan Implementation Date shall be agreed by SFC, the Monitor and the Initial Consenting Noteholders prior to the Plan Implementation Date.
- "Newco Note Certificate" means a certificate evidencing Newco Notes.
- "Newco Notes" means the new notes to be issued by Newco on the Plan Implementation Date in the aggregate principal amount of \$300,000,000, on such terms and conditions as are satisfactory to the Initial Consenting Noteholders and SFC, acting reasonably.
- "Newco Promissory Note 1", "Newco Promissory Note 2", "Newco Promissory Note 3" and "Newco Promissory Notes" have the meanings ascribed thereto in sections 6.4(k), 6.4(m), 6.4(n) and 6.4(q) hereof, respectively.

- "Newco Share Certificate" means a certificate evidencing Newco Shares.
- "Newco Shares" means common shares in the capital of Newco.
- "Non-Released D&O Claims" has the meaning ascribed thereto in section 4.9(f) hereof.
- "Noteholder Advisors" means Goodmans LLP, Hogan Lovells and Conyers, Dill & Pearman LLP in their capacity as legal advisors to the Initial Consenting Noteholders, and Moelis & Company LLC and Moelis and Company Asia Limited, in their capacity as the financial advisors to the Initial Consenting Noteholders.
- "Noteholder Claim" means any Claim by a Noteholder (or a Trustee or other representative on the Noteholder's behalf) in respect of or in relation to the Notes owned or held by such Noteholder, including all principal and Accrued Interest payable to such Noteholder pursuant to such Notes or the Note Indentures, but for greater certainty does not include any Noteholder Class Action Claim.
- "Noteholder Class Action Claim" means any Class Action Claim, or any part thereof, against SFC, any of the Subsidiaries, any of the Directors and Officers of SFC or the Subsidiaries, any of the Auditors, any of the Underwriters and/or any other defendant to the Class Action Claims that relates to the purchase, sale or ownership of Notes, but for greater certainty does not include a Noteholder Claim.
- "Noteholder Class Action Claimant" means any Person having or asserting a Noteholder Class Action Claim.
- "Noteholder Class Action Representative" means an individual to be appointed by counsel to the Ontario Class Action Plaintiffs.
- "Noteholders" means, collectively, the beneficial owners of Notes as of the Distribution Record Date and, as the context requires, the registered holders of Notes as of the Distribution Record Date, and "Noteholder" means any one of the Noteholders.
- "Note Indentures" means, collectively, the 2013 Note Indenture, the 2014 Note Indenture, the 2016 Note Indenture and the 2017 Note Indenture.
- "Notes" means, collectively, the 2013 Notes, the 2014 Notes, the 2016 Notes and the 2017 Notes.
- "Officer" means, with respect to SFC or any Subsidiary, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of such SFC Company.
- "Ontario Class Action Plaintiffs" means the plaintiffs in the Ontario class action case styled as Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al v. Sino-Forest Corporation et al. (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP).

"Order" means any order of the Court made in connection with the CCAA Proceeding or this Plan.

"Ordinary Affected Creditor" means a Person with an Ordinary Affected Creditor Claim.

"Ordinary Affected Creditor Claim" means a Claim that is not: an Unaffected Claim; a Noteholder Claim; an Equity Claim; a Subsidiary Intercompany Claim; a Noteholder Class Action Claim; or a Class Action Indemnity Claim (other than a Class Action Indemnity Claim by any of the Third Party Defendants in respect of the Indemnified Noteholder Class Action Claims).

"Other Directors and/or Officers" means any Directors and/or Officers other than the Named Directors and Officers.

"Permitted Continuing Retainer" has the meaning ascribed thereto in section 6.4(d) hereof.

"Person" means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, Governmental Entity, and a natural person including in such person's capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

"Plan" means this Plan of Compromise and Reorganization (including all schedules hereto) filed by SFC pursuant to the CCAA and the CBCA, as it may be further amended, supplemented or restated from time to time in accordance with the terms hereof or an Order.

"Plan Implementation Date" means the Business Day on which this Plan becomes effective, which shall be the Business Day on which the Monitor has filed with the Court the certificate contemplated in section 9.2 hereof, or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"PRC" means the People's Republic of China.

"Proof of Claim" means the "Proof of Claim" referred to in the Claims Procedure Order, substantially in the form attached to the Claims Procedure Order.

# "Pro-Rata" means:

- (a) with respect to any Noteholder in relation to all Noteholders, the proportion of (i) the principal amount of Notes beneficially owned by such Noteholder as of the Distribution Record Date plus the Accrued Interest owing on such Notes as of the Filing Date, in relation to (ii) the aggregate principal amount of all Notes outstanding as of the Distribution Record Date plus the aggregate of all Accrued Interest owing on all Notes as of the Filing Date;
- (b) with respect to any Early Consent Noteholder in relation to all Early Consent Noteholders, the proportion of the principal amount of Early Consent Notes beneficially owned by such Early Consent Noteholder as of the Distribution

- Record Date in relation to the aggregate principal amount of Early Consent Notes held by all Early Consent Noteholders as of the Distribution Record Date; and
- (c) with respect to any Affected Creditor in relation to all Affected Creditors, the proportion of such Affected Creditor's Affected Creditor Claim as at any relevant time in relation to the aggregate of all Proven Claims and Unresolved Claims of Affected Creditors as at that time.
- "Proven Claim" means an Affected Creditor Claim to the extent that such Affected Creditor Claim is finally determined and valued in accordance with the provisions of the Claims Procedure Order, the Meeting Order or any other Order, as applicable.
- "Released Claims" means all of the rights, claims and liabilities of any kind released pursuant to Article 7 hereof.
- "Released Parties" means, collectively, those Persons released pursuant to Article 7 hereof, but only to the extent so released, and each such Person is referred to individually as a "Released Party".
- "Required Majority" means a majority in number of Affected Creditors with Proven Claims, and two-thirds in value of the Proven Claims held by such Affected Creditors, in each case who vote (in person or by proxy) on the Plan at the Meeting.
- "Remaining Post-Implementation Reserve Amount" has the meaning ascribed thereto in section 5.7(b) hereof.
- "Restructuring Claim" means any right or claim of any Person that may be asserted or made in whole or in part against SFC, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of the Claims Procedure Order.
- "Restructuring Transaction" means the transactions contemplated by this Plan (including any Alternative Sale Transaction that occurs pursuant to section 10.1 hereof).
- "RSA" means the Restructuring Support Agreement executed as of March 30, 2012 by SFC, the Direct Subsidiaries and the Initial Consenting Noteholders, and subsequently executed or otherwise agreed to by the Early Consent Noteholders, as such Restructuring Support Agreement may be amended, restated and varied from time to time in accordance with its terms.
- "Sanction Date" means the date that the Sanction Order is granted by the Court.
- "Sanction Order" means the Order of the Court sanctioning and approving this Plan.
- "Section 5.1(2) D&O Claim" means any D&O Claim that is not permitted to be compromised pursuant to section 5.1(2) of the CCAA, but only to the extent not so permitted, provided that

any D&O Claim that qualifies as a Non-Released D&O Claim or a Continuing Other D&O Claim shall not constitute a Section 5.1(2) D&O Claim.

"Settlement Trust" has the meaning ascribed thereto in section 11.1(a) hereof.

"Settlement Trust Order" means and court order establishingthat establishes the Settlement Trust and approves the Ernst & Young Settlement and the Ernst & Young Release, in form and in substance satisfactory to Ernst & Young and counsel to the Ontario Class Action Plaintiffs, provided that such order shall also be acceptable to SFC (if occurring on or prior to the Plan Implementation Date), the Monitor and the Initial Consenting Noteholders, as applicable, to the extent, if any, that such order affects SFC, the Monitor or the Initial Consenting Noteholders, each acting reasonably. "Settlement Trust" means a trust established in accordance with the terms of the Settlement Trust Order.

"SFC" has the meaning ascribed thereto in the recitals.

"SFC Advisors" means Bennett Jones LLP, Appleby Global Group, King & Wood Mallesons and Linklaters LLP, in their respective capacities as legal advisors to SFC, and Houlihan Lokey Howard & Zukin Capital, Inc., in its capacity as financial advisor to SFC.

"SFC Assets" means all of SFC's right, title and interest in and to all of SFC's properties, assets and rights of every kind and description (including all restricted and unrestricted cash, contracts, real property, receivables or other debts owed to SFC, Intellectual Property, SFC's corporate name and all related marks, all of SFC's ownership interests in the Subsidiaries (including all of the shares of the Direct Subsidiaries and any other Subsidiaries that are directly owned by SFC immediately prior to the Effective Time), all of SFC's ownership interest in Greenheart and its subsidiaries, all SFC Intercompany Claims, any entitlement of SFC to any insurance proceeds and a right to the Remaining Post-Implementation Reserve Amount), other than the Excluded SFC Assets.

"SFC Barbados" means Sino-Forest International (Barbados) Corporation, a wholly-owned subsidiary of SFC established under the laws of Barbados.

"SFC Business" means the business operated by the SFC Companies.

"SFC Continuing Shareholder" means the Litigation Trustee or such other Person as may be agreed to by the Monitor and the Initial Consenting Noteholders.

"SFC Companies" means, collectively, SFC and all of the Subsidiaries, and "SFC Company" means any of them.

"SFC Escrow Co." means the company to be incorporated as a wholly-owned subsidiary of SFC pursuant to section 6.3 hereof under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"SFC Escrow Co. Share" has the meaning ascribed thereto in section 6.3 hereof.

"SFC Intercompany Claim" means any amount owing to SFC by any Subsidiary or Greenheart and any claim by SFC against any Subsidiary or Greenheart.

"Subsidiaries" means all direct and indirect subsidiaries of SFC, other than (i) Greenheart and its direct and indirect subsidiaries and (ii) SFC Escrow Co., and "Subsidiary" means any one of the Subsidiaries.

"Subsidiary Intercompany Claim" means any Claim by any Subsidiary or Greenheart against SFC.

"Tax" or "Taxes" means any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all licence, franchise and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions, together with all interest, penalties, fines and additions with respect to such amounts.

"Taxing Authorities" means any one of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, any similar revenue or taxing authority of the United States, the PRC, Hong Kong or other foreign state and any political subdivision thereof, and any Canadian, United States, Hong Kong, PRC or other government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation-making entity exercising taxing authority or power, and "Taxing Authority" means any one of the Taxing Authorities.

"Third Party Defendants" means any defendants to the Class Action Claims (present or future) other than SFC, the Subsidiaries, the Named Directors and Officers or the Trustees.

"Transfer Agent" means Computershare Limited (or a subsidiary or affiliate thereof) or such other transfer agent as Newco may appoint, with the prior written consent of the Monitor and the Initial Consenting Noteholders.

"Trustee Claims" means any rights or claims of the Trustees against SFC under the Note Indentures for compensation, fees, expenses, disbursements or advances, including reasonable legal fees and expenses, incurred or made by or on behalf of the Trustees before or after the Plan Implementation Date in connection with the performance of their respective duties under the Note Indentures or this Plan.

"Trustees" means, collectively, The Bank of New York Mellon in its capacity as trustee for the 2013 Notes and the 2016 Notes, and Law Debenture Trust Company of New York in its capacity as trustee for the 2014 Notes and the 2017 Notes, and "Trustee" means either one of them.

# "Unaffected Claim" means any:

- (a) Claim secured by the Administration Charge;
- (b) Government Priority Claim;
- (c) Employee Priority Claim;
- (d) Lien Claim;
- (e) any other Claim of any employee, former employee, Director or Officer of SFC in respect of wages, vacation pay, bonuses, termination pay, severance pay or other remuneration payable to such Person by SFC, other than any termination pay or severance pay payable by SFC to a Person who ceased to be an employee, Director or Officer of SFC prior to the date of this Plan;
- (f) Trustee Claims; and
- (g) any trade payables that were incurred by SFC (i) after the Filing Date but before the Plan Implementation Date; and (ii) in compliance with the Initial Order or other Order issued in the CCAA Proceeding.

"Unaffected Claims Reserve" means the cash reserve to be established by SFC on the Plan Implementation Date and maintained by the Monitor, in escrow, for the purpose of paying certain Unaffected Claims in accordance with section 4.2 hereof.

"Unaffected Creditor" means a Person who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

"Undeliverable Distribution" has the meaning ascribed thereto in section 5.4.

"Underwriters" means any underwriters of SFC that are named as defendants in the Class Action Claims, including for greater certainty Credit Suisse Securities (Canada), Inc., TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd., Maison Placements Canada Inc., Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor by merger to Banc of America Securities LLC).

"Unresolved Claim" means an Affected Creditor Claim in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order but that, as at any applicable time, has not been finally (i) determined to be a Proven Claim or (ii) disallowed in accordance with the Claims Procedure Order, the Meeting Order or any other Order.

"Unresolved Claims Escrow Agent" means SFC Escrow Co. or such other Person as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders.

"Unresolved Claims Reserve" means the reserve of Newco Shares, Newco Notes and Litigation Trust Interests, if any, to be established pursuant to sections 6.4(h)(ii) and 6.4(r) hereof in respect of Unresolved Claims as at the Plan Implementation Date, which reserve shall be held and maintained by the Unresolved Claims Escrow Agent, in escrow, for distribution in accordance with the Plan. As at the Plan Implementation Date, the Unresolved Claims Reserve will consist of that amount of Newco Shares, Newco Notes and Litigation Trust Interests as is necessary to make any potential distributions under the Plan in respect of the following Unresolved Claims: (i) Class Action Indemnity Claims in an amount up to the Indemnified Noteholder Class Action Limit; (ii) Claims in respect of Defence Costs in the amount of \$30 million or such other amount as may be agreed by the Monitor and the Initial Consenting Noteholders; and (iii) other Affected Creditor Claims that have been identified by the Monitor as Unresolved Claims in an amount up to \$500,000 or such other amount as may be agreed by the Monitor and the Initial Consenting Noteholders.

"Website" means the website maintained by the Monitor in respect of the CCAA Proceeding pursuant to the Initial Order at the following web address: http://cfcanada.fticonsulting.com/sfc.

# 1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to an Order, agreement, contract, instrument, indenture, release, exhibit or other document means such Order, agreement, contract, instrument, indenture, release, exhibit or other document as it may have been or may be validly amended, modified or supplemented;
- (b) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (c) unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders;
- (d) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Toronto time) on such Business Day;

- (f) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (g) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and
- (h) references to a specified "article" or "section" shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "article", "section" or other portion of the Plan and include any documents supplemental hereto.

# 1.3 Currency

For the purposes of this Plan, all amounts shall be denominated in Canadian dollars and all payments and distributions to be made in cash shall be made in Canadian dollars. Any Claims or other amounts denominated in a foreign currency shall be converted to Canadian dollars at the Reuters closing rate on the Filing Date.

## 1.4 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Plan.

## 1.5 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the jurisdiction of the Court.

#### 1.6 Schedule "A"

Schedule "A" to the Plan is incorporated by reference into the Plan and forms part of the Plan.

# ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

#### 2.1 Purpose

The purpose of the Plan is:

- (a) to effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Affected Claims;
- (b) to effect the distribution of the consideration provided for herein in respect of Proven Claims;
- (c) to transfer ownership of the SFC Business to Newco and then from Newco to Newco II, in each case free and clear of all claims against SFC and certain related claims against the Subsidiaries, so as to enable the SFC Business to continue on a viable, going concern basis; and
- (d) to allow Affected Creditors and Noteholder Class Action Claimants to benefit from contingent value that may be derived from litigation claims to be advanced by the Litigation Trustee.

The Plan is put forward in the expectation that the Persons with an economic interest in SFC, when considered as a whole, will derive a greater benefit from the implementation of the Plan and the continuation of the SFC Business as a going concern than would result from a bankruptcy or liquidation of SFC.

#### 2.2 Claims Affected

The Plan provides for, among other things, the full, final and irrevocable compromise, release, discharge, cancellation and bar of Affected Claims and effectuates the restructuring of SFC. The Plan will become effective at the Effective Time on the Plan Implementation Date, other than such matters occurring on the Equity Cancellation Date (if the Equity Cancellation date does not occur on the Plan Implementation Date) which will occur and be effective on such date, and the Plan shall be binding on and enure to the benefit of SFC, the Subsidiaries, Newco, Newco II, SFC Escrow Co., any Person having an Affected Claim, the Directors and Officers of SFC and all other Persons named or referred to in, or subject to, the Plan, as and to the extent provided for in the Plan.

## 2.3 Unaffected Claims against SFC Not Affected

Any amounts properly owing by SFC in respect of Unaffected Claims will be satisfied in accordance with section 4.2 hereof. Consistent with the foregoing, all liabilities of the Released Parties in respect of Unaffected Claims (other than the obligation of SFC to satisfy such Unaffected Claims in accordance with section 4.2 hereof) will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred pursuant to Article 7 hereof. Nothing in the Plan shall affect SFC's rights and defences, both legal and equitable, with respect

to any Unaffected Claims, including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

#### 2.4 Insurance

- (a) Subject to the terms of this section 2.4, nothing in this Plan shall prejudice, compromise, release, discharge, cancel, bar or otherwise affect any right, entitlement or claim of any Person against SFC or any Director or Officer, or any insurer, in respect of an Insurance Policy or the proceeds thereof.
- (b) Nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any such insurer in respect of any such Insurance Policy. Furthermore, nothing in this Plan shall prejudice, compromise, release or otherwise affect (i) any right of subrogation any such insurer may have against any Person, including against any Director or Officer in the event of a determination of fraud against SFC or any Director or Officer in respect of whom such a determination is specifically made, and /or (ii) the ability of such insurer to claim repayment of Defense Costs (as defined in any such policy) from SFC and/or any Director or Officer in the event that the party from whom repayment is sought is not entitled to coverage under the terms and conditions of any such Insurance Policy
- Notwithstanding anything herein (including section 2.4(b) and the releases and (c) injunctions set forth in Article 7 hereof), but subject to section 2.4(d) hereof, all Insured Claims shall be deemed to remain outstanding and are not released following the Plan Implementation Date, but recovery as against SFC and the Named Directors and Officers is limited only to proceeds of Insurance Policies that are available to pay such Insured Claims, either by way of judgment or settlement. SFC and the Directors or Officers shall make all reasonable efforts to meet all obligations under the Insurance Policies. The insurers agree and acknowledge that they shall be obliged to pay any Loss payable pursuant to the terms and conditions of their respective Insurance Policies notwithstanding the releases granted to SFC and the Named Directors and Officers under this Plan. and that they shall not rely on any provisions of the Insurance Policies to argue, or otherwise assert, that such releases excuse them from, or relieve them of, the obligation to pay Loss that otherwise would be payable under the terms of the Insurance Policies. For greater certainty, the insurers agree and consent to a direct right of action against the insurers, or any of them, in favour of any plaintiff who or which has (a) negotiated a settlement of any Claim covered under any of the Insurance Policies, which settlement has been consented to in writing by the insurers or such of them as may be required or (b) obtained a final judgment against one or more of SFC and/or the Directors or Officers which such plaintiff asserts, in whole or in part, represents Loss covered under the Insurance Policies, notwithstanding that such plaintiff is not a named insured under the Insurance Policies and that neither SFC nor the Directors or Officers are parties to such action.

(d) Notwithstanding anything in this section 2.4, from and after the Plan Implementation Date, any Person having an Insured Claim shall, as against SFC and the Named Directors and Officers, be irrevocably limited to recovery solely from the proceeds of the Insurance Policies paid or payable on behalf of SFC or its Directors or Officers, and Persons with any Insured Claims shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from SFC, any of the Named Directors and Officers, any of the Subsidiaries, Newco or Newco II, other than enforcing such Person's rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s), and this section 2.4(d) may be relied upon and raised or pled by SFC, Newco, Newco II, any Subsidiary and any Named Director and Officer in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section

#### 2.5 Claims Procedure Order

For greater certainty, nothing in this Plan revives or restores any right or claim of any kind that is barred or extinguished pursuant to the terms of the Claims Procedure Order, provided that nothing in this Plan, the Claims Procedure Order or any other Order compromises, releases, discharges, cancels or bars any claim against any Person for fraud or criminal conduct, regardless of whether or not any such claim has been asserted to date.

# ARTICLE 3 CLASSIFICATION, VOTING AND RELATED MATTERS

#### 3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any other Order, as applicable. SFC, the Monitor and any other creditor in respect of its own Claim, shall have the right to seek the assistance of the Court in valuing any Claim, whether for voting or distribution purposes, if required, and to ascertain the result of any vote on the Plan.

#### 3.2 Classification

- (a) The Affected Creditors shall constitute a single class, the "Affected Creditors Class", for the purposes of considering and voting on the Plan.
- (b) The Equity Claimants shall constitute a single class, separate from the Affected Creditors Class, but shall not, and shall have no right to, attend the Meeting or vote on the Plan in such capacity.

#### 3.3 Unaffected Creditors

No Unaffected Creditor, in respect of an Unaffected Claim, shall:

- (a) be entitled to vote on the Plan;
- (b) be entitled to attend the Meeting; or

(c) receive any entitlements under this Plan in respect of such Unaffected Creditor's Unaffected Claims (other than its right to have its Unaffected Claim addressed in accordance with section 4.2 hereof).

## 3.4 Creditors' Meeting

The Meeting shall be held in accordance with the Plan, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote on the Plan at the Meeting are those specified in the Meeting Order.

# 3.5 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote of the Required Majority of the Affected Creditors Class.

# ARTICLE 4 DISTRIBUTIONS, PAYMENTS AND TREATMENT OF CLAIMS

#### 4.1 Affected Creditors

All Affected Creditor Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date. Each Affected Creditor that has a Proven Claim shall be entitled to receive the following in accordance with the Plan:

- (a) such Affected Creditor's Pro-Rata number of the Newco Shares to be issued by Newco from the Affected Creditors Equity Sub-Pool in accordance with the Plan;
- (b) such Affected Creditor's Pro-Rata amount of the Newco Notes to be issued by Newco in accordance with the Plan; and
- such Affected Creditor's Pro-Rata share of the Litigation Trust Interests to be allocated to the Affected Creditors in accordance with 4.11 hereof and the terms of the Litigation Trust.

From and after the Plan Implementation Date, each Affected Creditor, in such capacity, shall have no rights as against SFC in respect of its Affected Creditor Claim.

## 4.2 Unaffected Creditors

Each Unaffected Claim that is finally determined as such, as to status and amount, and that is finally determined to be valid and enforceable against SFC, in each case in accordance with the Claims Procedure Order or other Order:

(a) subject to sections 4.2(b) and 4.2(c) hereof, shall be paid in full from the Unaffected Claims Reserve and limited to recovery against the Unaffected Claims Reserve, and Persons with Unaffected Claims shall have no right to, and shall not, make any claim or seek any recoveries from any Person in respect of Unaffected

Claims, other than enforcing such Person's right against SFC to be paid from the Unaffected Claims Reserve;

- (b) in the case of Claims secured by the Administration Charge:
  - (i) if billed or invoiced to SFC prior to the Plan Implementation Date, such Claims shall be paid by SFC in accordance with section 6.4(d) hereof; and
  - (ii) if billed or invoiced to SFC on or after the Plan Implementation Date, such Claims shall be paid from the Administration Charge Reserve, and all such Claims shall be limited to recovery against the Administration Charge Reserve, and any Person with such Claims shall have no right to, and shall not, make any claim or seek any recoveries from any Person in respect of such Claims, other than enforcing such Person's right against the Administration Charge Reserve; and
- (c) in the case of Lien Claims:
  - (i) at the election of the Initial Consenting Noteholders, and with the consent of the Monitor, SFC shall satisfy such Lien Claim by the return of the applicable property of SFC that is secured as collateral for such Lien Claim, and the applicable Lien Claimant shall be limited to its recovery against such secured property in respect of such Lien Claim.
  - (ii) if the Initial Consenting Noteholders do not elect to satisfy such Lien Claim by the return of the applicable secured property: (A) SFC shall repay the Lien Claim in full in cash on the Plan Implementation Date; and (B) the security held by the applicable Lien Claimant over the property of SFC shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred; and
  - (iii) upon the satisfaction of a Lien Claim in accordance with sections 4.2(c)(i) or 4.2(c)(ii) hereof, such Lien Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred.

# 4.3 Early Consent Noteholders

As additional consideration for the compromise, release, discharge, cancellation and bar of the Affected Creditor Claims in respect of its Notes, each Early Consent Noteholder shall receive (in addition to the consideration it is entitled to receive in accordance with section 4.1 hereof) its Pro-Rata number of the Newco Shares to be issued by Newco from the Early Consent Equity Sub-Pool in accordance with the Plan.

### 4.4 Noteholder Class Action Claimants

(a) All Noteholder Class Action Claims against SFC, the Subsidiaries or the Named Directors or Officers (other than any Noteholder Class Action Claims against the Named Directors or Officers that are Section 5.1(2) D&O Claims, Conspiracy

Claims or Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration as against all said Persons on the Plan Implementation Date. Subject to section 4.4(f) hereof, Noteholder Class Action Claimants shall not receive any consideration or distributions under the Plan in respect of their Noteholder Class Action Claims. Noteholder Class Action Claimants shall not be entitled to attend or to vote on the Plan at the Meeting in respect of their Noteholder Class Action Claims.

- (b) Notwithstanding anything to the contrary in section 4.4(a), Noteholder Class Action Claims as against the Third Party Defendants (x) are not compromised, discharged, released, cancelled or barred, (y) shall be permitted to continue as against the Third Party Defendants and (z) shall not be limited or restricted by this Plan in any manner as to quantum or otherwise (including any collection or recovery for such Noteholder Class Action Claims that relates to any liability of the Third Party Defendants for any alleged liability of SFC), provided that:
  - (i) in accordance with the releases set forth in Article 7 hereof, the collective aggregate amount of all rights and claims asserted or that may be asserted against the Third Party Defendants in respect of any such Noteholder Class Action Claims for which any such Persons in each case have a valid and enforceable Class Action Indemnity Claim against SFC (the "Indemnified Noteholder Class Action Claims") shall not exceed, in the aggregate, the Indemnified Noteholder Class Action Limit, and in accordance with section 7.3 hereof, all Persons shall be permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, from seeking to enforce any liability in respect of the Indemnified Noteholder Class Action Claims that exceeds the Indemnified Noteholder Class Action Limit;
  - (ii) subject to section 4.4(g), any Class Action Indemnity Claims against SFC by the Third Party Defendants in respect of the Indemnified Noteholder Class Action Claims shall be treated as Affected Creditor Claims against SFC, but only to the extent that any such Class Action Indemnity Claims that are determined to be properly indemnified by SFC, enforceable against SFC and are not barred or extinguished by the Claims Procedure Order, and further provided that the aggregate liability of SFC in respect of all such Class Action Indemnity Claims shall be limited to the lesser of:

    (A) the actual aggregate liability of the Third Party Defendants pursuant to any final judgment, settlement or other binding resolution in respect of the Indemnified Noteholder Class Action Claims; and (B) the Indemnified Noteholder Class Action Limit; and
  - (iii) for greater certainty, in the event that any Third Party Defendant is found to be liable for or agrees to a settlement in respect of a Noteholder Class Action Claim (other than a Noteholder Class Action Claim for fraud or criminal conduct) and such amounts are paid by or on behalf of the

applicable Third Party Defendant, then the amount of the Indemnified Noteholder Class Action Limit applicable to the remaining Third Party Defendants shall be reduced by the amount paid in respect of such Noteholder Class Action Claim, as applicable.

- (c) Subject to section 7.1(o), the Claims of the Underwriters for indemnification in respect of any Noteholder Class Action Claims (other than Noteholder Class Action Claims against the Underwriters for fraud or criminal conduct) shall, for purposes of the Plan, be deemed to be valid and enforceable Class Action Indemnity Claims against SFC (as limited pursuant to section 4.4(b) hereof), provided that: (i) the Underwriters shall not be entitled to receive any distributions of any kind under the Plan in respect of such Claims; (ii) such Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date; and (iii) the amount of such Claims shall not affect the calculation of any Pro-Rata entitlements of the Affected Creditors under this Plan. For greater certainty, to the extent of any conflict with respect to the Underwriters between section 4.4(e) hereof and this section 4.4(c), this section 4.4(c) shall prevail.
- (d) Subject to section 7.1(m), any and all indemnification rights and entitlements of Ernst & Young at common law and any and all indemnification agreements between Ernst & Young and SFC shall be deemed to be valid and enforceable in accordance with their terms for the purpose of determining whether the Claims of Ernst & Young for indemnification in respect of Noteholder Class Action Claims are valid and enforceable within the meaning of section 4.4(b) hereof. With respect to Claims of Ernst & Young for indemnification in respect of Noteholder Class Action Claims that are valid and enforceable: (i) Ernst & Young shall not be entitled to receive any distributions of any kind under the Plan in respect of such Claims; (ii) such Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date; and (iii) the amount of such Claims shall not affect the calculation of any Pro-Rata entitlements of the Affected Creditors under this Plan.
- (e) Subject to section 7.1(n), any and all indemnification rights and entitlements of the Named Third Party Defendants at common law and any and all indemnification agreements between the Named Third Party Defendants and SFC shall be deemed to be valid and enforceable in accordance with their terms for the purpose of determining whether the Claims of the Named Third Party Defendants for indemnification in respect of Noteholder Class Action Claims are valid and enforceable within the meaning of section 4.4(b) hereof. With respect to Claims of the Named Third Party Defendants for indemnification in respect of Noteholder Class Action Claims that are valid and enforceable: (i) the Named Third Party Defendants shall not be entitled to receive any distributions of any kind under the Plan in respect of such Claims; (ii) such Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date; and (iii) the amount of such Claims shall

- not affect the calculation of any Pro-Rata entitlements of the Affected Creditors under this Plan.
- (f) Each Noteholder Class Action Claimant shall be entitled to receive its share of the Litigation Trust Interests to be allocated to Noteholder Class Action Claimants in accordance with the terms of the Litigation Trust and section 4.11 hereof, as such Noteholder Class Action Claimant's share is determined by the applicable Class Action Court.
- (g) Nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek or obtain an Order, whether before or after the Plan Implementation Date, directing that Class Action Indemnity Claims in respect of Noteholder Class Action Claims or any other Claims of the Third Party Defendants should receive the same or similar treatment as is afforded to Class Action Indemnity Claims in respect of Equity Claims under the terms of this Plan.

## 4.5 Equity Claimants

All Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date. Equity Claimants shall not receive any consideration or distributions under the Plan and shall not be entitled to vote on the Plan at the Meeting.

#### 4.6 Claims of the Trustees and Noteholders

For purposes of this Plan, all claims filed by the Trustees in respect of the Noteholder Claims (other than any Trustee Claims) shall be treated as provided in section 4.1 and the Trustees and the Noteholders shall have no other entitlements in respect of the guarantees and share pledges that have been provided by the Subsidiaries, or any of them, all of which shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date as against the Subsidiaries pursuant to Article 7 hereof.

# 4.7 Claims of the Third Party Defendants

For purposes of this Plan, all claims filed by the Third Party Defendants against SFC and/or any of its Subsidiaries shall be treated as follows:

- (a) all such claims against the Subsidiaries shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date in accordance with Article 7 hereof;
- (b) all such claims against SFC that are Class Action Indemnity Claims in respect of Indemnified Noteholder Class Action Claims shall be treated as set out in section 4.4(b)(ii) hereof;
- (c) all such claims against SFC for indemnification of Defence Costs shall be treated in accordance with section 4.8 hereof; and

(d) all other claims shall be treated as Equity Claims.

#### 4.8 Defence Costs

All Claims against SFC for indemnification of defence costs incurred by any Person (other than a Named Director or Officer) in connection with defending against Shareholder Claims (as defined in the Equity Claims Order), Noteholder Class Action Claims or any other claims of any kind relating to SFC or the Subsidiaries ("Defence Costs") shall be treated as follows:

- (a) as Equity Claims to the extent they are determined to be Equity Claims under any Order; and
- (b) as Affected Creditor Claims to the extent that they are not determined to be Equity Claims under any Order, provided that:
  - (i) if such Defence Costs were incurred in respect of a claim against the applicable Person that has been successfully defended and the Claim for such Defence Costs is otherwise valid and enforceable against SFC, the Claim for such Defence Costs shall be treated as a Proven Claim, provided that if such Claim for Defence Costs is a Class Action Indemnity Claim of a Third Party Defendant against SFC in respect of any Indemnified Noteholder Class Action Claim, such Claim for Defence Costs shall be treated in the manner set forth in section 4.4(b)(ii) hereof;
  - (ii) if such Defence Costs were incurred in respect of a claim against the applicable Person that has not been successfully defended or such Defence Costs are determined not to be valid and enforceable against SFC, the Claim for such Defence Costs shall be disallowed and no consideration will be payable in respect thereof under the Plan; and
  - (iii) until any such Claim for Defence Costs is determined to be either a Claim within section 4.8(b)(i) or a Claim within section 4.8(b)(ii), such Claim shall be treated as an Unresolved Claim,

provided that nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek an Order that Claims against SFC for indemnification of any Defence Costs should receive the same or similar treatment as is afforded to Equity Claims under the terms of this Plan.

# 4.9 D&O Claims

(a) All D&O Claims against the Named Directors and Officers (other than Section 5.1(2) D&O Claims, Conspiracy Claims and Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date.

- (b) All D&O Claims against the Other Directors and/or Officers shall not be compromised, released, discharged, cancelled or barred by this Plan and shall be permitted to continue as against the applicable Other Directors and/or Officers (the "Continuing Other D&O Claims"), provided that any Indemnified Noteholder Class Action Claims against the Other Directors and/or Officers shall be limited as described in section 4.4(b)(i) hereof.
- (c) All D&O Indemnity Claims and any other rights or claims for indemnification held by the Named Directors and Officers shall be deemed to have no value and shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date.
- (d) All D&O Indemnity Claims and any other rights or claims for indemnification held by the Other Directors and/or Officers shall be deemed to have no value and shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date, except that: (i) any such D&O Indemnity Claims for Defence Costs shall be treated in accordance with section 4.8 hereof; and (ii) any Class Action Indemnity Claim of an Other Director and/or Officer against SFC in respect of the Indemnified Noteholder Class Action Claims shall be treated in the manner set forth in section 4.4(b)(ii) hereof.
- (e) All Section 5.1(2) D&O Claims and all Conspiracy Claims shall not be compromised, released, discharged, cancelled or barred by this Plan, provided that any Section 5.1(2) D&O Claims against Named Directors and Officers and any Conspiracy Claims against Named Directors and Officers shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) D&O Claims or Conspiracy Claims, as applicable, pursuant to the Insurance Policies, and Persons with any such Section 5.1(2) D&O Claims against Named Directors and Officers or Conspiracy Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including SFC, any of the Subsidiaries, Newco or Newco II), other than enforcing such Persons' rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s).
- (f) All D&O Claims against the Directors and Officers of SFC or the Subsidiaries for fraud or criminal conduct shall not be compromised, discharged, released, cancelled or barred by this Plan and shall be permitted to continue as against all applicable Directors and Officers ("Non-Released D&O Claims").
- (g) Notwithstanding anything to the contrary herein, from and after the Plan Implementation Date, a Person may only commence an action for a Non-Released D&O Claim against a Named Director or Officer if such Person has first obtained (i) the consent of the Monitor or (ii) leave of the Court on notice to the applicable Directors and Officers, SFC, the Monitor, the Initial Consenting Noteholders and any applicable insurers. For the avoidance of doubt, the foregoing requirement

for the consent of the Monitor or leave of the Court shall not apply to any Non-Released D&O Claim that is asserted against an Other Director and/or Officer.

# 4.10 Intercompany Claims

All SFC Intercompany Claims (other than those transferred to SFC Barbados pursuant to section 6.4(j) hereof or set-off pursuant to section 6.4(l) hereof) shall be deemed to be assigned by SFC to Newco on the Plan Implementation Date pursuant to section 6.4(m) hereof, and shall then be deemed to be assigned by Newco to Newco II pursuant to section 6.4(x) hereof. The obligations of SFC to the applicable Subsidiaries and Greenheart in respect of all Subsidiary Intercompany Claims (other than those set-off pursuant to section 6.4(l) hereof) shall be assumed by Newco on the Plan Implementation Date pursuant to 6.4(m) hereof, and then shall be assumed by Newco II pursuant to section 6.4(x) hereof. Notwithstanding anything to the contrary herein, Newco II shall be liable to the applicable Subsidiaries and Greenheart for such Subsidiary Intercompany Claims from and after the Plan Implementation Date, and the applicable Subsidiaries and Greenheart shall be liable to Newco II for such SFC Intercompany Claims from and after the Plan Implementation Date. For greater certainty, nothing in this Plan affects any rights or claims as between any of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries.

## 4.11 Entitlement to Litigation Trust Interests

- (a) The Litigation Trust Interests to be created in accordance with this Plan and the Litigation Trust shall be allocated as follows:
  - (i) the Affected Creditors shall be collectively entitled to 75% of such Litigation Trust Interests; and
  - (ii) the Noteholder Class Action Claimants shall be collectively entitled to 25% of such Litigation Trust Interests,

which allocations shall occur at the times and in the manner set forth in section 6.4 hereof and shall be recorded by the Litigation Trustee in its registry of Litigation Trust Interests.

(b) Notwithstanding anything to the contrary in section 4.11(a) hereof, if any of the Noteholder Class Action Claims against any of the Third Party Defendants are finally resolved (whether by final judgment, settlement or any other binding means of resolution) within two years of the Plan Implementation Date, then the Litigation Trust Interests to which the applicable Noteholder Class Action Claimants would otherwise have been entitled in respect of such Noteholder Class Action Claims pursuant to section 4.11(a)(ii) hereof (based on the amount of such resolved Noteholder Class Action Claims in proportion to all Noteholder Class Action Claims in existence as of the Claims Bar Date) shall be fully, finally, irrevocably and forever cancelled.

# 4.12 Litigation Trust Claims

- (a) At any time prior to the Plan Implementation Date, SFC and the Initial Consenting Noteholders may agree to exclude one or more Causes of Action from the Litigation Trust Claims and/or to specify that any Causes of Action against a specified Person will not constitute Litigation Trust Claims ("Excluded Litigation Trust Claims"), in which case, any such Causes of Action shall not be transferred to the Litigation Trust on the Plan Implementation Date. Any such Excluded Litigation Trust Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date in accordance with Article 7 hereof. All Affected Creditors shall be deemed to consent to such treatment of Excluded Litigation Trust Claims pursuant to this section 4.12(a).
- (b) All Causes of Action against the Underwriters by (i) SFC or (ii) the Trustees (on behalf of the Noteholders) shall be deemed to be Excluded Litigation Trust Claims that are fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date in accordance with Article 7 hereof, provided that, unless otherwise agreed by SFC and the Initial Consenting Noteholders prior to the Plan Implementation Date in accordance with section 4.12(a) hereof, any such Causes of Action for fraud or criminal conduct shall not constitute Excluded Litigation Trust Claims and shall be transferred to the Litigation Trust in accordance with section 6.4(o) hereof.
- (c) At any time from and after the Plan Implementation Date, and subject to the prior consent of the Initial Consenting Noteholders and the terms of the Litigation Trust Agreement, the Litigation Trustee shall have the right to seek and obtain an order from any court of competent jurisdiction, including an Order of the Court in the CCAA or otherwise, that gives effect to any releases of any Litigation Trust Claims agreed to by the Litigation Trustee in accordance with the Litigation Trust Agreement, including a release that fully, finally, irrevocably and forever compromises, releases, discharges, cancels and bars the applicable Litigation Trust Claims as if they were Excluded Litigation Trust Claims released in accordance with Article 7 hereof. All Affected Creditors shall be deemed to consent to any such treatment of any Litigation Trust Claims pursuant to this section 4.12(b).

# 4.13 Multiple Affected Claims

On the Plan Implementation Date, any and all liabilities for and guarantees and indemnities of the payment or performance of any Affected Claim, Unaffected Claim, Section 5.1(2) D&O Claim, Conspiracy Claim, Continuing Other D&O Claim or Non-Released D&O Claim by any of the Subsidiaries, and any purported liability for the payment or performance of such Affected Claim, Unaffected Claim, Section 5.1(2) D&O Claim, Conspiracy Claim, Continuing Other D&O Claim or Non-Released D&O Claim by Newco or Newco II, will be deemed eliminated and cancelled, and no Person shall have any rights whatsoever to pursue or enforce any such liabilities for or guarantees or indemnities of the payment or performance of

any such Affected Claim, Unaffected Claim, Section 5.1(2) D&O Claim, Conspiracy Claim, Continuing Other D&O Claim or Non-Released D&O Claim against any Subsidiary, Newco or Newco II.

#### 4.14 Interest

Subject to section 12.4 hereof, no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

# 4.15 Existing Shares

Holders of Existing Shares and Equity Interests shall not receive any consideration or distributions under the Plan in respect thereof and shall not be entitled to vote on the Plan at the Meeting. Unless otherwise agreed between the Monitor, SFC and the Initial Consenting Noteholders, all Existing Shares and Equity Interests shall be fully, finally and irrevocably cancelled in accordance with and at the time specified in section 6.5 hereof.

## 4.16 Canadian Exempt Plans

If an Affected Creditor is a trust governed by a plan which is exempt from tax under Part I of the Canadian Tax Act (including, for example, a registered retirement savings plan), such Affected Creditor may make arrangements with Newco (if Newco so agrees) and the Litigation Trustee (if the Litigation Trustee so agrees) to have the Newco Shares, Newco Notes and Litigation Trust Interests to which it is entitled under this Plan directed to (or in the case of Litigation Trust Interests, registered in the name of) an affiliate of such Affected Creditor or the annuitant or controlling person of the governing tax-deferred plan.

# ARTICLE 5 DISTRIBUTION MECHANICS

### 5.1 Letters of Instruction

In order to issue (i) Newco Shares and Newco Notes to Ordinary Affected Creditors and (ii) Newco Shares to Early Consent Noteholders, the following steps will be taken:

- (a) with respect to Ordinary Affected Creditors with Proven Claims or Unresolved Claims:
  - (i) on the next Business Day following the Distribution Record Date, the Monitor shall send blank Letters of Instruction by prepaid first class mail, courier, email or facsimile to each such Ordinary Affected Creditor to the address of each such Ordinary Affected Creditor (as specified in the applicable Proof of Claim) as of the Distribution Record Date, or as evidenced by any assignment or transfer in accordance with section 5.10;
  - (ii) each such Ordinary Affected Creditor shall deliver to the Monitor a duly completed and executed Letter of Instruction that must be received by the Monitor on or before the date that is seven (7) Business Days after the

- Distribution Record Date or such other date as the Monitor may determine; and
- (iii) any such Ordinary Affected Creditor that does not return a Letter of Instruction to the Monitor in accordance with section 5.1(a)(ii) shall be deemed to have requested that such Ordinary Affected Creditor's Newco Shares and Newco Notes be registered or distributed, as applicable, in accordance with the information set out in such Ordinary Affected Creditor's Proof of Claim; and
- (b) with respect to Early Consent Noteholders:
  - (i) on the next Business Day following the Distribution Record Date the Monitor shall send blank Letters of Instruction by prepaid first class mail, courier, email or facsimile to each Early Consent Noteholder to the address of each such Early Consent Noteholder as confirmed by the Monitor on or before the Distribution Record Date;
  - (ii) each Early Consent Noteholder shall deliver to the Monitor a duly completed and executed Letter of Instruction that must be received by the Monitor on or before the date that is seven (7) Business Days after the Distribution Record Date or such other date as the Monitor may determine; and
  - (iii) any such Early Consent Noteholder that does not return a Letter of Instruction to the Monitor in accordance with section 5.1(b)(ii) shall be deemed to have requested that such Early Consent Noteholder's Newco Shares be distributed or registered, as applicable, in accordance with information confirmed by the Monitor on or before the Distribution Record Date.

## 5.2 Distribution Mechanics with respect to Newco Shares and Newco Notes

- (a) To effect distributions of Newco Shares and Newco Notes, the Monitor shall deliver a direction at least two (2) Business Days prior to the Initial Distribution Date to Newco or its agent, as applicable, directing Newco or its agent, as applicable, to issue on such Initial Distribution Date or subsequent Distribution Date:
  - (i) in respect of the Ordinary Affected Creditors with Proven Claims:
    - (A) the number of Newco Shares that each such Ordinary Affected Creditor is entitled to receive in accordance with section 4.1(a) hereof; and
    - (B) the amount of Newco Notes that each such Ordinary Affected Creditor is entitled to receive in accordance with section 4.1(b) hereof,

all of which Newco Shares and Newco Notes shall be issued to such Ordinary Affected Creditors and distributed in accordance with this Article 5;

- (ii) in respect of the Ordinary Affected Creditors with Unresolved Claims:
  - (A) the number of Newco Shares that each such Ordinary Affected Creditor would have been entitled to receive in accordance with section 4.1(a) hereof had such Ordinary Affected Creditor's Unresolved Claim been a Proven Claim on the Plan Implementation Date; and
  - (B) the amount of Newco Notes that each such Ordinary Affected Creditor would have been entitled to receive in accordance with section 4.1(b) hereof had such Ordinary Affected Creditor's Unresolved Claim been a Proven Claim on the Plan Implementation Date,

all of which Newco Shares and Newco Notes shall be issued in the name of the Unresolved Claims Escrow Agent for the benefit of the Persons entitled thereto under the Plan, which Newco Shares and Newco Notes shall comprise part of the Unresolved Claims Reserve and shall be held in escrow by the Unresolved Claims Escrow Agent until released and distributed in accordance with this Article 5;

- (iii) in respect of the Noteholders:
  - (A) the number of Newco Shares that the Trustees are collectively required to receive such that, upon distribution to the Noteholders in accordance with this Article 5, each individual Noteholder receives the number of Newco Shares to which it is entitled in accordance with section 4.1(a) hereof; and
  - (B) the amount of Newco Notes that the Trustees are collectively required to receive such that, upon distribution to the Noteholders in accordance with this Article 5, each individual Noteholder receives the amount of Newco Notes to which it is entitled in accordance with section 4.1(b) hereof,

all of which Newco Shares and Newco Notes shall be issued to such Noteholders and distributed in accordance with this Article 5; and

(iv) in respect of Early Consent Noteholders, the number of Newco Shares that each such Early Consent Noteholder is entitled to receive in accordance with section 4.3 hereof, all of which Newco Shares shall be issued to such Early Consent Noteholders and distributed in accordance with this Article 5.

The direction delivered by the Monitor in respect of the applicable Ordinary Affected Creditors and Early Consent Noteholders shall: (A) indicate the registration and delivery details of each applicable Ordinary Affected Creditor and Early Consent Noteholder based on the information prescribed in section 5.1; and (B) specify the number of Newco Shares and, in the case of Ordinary Affected Creditors, the amount of Newco Notes to be issued to each such Person on the applicable Distribution Date. The direction delivered by the Monitor in respect of the Noteholders shall: (C) indicate that the registration and delivery details with respect to the number of Newco Shares and amount of Newco Notes to be distributed to each Noteholder will be the same as the registration and delivery details in effect with respect to the Notes held by each Noteholder as of the Distribution Record Date; and (D) specify the number of Newco Shares and the amount of Newco Notes to be issued to each of the Trustees for purposes of satisfying the entitlements of the Noteholders set forth in sections 4.1(a) and 4.1(b) hereof. The direction delivered by the Monitor in respect of the Newco Shares and Newco Notes to be issued in the name of the Unresolved Claims Escrow Agent, for the benefit of the Persons entitled thereto under the Plan, for purposes of the Unresolved Claims Reserve shall specify the number of Newco Shares and the amount of Newco Notes to be issued in the name of the Unresolved Claims Escrow Agent for that purpose.

- (b) If the registers for the Newco Shares and/or Newco Notes are maintained by the Transfer Agent in a direct registration system (without certificates), the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall, on the Initial Distribution Date or any subsequent Distribution Date, as applicable:
  - instruct the Transfer Agent to record, and the Transfer Agent shall record, in the Direct Registration Account of each applicable Ordinary Affected Creditor and each Early Consent Noteholder the number of Newco Shares and, in the case of Ordinary Affected Creditors, the amount of Newco Notes that are to be distributed to each such Person, and the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall send or cause to be sent to each such Ordinary Affected Creditor and Early Consent Noteholder a Direct Registration Transaction Advice based on the delivery information as determined pursuant to section 5.1; and
  - (ii) with respect to the distribution of Newco Shares and/or Newco Notes to Noteholders:
    - (A) if the Newco Shares and/or Newco Notes are DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall instruct the Transfer Agent to register, and the Transfer Agent shall register, the applicable Newco Shares and/or Newco Notes in the name of DTC (or its nominee) for the benefit of the Noteholders, and the Trustees shall provide their consent to DTC to the distribution of such Newco Shares and Newco Notes to the applicable Noteholders, in the applicable

- amounts, through the facilities of DTC in accordance with customary practices and procedures; and
- (B) if the Newco Shares and/or Newco Notes are not DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall instruct the Transfer Agent to register the applicable Newco Shares and/or Newco Notes in the Direct Registration Accounts of the applicable Noteholders pursuant to the registration instructions obtained through DTC and the DTC participants (by way of a letter of transmittal process or such other process as agreed by SFC, the Monitor, the Trustees and the Initial Consenting Noteholders), and the Transfer Agent shall (A) register such Newco Shares and/or Newco Notes, in the applicable amounts, in the Direct Registration Accounts of the applicable Noteholders; and (B) send or cause to be sent to each Noteholder a Direct Registration Transaction Advice in accordance with customary practices and procedures; provided that the Transfer Agent shall not be permitted to effect the foregoing registrations without the prior written consent of the Trustees.
- (c) If the registers for the Newco Shares and/or Newco Notes are not maintained by the Transfer Agent in a direct registration system, Newco shall prepare and deliver to the Monitor and/or the Unresolved Claims Escrow Agent, as applicable, and the Monitor and/or the Unresolved Claims Escrow Agent, as applicable, shall promptly thereafter, on the Initial Distribution Date or any subsequent Distribution Date, as applicable:
  - (i) deliver to each Ordinary Affected Creditor and each Early Consent Noteholder Newco Share Certificates and, in the case of Ordinary Affected Creditors, Newco Note Certificates representing the applicable number of Newco Shares and the applicable amount of Newco Notes that are to be distributed to each such Person; and
  - (ii) with respect to the distribution of Newco Shares and/or Newco Notes to Noteholders:
    - (A) if the Newco Shares and/or Newco Notes are DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall distribute to DTC (or its nominee), for the benefit of the Noteholders, Newco Share Certificates and/or Newco Note Certificates representing the aggregate of all Newco Shares and Newco Notes to be distributed to the Noteholders on such Distribution Date, and the Trustees shall provide their consent to DTC to the distribution of such Newco Shares and Newco Notes to the applicable Noteholders, in the applicable amounts, through the facilities of DTC in accordance with customary practices and procedures; and

- (B) if the Newco Shares and/or Newco Notes are not DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall distribute to the applicable Trustees, Newco Share Certificates and/or Newco Note Certificates representing the aggregate of all Newco Shares and/or Newco Notes to be distributed to the Noteholders on such Distribution Date, and the Trustees shall make delivery of such Newco Share Certificates and Newco Note Certificates, in the applicable amounts, directly to the applicable Noteholders pursuant to the delivery instructions obtained through DTC and the DTC participants (by way of a letter of transmittal process or such other process as agreed by SFC, the Monitor, the Trustees and the Initial Consenting Noteholders), all of which shall occur in accordance with customary practices and procedures.
- (d) Upon receipt of and in accordance with written instructions from the Monitor, the Trustees shall instruct DTC to and DTC shall: (i) set up an escrow position representing the respective positions of the Noteholders as of the Distribution Record Date for the purpose of making distributions on the Initial Distribution Date and any subsequent Distribution Dates (the "Distribution Escrow Position"); and (ii) block any further trading of the Notes, effective as of the close of business on the day immediately preceding the Plan Implementation Date, all in accordance with DTC's customary practices and procedures.
- (e) The Monitor, Newco, Newco II, the Trustees, SFC, the Named Directors and Officers and the Transfer Agent shall have no liability or obligation in respect of deliveries by DTC (or its nominee) to the DTC participants or the Noteholders pursuant to this Article 5.

# 5.3 Allocation of Litigation Trust Interests

The Litigation Trustee shall administer the Litigation Trust Claims and the Litigation Funding Amount for the benefit of the Persons that are entitled to the Litigation Trust Interests and shall maintain a registry of such Persons as follows:

- (a) with respect to Affected Creditors:
  - (i) the Litigation Trustee shall maintain a record of the amount of Litigation Trust Interests that each Ordinary Affected Creditor is entitled to receive in accordance with sections 4.1(c) and 4.11(a) hereof;
  - (ii) the Litigation Trustee shall maintain a record of the aggregate amount of all Litigation Trust Interests to which the Noteholders are collectively entitled in accordance with sections 4.1(c) and 4.11(a) hereof, and if cash is distributed from the Litigation Trust to Persons with Litigation Trust Interests, the amount of such cash that is payable to the Noteholders will be distributed through the Distribution Escrow Position (such that each

- beneficial Noteholder will receive a percentage of such cash distribution that is equal to its entitlement to Litigation Trust Interests (as set forth in section 4.1(c) hereof) as a percentage of all Litigation Trust Interests); and
- (iii) with respect to any Litigation Trust Interests to be allocated in respect of the Unresolved Claims Reserve, the Litigation Trustee shall record such Litigation Trust Interests in the name of the Unresolved Claims Escrow Agent, for the benefit of the Persons entitled thereto in accordance with this Plan, which shall be held by the Unresolved Claims Escrow Agent in escrow until released and distributed unless and until otherwise directed by the Monitor in accordance with this Plan;
- (b) with respect to the Noteholder Class Action Claimants, the Litigation Trustee shall maintain a record of the aggregate of all Litigation Trust Interests that the Noteholder Class Action Claimants are entitled to receive pursuant to sections 4.4(f) and 4.11(a) hereof, provided that such record shall be maintained in the name of the Noteholder Class Action Representative, to be allocated to individual Noteholder Class Action Claimants in any manner ordered by the applicable Class Action Court, and provided further that if any such Litigation Trust Interests are cancelled in accordance with section 4.11(b) hereof, the Litigation Trustee shall record such cancellation in its registry of Litigation Trust Interests.

## 5.4 Treatment of Undeliverable Distributions

If any distribution under section 5.2 or section 5.3 of Newco Shares, Newco Notes or Litigation Trust Interests is undeliverable (that is, for greater certainty, that it cannot be properly registered or delivered to the Applicable Affected Creditor because of inadequate or incorrect registration or delivery information or otherwise) (an "Undeliverable Distribution"), it shall be delivered to SFC Escrow Co., which shall hold such Undeliverable Distribution in escrow and administer it in accordance with this section 5.4. No further distributions in respect of an Undeliverable Distribution shall be made unless and until SFC and the Monitor are notified by the applicable Person of its current address and/or registration information, as applicable, at which time the Monitor shall direct SFC Escrow Co. to make all such distributions to such Person, and SFC Escrow Co. shall make all such distributions to such Person. All claims for Undeliverable Distributions must be made on or before the date that is six months following the final Distribution Date, after which date the right to receive distributions under this Plan in respect of such Undeliverable Distributions shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, without any compensation therefore, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions held by SFC Escrow Co. shall be deemed to have been gifted by the owner of the Undeliverable Distribution to Newco or the Litigation Trust, as applicable, without consideration, and, in the case of Newco Shares, Newco Notes and Litigation Trust Interests, shall be cancelled by Newco and the Litigation Trustee, as applicable. Nothing contained in the Plan shall require SFC, the Monitor, SFC Escrow Co. or any other Person to attempt to locate any owner of an Undeliverable Distribution. No interest is payable in respect of an Undeliverable Distribution. Any distribution under this Plan on account of the Notes, other than any distributions in respect of Litigation Trust Interests, shall be deemed made when delivered to

DTC or the applicable Trustee, as applicable, for subsequent distribution to the applicable Noteholders in accordance with section 5.2.

## 5.5 Procedure for Distributions Regarding Unresolved Claims

- (a) An Affected Creditor that has asserted an Unresolved Claim will not be entitled to receive a distribution under the Plan in respect of such Unresolved Claim or any portion thereof unless and until such Unresolved Claim becomes a Proven Claim.
- (b) Distributions in respect of any Unresolved Claim in existence at the Plan Implementation Date will be held in escrow by the Unresolved Claims Escrow Agent in the Unresolved Claims Reserve until settlement or final determination of the Unresolved Claim in accordance with the Claims Procedure Order, the Meeting Order or this Plan, as applicable.
- (c) To the extent that Unresolved Claims become Proven Claims or are finally disallowed, the Unresolved Claims Escrow Agent shall release from escrow and deliver (or in the case of Litigation Trust Interests, cause to be registered) the following from the Unresolved Claims Reserve (on the next Distribution Date, as determined by the Monitor with the consent of SFC and the Initial Consenting Noteholders):
  - (i) in the case of Affected Creditors whose Unresolved Claims are ultimately determined, in whole or in part, to be Proven Claims, the Unresolved Claims Escrow Agent shall release from escrow and deliver to such Affected Creditor that number of Newco Shares, Newco Notes and Litigation Trust Interests (and any income or proceeds therefrom) that such Affected Creditor is entitled to receive in respect of its Proven Claim pursuant to section 4.1 hereof;
  - (ii) in the case of Affected Creditors whose Unresolved Claims are ultimately determined, in whole or in part, to be disallowed, the Unresolved Claims Escrow Agent shall release from escrow and deliver to all Affected Creditors with Proven Claims the number of Newco Shares, Newco Notes and Litigation Trust Interests (and any income or proceeds therefrom) that had been reserved in the Unresolved Claims Reserve for such Affected Creditor whose Unresolved Claims has been disallowed, Claims such that, following such delivery, all of the Affected Creditors with Proven Claims have received the amount of Newco Shares, Newco Notes and Litigation Trust Interests that they are entitled to receive pursuant to section 4.1 hereof, which delivery shall be effected in accordance with sections 5.2 and 5.3 hereof.
- (d) As soon as practicable following the date that all Unresolved Claims have been finally resolved and any required distributions contemplated in section 5.5(c) have been made, the Unresolved Claims Escrow Agent shall distribute (or in the case of Litigation Trust Interests, cause to be registered) any Litigation Trust Interests,

Newco Shares and Newco Notes (and any income or proceeds therefrom), as applicable, remaining in the Unresolved Claims Reserve to the Affected Creditors with Proven Claims such that after giving effect to such distributions each such Affected Creditor has received the amount of Litigation Trust Interests, Newco Shares and Newco Notes that it is entitled to receive pursuant to section 4.1 hereof.

- (e) During the time that Newco Shares, Newco Notes and/or Litigation Trust Interests are held in escrow in the Unresolved Claims Reserve, any income or proceeds received therefrom or accruing thereon shall be added to the Unresolved Claims Reserve by the Unresolved Claims Escrow Agent and no Person shall have any right to such income or proceeds until such Newco Shares, Newco Notes or Litigation Trust Interests, as applicable, are distributed (or in the case of Litigation Trust Interests, registered) in accordance with section 5.5(c) and 5.5(d) hereof, at which time the recipient thereof shall be entitled to any applicable income or proceeds therefrom.
- (f) The Unresolved Claims Escrow Agent shall have no beneficial interest or right in the Unresolved Claims Reserve. The Unresolved Claims Escrow Agent shall not take any step or action with respect to the Unresolved Claims Reserve or any other matter without the consent or direction of the Monitor or the direction of the Court. The Unresolved Claims Escrow Agent shall forthwith, upon receipt of an Order of the Court or instruction of the Monitor directing the release of any Newco Shares, Newco Notes and/or Litigation Trust Interests from the Unresolved Claims Reserve, comply with any such Order or instruction.
- (g) Nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek or obtain an Order, whether before or after the Plan Implementation Date, directing that any Unresolved Claims should be disallowed in whole or in part or that such Unresolved Claims should receive the same or similar treatment as is afforded to Equity Claims under the terms of this Plan.
- (h) Persons with Unresolved Claims shall have standing in any proceeding in respect of the determination or status of any Unresolved Claim, and Goodmans LLP (in its capacity as counsel to the Initial Consenting Noteholders) shall have standing in any such proceeding on behalf of the Initial Consenting Notheolders (in their capacity as Affected Creditors with Proven Claims).

#### 5.6 Tax Refunds

Any input tax credits or tax refunds received by or on behalf of SFC after the Effective Time shall, immediately upon receipt thereof, be paid directly by, or on behalf of, SFC to Newco without consideration.

#### 5.7 Final Distributions from Reserves

- (a) If there is any cash remaining in: (i) the Unaffected Claims Reserve on the date that all Unaffected Claims have been finally paid or otherwise discharged and/or (ii) the Administration Charge Reserve on the date that all Claims secured by the Administration Charge have been finally paid or otherwise discharged, the Monitor shall, in each case, forthwith transfer all such remaining cash to the Monitor's Post-Implementation Reserve.
- (b) The Monitor will not terminate the Monitor's Post-Implementation Reserve prior to the termination of each of the Unaffected Claims Reserve and the Administration Charge Reserve. The Monitor may, at any time, from time to time and at its sole discretion, release amounts from the Monitor's Post-Implementation Reserve to Newco. Goodmans LLP (in its capacity as counsel to the Initial Consenting Noteholders) shall be permitted to apply for an Order of the Court directing the Monitor to make distributions from the Monitor's Post-Implementation Reserve. Once the Monitor has determined that the cash remaining in the Monitor's Post-Implementation Reserve is no longer necessary for administering SFC or the Claims Procedure, the Monitor shall forthwith transfer any such remaining cash (the "Remaining Post-Implementation Reserve Amount") to Newco.

## 5.8 Other Payments and Distributions

All other payments and distributions to be made pursuant to this Plan shall be made in the manner described in this Plan, the Sanction Order or any other Order, as applicable.

## 5.9 Note Indentures to Remain in Effect Solely for Purpose of Distributions

Following completion of the steps in the sequence set forth in section 6.4, all debentures, indentures, notes (including the Notes), certificates, agreements, invoices and other instruments evidencing Affected Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be cancelled and will be null and void. Any and all obligations of SFC and the Subsidiaries under and with respect to the Notes, the Note Indentures and any guarantees or indemnities with respect to the Notes or the Note Indentures shall be terminated and cancelled on the Plan Implementation Date and shall not continue beyond the Plan Implementation Date. Notwithstanding the foregoing and anything to the contrary in the Plan, the Note Indentures shall remain in effect solely for the purpose of and only to the extent necessary to allow the Trustees to make distributions to Noteholders on the Initial Distribution Date and, as necessary, each subsequent Distribution Date thereafter, and to maintain all of the rights and protections afforded to the Trustees as against the Noteholders under the applicable Note Indentures, including their lien rights with respect to any distributions under this Plan, until all distributions provided for hereunder have been made to the Noteholders. The obligations of the Trustees under or in respect of this Plan shall be solely as expressly set out herein. Without limiting the generality of the releases, injunctions and other protections afforded to the Trustees under this Plan and the applicable Note Indentures, the Trustees shall have no liability whatsoever to any Person resulting from the due performance of their obligations hereunder, except if such Trustee is adjudged by the express terms of a non-appealable judgment rendered on a final determination on the merits to have committed gross negligence or wilful misconduct in respect of such matter.

## 5.10 Assignment of Claims for Distribution Purposes

# (a) Assignment of Claims by Ordinary Affected Creditors

Subject to any restrictions contained in Applicable Laws, an Ordinary Affected Creditor may transfer or assign the whole of its Affected Claim after the Meeting provided that neither SFC nor Newco nor Newco II nor the Monitor nor the Unresolved Claims Escrow Agent shall be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Ordinary Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and such other documentation as SFC and the Monitor may reasonably require, has been received by SFC and the Monitor on or before the Plan Implementation Date, or such other date as SFC and the Monitor may agree, failing which the original transferor shall have all applicable rights as the "Ordinary Affected Creditor" with respect to such Affected Claim as if no transfer of the Affected Claim had occurred. Thereafter, such transferee or assignee shall, for all purposes in accordance with this Plan, constitute an Ordinary Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. For greater certainty, SFC shall not recognize partial transfers or assignments of Claims.

## (b) Assignment of Notes

Only those Noteholders who have beneficial ownership of one or more Notes as at the Distribution Record Date shall be entitled to receive a distribution under this Plan on the Initial Distribution Date or any Distribution Date. Noteholders who have beneficial ownership of Notes shall not be restricted from transferring or assigning such Notes prior to or after the Distribution Record Date (unless the Distribution Record Date is the Plan Implementation Date), provided that if such transfer or assignment occurs after the Distribution Record Date, neither SFC nor Newco nor Newco II nor the Monitor nor the Unresolved Claims Escrow Agent shall have any obligation to make distributions to any such transferee or assignee of Notes in respect of the Claims associated therewith, or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof. Noteholders who assign or acquire Notes after the Distribution Record Date shall be wholly responsible for ensuring that Plan distributions in respect of the Claims associated with such Notes are in fact delivered to the assignee, and the Trustees shall have no liability in connection therewith.

## 5.11 Withholding Rights

SFC, Newco, Newco II, the Monitor, the Litigation Trustee, the Unresolved Claims Escrow Agent and/or any other Person making a payment contemplated herein shall be entitled to deduct and withhold from any consideration payable to any Person such amounts as it is required to deduct and withhold with respect to such payment under the Canadian Tax Act, the United States Internal Revenue Code of 1986 or any provision of federal, provincial, territorial, state, local or foreign Tax laws, in each case, as amended. To the extent that amounts are so

withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate Taxing Authority. To the extent that the amounts so required or permitted to be deducted or withheld from any payment to a Person exceed the cash portion of the consideration otherwise payable to that Person: (i) the payor is authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to enable it to comply with such deduction or withholding requirement or entitlement, and the payor shall notify the applicable Person thereof and remit to such Person any unapplied balance of the net proceeds of such sale; or (ii) if such sale is not reasonably possible, the payor shall not be required to make such excess payment until the Person has directly satisfied any such withholding obligation and provides evidence thereof to the payor.

## 5.12 Fractional Interests

No fractional interests of Newco Shares or Newco Notes ("Fractional Interests") will be issued under this Plan. For purposes of calculating the number of Newco Shares and Newco Notes to be issued by Newco pursuant to this Plan, recipients of Newco Shares or Newco Notes will have their entitlements adjusted downwards to the nearest whole number of Newco Shares or Newco Notes, as applicable, to eliminate any such Fractional Interests and no compensation will be given for the Fractional Interest.

#### 5.13 Further Direction of the Court

The Monitor shall, in its sole discretion, be entitled to seek further direction of the Court, including a plan implementation order, with respect to any matter relating to the implementation of the plan including with respect to the distribution mechanics and restructuring transaction as set out in Articles 5 and 6 of this Plan.

# ARTICLE 6 RESTRUCTURING TRANSACTION

## 6.1 Corporate Actions

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of SFC will occur and be effective as of the Plan Implementation Date, other than such matters occurring on the Equity Cancellation Date which will occur and be effective on such date, and in either case will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, Directors or Officers of SFC. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of SFC, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be deemed to be effective and shall have no force and effect, provided that, subject to sections 12.6 and 12.7 hereof, where any matter expressly requires the

consent or approval of SFC, the Initial Consenting Noteholders or SFC's board of directors pursuant to this Plan, such consent or approval shall not be deemed to be given unless actually given.

## 6.2 Incorporation of Newco and Newco II

- (a) Newco shall be incorporated prior to the Plan Implementation Date. Newco shall be authorized to issue an unlimited number of Newco Shares and shall have no restrictions on the number of its shareholders. At the time that Newco is incorporated, Newco shall issue one Newco Share to the Initial Newco Shareholder, as the sole shareholder of Newco, and the Initial Newco Shareholder shall be deemed to hold the Newco Share for the purpose of facilitating the Restructuring Transaction. For greater certainty, the Initial Newco Shareholder shall not hold such Newco Share as agent of or for the benefit of SFC, and SFC shall have no rights in relation to such Newco Share. Newco shall not carry on any business or issue any other Newco Shares or other securities until the Plan Implementation Date, and then only in accordance with section 6.4 hereof. The Initial Newco Shareholder shall be deemed to have no liability whatsoever for any matter pertaining to its status as the Initial Newco Shareholder, other than its obligations under this Plan to act as the Initial Newco Shareholder.
- (b) Newco II shall be incorporated prior to the Plan Implementation Date as a wholly-owned subsidiary of Newco. The memorandum and articles of association of Newco II will be in a form customary for a wholly-owned subsidiary under the applicable jurisidiction and the initial board of directors of Newco II will consist of the same Persons appointed as the directors of Newco on or prior to the Plan Implementation Date.

# 6.3 Incorporation of SFC Escrow Co.

SFC Escrow Co. shall be incorporated prior to the Plan Implementation Date. SFC Escrow Co. shall be incorporated under the laws of the Cayman Islands, or such other jurisdiction as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders. The sole director of SFC Escrow Co. shall be Codan Services (Cayman) Limited, or such other Person as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders. At the time that SFC Escrow Co. is incorporated, SFC Escrow Co. shall issue one share (the "SFC Escrow Co. Share") to SFC, as the sole shareholder of SFC Escrow Co. and SFC shall be deemed to hold the SFC Escrow Co. Share for the purpose of facilitating the Restructuring Transaction. SFC Escrow Co. shall have no assets other than any assets that it is required to hold in escrow pursuant to the terms of this Plan, and it shall have no liabilities other than its obligations as set forth in this Plan. SFC Escrow Co. shall not carry on any business or issue any shares or other securities (other than the SFC Escrow Co. Share). The sole activity and function of SFC Escrow Co. shall be to perform the obligations of the Unresolved Claims Escrow Agent as set forth in this Plan and to administer Undeliverable Distributions as set forth in section 5.4 of this Plan. SFC Escrow Co. shall not make any sale, distribution, transfer or conveyance of any Newco Shares, Newco Notes or any other assets or property that it holds unless it is directed to do so by an Order of the Court or by a written direction from the Monitor, in which case SFC

Escrow Co. shall promptly comply with such Order of the Court or such written direction from the Monitor. SFC shall not sell, transfer or convey the SFC Escrow Co. Share nor effect or cause to be effected any liquidation, dissolution, merger or other corporate reorganization of SFC Escrow Co. unless it is directed to do so by an Order of the Court or by a written direction from the Monitor, in which case SFC shall promptly comply with such Order of the Court or such written direction from the Monitor. SFC Escrow Co. shall not exercise any voting rights (including any right to vote at a meeting of shareholders or creditors held or in any written resolution) in respect of Newco Shares or Newco Notes held in the Unresolved Claims Reserve. SFC Escrow Co. shall not be entitled to receive any compensation for the performance of its obligations under this Plan.

#### 6.4 Plan Implementation Date Transactions

The following steps and compromises and releases to be effected shall occur, and be deemed to have occurred in the following manner and order (sequentially, each step occurring five minutes apart, except that within such order steps (a) to (f) (Cash Payments) shall occur simultaneously and steps (t) to (w) (Releases) shall occur simultaneously) without any further act or formality, on the Plan Implementation Date beginning at the Effective Time (or in such other manner or order or at such other time or times as SFC, the Monitor and the Initial Consenting Noteholders may agree):

# Cash Payments and Satisfaction of Lien Claims

- (a) SFC shall pay required funds to the Monitor for the purpose of funding the Unaffected Claims Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of paying the Unaffected Claims pursuant to the Plan.
- (b) SFC shall pay the required funds to the Monitor for the purpose of funding the Administration Charge Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of paying Unaffected Claims secured by Administration Charge.
- (c) SFC shall pay the required funds to the Monitor for the purpose of funding the Monitor's Post-Implementation Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of administering SFC, as necessary, from and after the Plan Implementation Date.
- (d) SFC shall pay to the Noteholder Advisors and the Initial Consenting Noteholders, as applicable, each such Person's respective portion of the Expense Reimbursement. SFC shall pay all fees and expenses owing to each of the SFC Advisors, the advisors to the current Board of Directors of SFC, Chandler Fraser Keating Limited and Spencer Stuart and SFC or any of the Subsidiaries shall pay all fees and expenses owing to each of Indufor Asia Pacific Limited and Stewart Murray (Singapore) Pte. Ltd. If requested by the Monitor (with the consent of the Initial Consenting Noteholders) no more than 10 days prior to the Plan Implementation Date and provided that all fees and expenses set out in all previous invoices rendered by the applicable Person to SFC have been paid, SFC

and the Subsidiaries, as applicable, shall, with respect to the final one or two invoices rendered prior to the Plan Implementation Date, pay any such fees and expenses to such Persons for all work up to and including the Plan Implementation Date (including any reasonable estimates of work to be performed on the Plan Implementation Date) first by applying any such monetary retainers currently held by such Persons and then by paying any remaining balance in cash.

- If requested by the Monitor (with the consent of the Initial Consenting (e) Noteholders) prior to the Plan Implementation Date, any Person with a monetary retainer from SFC that remains outstanding following the steps and payment of all fees and expenses set out in section 6.4(d) hereof shall pay to SFC in cash the full amount of such remaining retainer, less any amount permitted by the Monitor (with the Consent of the Initial Consenting Noteholders and after prior discussion with the applicable Person as to any remaining work that may reasonably be required) to remain as a continuing monetary retainer in connection with completion of any remaining work after the Plan Implementation Date that may be requested by the Monitor, SFC or the Initial Consenting Noteholders (each such continuing monetary retainer being a "Permitted Continuing Retainer"). Such Persons shall have no duty or obligation to perform any further work or tasks in respect of SFC unless such Persons are satisfied that they are holding adequate retainers or other security or have received payment to compensate them for all fees and expenses in respect of such work or tasks. The obligation of such Persons to repay the remaining amounts of any monetary retainers (including the unused portions of any Permitted Continuing Retainers) and all cash received therefrom shall constitute SFC Assets.
- (f) The Lien Claims shall be satisfied in accordance with section 4.2(c) hereof.

# **Transaction Steps**

- (g) All accrued and unpaid interest owing on, or in respect of, or as part of, Affected Creditor Claims (including any Accrued Interest on the Notes and any interest accruing on the Notes or any Ordinary Affected Creditor Claim after the Filing Date) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred for no consideration, and from and after the occurrence of this step, no Person shall have any entitlement to any such accrued and unpaid interest.
- (h) All of the Affected Creditors shall be deemed to assign, transfer and convey to Newco all of their Affected Creditor Claims, and from and after the occurrence of this step, Newco shall be the legal and beneficial owner of all Affected Creditor Claims. In exchange for the assignment, transfer and conveyance of the Affected Creditor Claims to Newco:
  - (i) with respect to Affected Creditor Claims that are Proven Claims at the Effective Time:

- (A) Newco shall issue to each applicable Affected Creditor the number of Newco Shares that each such Affected Creditor is entitled to receive in accordance with section 4.1(a) hereof;
- (B) Newco shall issue to each applicable Affected Creditor the amount of Newco Notes that each such Affected Creditor is entitled to receive in accordance with section 4.1(b) hereof;
- (C) Newco shall issue to each of the Early Consent Noteholders the number of Newco Shares that each such Early Consent Noteholder is entitled to receive pursuant to section 4.3 hereof;
- (D) such Affected Creditors shall be entitled to receive the Litigation Trust Interests to be acquired by Newco in section 6.4(q) hereof, following the establishment of the Litigation Trust;
- (E) such Affected Creditors shall be entitled to receive, at the time or times contemplated in sections 5.5(c) and 5.5(d) hereof, the Newco Shares, Newco Notes and Litigation Trust Interests that are subsequently distributed to (or in the case of Litigation Trust Interests registered for the benefit of) Affected Creditors with Proven Claims pursuant to sections 5.5(c) and 5.5(d) hereof (if any),

and all such Newco Shares and Newco Notes shall be distributed in the manner described in section 5.2 hereof; and

- (ii) with respect to Affected Creditor Claims that are Unresolved Claims as at the Effective Time, Newco shall issue in the name of the Unresolved Claims Escrow Agent, for the benefit of the Persons entitled thereto under the Plan, the Newco Shares and the Newco Notes that would have been distributed to the applicable Affected Creditors in respect of such Unresolved Claims if such Unresolved Claims had been Proven Claims at the Effective Time; such Newco Shares, Newco Notes and Litigation Trust Interests acquired by Newco in section 6.4(q) and assigned to and registered in the name of the Unresolved Claims Escrow Agent in accordance with section 6.4(r) shall comprise part of the Unresolved Claims Reserve and the Unresolved Claims Escrow Agent shall hold all such Newco Shares, Newco Notes and Litigation Trust Interests in escrow for the benefit of those Persons entitled to receive distributions thereof pursuant to the Plan.
- (i) The initial Newco Share in the capital of Newco held by the Initial Newco Shareholder shall be redeemed and cancelled for no consideration.
- (j) SFC shall be deemed to assign, transfer and convey to SFC Barbados those SFC Intercompany Claims and/or Equity Interests in one or more Direct Subsidiaries as agreed to by SFC and the Initial Consenting Noteholders prior to the Plan

Implementation Date (the "Barbados Property") first in full repayment of the Barbados Loans and second, to the extent the fair market value of the Barbados Property exceeds the amount owing under the Barbados Loans, as a contribution to the capital of SFC Barbados by SFC. Immediately after the time of such assignment, transfer and conveyance, the Barbados Loans shall be considered to be fully paid by SFC and no longer outstanding.

- (k) SFC shall be deemed to assign, transfer and convey to Newco all shares and other Equity Interests (other than the Barbados Property) in the capital of (i) the Direct Subsidiaries and (ii) any other Subsidiaries that are directly owned by SFC immediately prior to the Effective Time, other than SFC Escrow Co. (all such shares and other equity interests being the "Direct Subsidiary Shares") for a purchase price equal to the fair market value of the Direct Subsidiary Shares and, in consideration therefor, Newco shall be deemed to pay to SFC consideration equal to the fair market value of the Direct Subsidiary Shares, which consideration shall be comprised of a U.S. dollar denominated demand noninterest-bearing promissory note issued to SFC by Newco having a principal amount equal to the fair market value of the Direct Subsidiary Shares (the "Newco Promissory Note 1"). At the time of such assignment, transfer and conveyance, all prior rights that Newco had to acquire the Direct Subsidiary Shares, under the Plan or otherwise, shall cease to be outstanding. For greater certainty, SFC shall not assign, transfer or convey the SFC Escrow Co. Share, and the SFC Escrow Co. Share shall remain the property of SFC.
- (l) If the Initial Consenting Noteholders and SFC agree prior to the Plan Implementation Date, there will be a set-off of any SFC Intercompany Claim so agreed against a Subsidiary Intercompany Claim owing between SFC and the same Subsidiary. In such case, the amounts will be set-off in repayment of both claims to the extent of the lesser of the two amounts, and the excess (if any) shall continue as an SFC Intercompany Claim or a Subsidiary Intercompany Claim, as applicable.
- (m) SFC shall be deemed to assign, transfer and convey to Newco all SFC Intercompany Claims (other than the SFC Intercompany Claims transferred to SFC Barbados in section 6.4(j) hereof or set-off pursuant to section 6.4(l) hereof) for a purchase price equal to the fair market value of such SFC Intercompany Claims and, in consideration therefor, Newco shall be deemed to pay SFC consideration equal to the fair market value of the SFC Intercompany Claims, which consideration shall be comprised of the following: (i) the assumption by Newco of all of SFC's obligations to the Subsidiaries in respect of Subsidiary Intercompany Claims (other than the Subsidiary Intercompany Claims set-off pursuant to section 6.4(l) hereof); and (ii) if the fair market value of the transferred SFC Intercompany Claims exceeds the fair market value of the assumed Subsidiary Intercompany Claims, Newco shall issue to SFC a U.S. dollar denominated demand non-interest-bearing promissory note having a principal amount equal to such excess (the "Newco Promissory Note 2").

- (n) SFC shall be deemed to assign, transfer and convey to Newco all other SFC Assets (namely, all SFC Assets other than the Direct Subsidiary Shares and the SFC Intercompany Claims (which shall have already been transferred to Newco in accordance with sections 6.4(k) and 6.4(m) hereof)), for a purchase price equal to the fair market value of such other SFC Assets and, in consideration therefor, Newco shall be deemed to pay to SFC consideration equal to the fair market value of such other SFC Assets, which consideration shall be comprised of a U.S. dollar denominated demand non-interest-bearing promissory note issued to SFC by Newco having a principal amount equal to the fair market value of such other SFC Assets (the "Newco Promissory Note 3").
- (o) SFC shall establish the Litigation Trust and SFC and the Trustees (on behalf of the Noteholders) shall be deemed to convey, transfer and assign to the Litigation Trustee all of their respective rights, title and interest in and to the Litigation Trust Claims. SFC shall advance the Litigation Funding Amount to the Litigation Trustee for use by the Litigation Trustee in prosecuting the Litigation Trust Claims in accordance with the Litigation Trust Agreement, which advance shall be deemed to create a non-interest bearing receivable from the Litigation Trustee in favour of SFC in the amount of the Litigation Funding Amount (the "Litigation Funding Receivable"). The Litigation Funding Amount and Litigation Trust Claims shall be managed by the Litigation Trustee in accordance with the terms and conditions of the Litigation Trust Agreement.
- (p) The Litigation Trust shall be deemed to be effective from the time that it is established in section 6.4(o) hereof. Initially, all of the Litigation Trust Interests shall be held by SFC. Immediately thereafter, SFC shall assign, convey and transfer a portion of the Litigation Trust Interests to the Noteholder Class Action Claimants in accordance with the allocation set forth in section 4.11 hereof.
- (q) SFC shall settle and discharge the Affected Creditor Claims by assigning Newco Promissory Note 1, Newco Promissory Note 2 and Newco Promissory Note 3 (collectively, the "Newco Promissory Notes"), the Litigation Funding Receivable and the remaining Litigation Trust Interests held by SFC to Newco. Such assignment shall constitute payment, by set-off, of the full principal amount of the Newco Promissory Notes and of a portion of the Affected Creditor Claims equal to the aggregate principal amount of the Newco Promissory Notes, the Litigation Trust Receivable and the fair market value of the Litigation Trust Interests so transferred (with such payment being allocated first to the Noteholder Claims and then to the Ordinary Affected Creditor Claims). As a consequence thereof:
  - (i) Newco shall be deemed to discharge and release SFC of and from all of SFC's obligations to Newco in respect of the Affected Creditor Claims, and all of Newco's rights against SFC of any kind in respect of the Affected Creditor Claims shall thereupon be fully, finally, irrevocably and forever compromised, released, discharged and cancelled; and

- (ii) SFC shall be deemed to discharge and release Newco of and from all of Newco's obligations to SFC in respect of the Newco Promissory Notes, and the Newco Promissory Notes and all of SFC's rights against Newco in respect thereof shall thereupon be fully, finally, irrevocably and forever released, discharged and cancelled:
- (r) Newco shall cause a portion of the Litigation Trust Interests it acquired in section 6.4(q) hereof to be assigned to and registered in the name of the Affected Creditors with Proven Claims as contemplated in section 6.4(h), and with respect to any Affected Creditor Claims that are Unresolved Claims as at the Effective Time, the remaining Litigation Trust Interests held by Newco that would have been allocated to the applicable Affected Creditors in respect of such Unresolved Claims if such Unresolved Claims had been Proven Claims at the Effective Time shall be assigned and registered by the Litigation Trustee to the Unresolved Claims Escrow Agent and in the name of the Unresolved Claims Escrow Agent, in escrow for the benefit of Persons entitled thereto, and such Litigation Trust Interests shall comprise part of the Unresolved Claims Reserve. The Litigation Trustee shall record entitlements to the Litigation Trust Interests in the manner set forth in section 5.3.

## Cancellation of Instruments and Guarantees

(s) Subject to section 5.9 hereof, all debentures, indentures, notes, certificates, agreements, invoices, guarantees, pledges and other instruments evidencing Affected Claims, including the Notes and the Note Indentures, will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and shall be cancelled and will thereupon be null and void. The Trustees shall be directed by the Court and shall be deemed to have released, discharged and cancelled any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures.

#### Releases

(t) Each of Newco and Newco II shall be deemed to have no liability or obligation of any kind whatsoever for: any Claim (including, notwithstanding anything to the contrary herein, any Unaffected Claim); any Affected Claim (including any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Section 5.1(2) D&O Claim; any Conspiracy Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares or other Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA

Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing, provided only that Newco shall assume SFC's obligations to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims pursuant to section 6.4(1) hereof and Newco II shall assume Newco's obligations to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims pursuant to section 6.4(x) hereof.

- (u) Each of the Charges shall be discharged, released and cancelled.
- (v) The releases and injunctions referred to in Article 7 of the Plan shall become effective in accordance with the Plan.
- (w) Any contract defaults arising as a result of the CCAA Proceedings and/or the implementation of the Plan (including, notwithstanding anything to the contrary herein, any such contract defaults in respect of the Unaffected Claims) shall be deemed to be cured.

#### Newco II

Newco shall be deemed to assign, transfer and convey to Newco II all of Newco's right, title and interest in and to all of its properties, assets and rights of every kind and description (namely the SFC Assets acquired by Newco pursuant to the Plan) for a purchase price equal to the fair market value thereof and, in consideration therefor, Newco II shall be deemed to pay to Newco consideration equal to the fair market value of such properties, assets and rights (the "Newco II Consideration"). The Newco II Consideration shall be comprised of: (i) the assumption by Newco II of any and all indebtedness of Newco other than the indebtedness of Newco in respect of the Newco Notes (namely, any indebtedness of Newco in respect of the Subsidiary Intercompany Claims); and (ii) the issuance to Newco of that number of common shares in Newco II as is necessary to ensure that the value of the Newco II Consideration is equal to the fair market value of the properties, assets and rights conveyed by Newco to Newco II pursuant to this section 6.4(x).

## 6.5 Cancellation of Existing Shares and Equity Interests

Unless otherwise agreed between the Monitor, SFC and the Initial Consenting Noteholders, on the Equity Cancellation Date all Existing Shares and Equity Interests shall be fully, finally and irrevocably cancelled, and the following steps will be implemented pursuant to the Plan as a plan of reorganization under section 191 of the *CBCA*, to be effected by articles of reorganization to be filed by SFC, subject to the receipt of any required approvals from the

Ontario Securities Commission with respect to the trades in securities contemplated by the following:

- (a) SFC will create a new class of common shares to be called Class A common shares that are equivalent to the current Existing Shares except that they carry two votes per share;
- (b) SFC will amend the share conditions of the Existing Shares to provide that they are cancellable for no consideration at such time as determined by the board of directors of SFC;
- (c) prior to the cancellation of the Existing Shares, SFC will issue for nominal consideration one Class A common share of SFC to the SFC Continuing Shareholder;
- (d) SFC will cancel the Existing Shares for no consideration on the Equity Cancellation Date; and
- (e) SFC will apply to Canadian securities regulatory authorities for SFC to cease to be a reporting issuer effective immediately before the Effective Time.

Unless otherwise agreed by SFC, the Monitor and the Initial Consenting Noteholders or as otherwise directed by Order of the Court, SFC shall maintain its corporate existence at all times from and after the Plan Implementation Date until the later of the date: (i) on which SFC Escrow Co. has completed all of its obligations as Unresolved Claims Escrow Agent under this Plan; (ii) on which SFC escrow Co. no longer holds any Undeliverable Distributions delivered to it in accordance with the section 5.4 hereof; and (iii) as determined by the Litigation Trustee.

## 6.6 Transfers and Vesting Free and Clear

All of the SFC Assets (including for greater certainty the Direct Subsidiary (a) Shares, the SFC Intercompany Claims and all other SFC Assets assigned. transferred and conveyed to Newco and/or Newco II pursuant to section 6.4) shall be deemed to vest absolutely in Newco or Newco II, as applicable, free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims, Non-Released D&O Claims, Affected Claims, Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, Causes of Action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. Any Encumbrances or claims affecting, attaching to or relating to the SFC Assets in respect of the foregoing shall be deemed to be irrevocably expunged and discharged as against the SFC Assets, and no such Encumbrances or claims shall be pursued or enforceable as against Newco or Newco II. For greater certainty, with respect to the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries: (i) the vesting free and clear in Newco and/or Newco II, as applicable, and the expunging and discharging that occurs by operation of this paragraph shall only apply to SFC's ownership interests in the Subsidiaries, Greenheart and Greenheart's subsidiaries; and (ii) except as provided for in the Plan (including this section 6.6(a) and sections 4.9(g), 6.4(k), 6.4(l) and 6.4(m) hereof and Article 7 hereof) and the Sanction Order, the assets, liabilities, business and property of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries shall remain unaffected by the Restructuring Transaction.

Any issuance, assignment, transfer or conveyance of any securities, interests, (b) rights or claims pursuant to the Plan, including the Newco Shares, the Newco Notes and the Affected Creditor Claims, will be free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Affected Claims, Section 5.1(2) D&O Claims; Conspiracy Claims; Continuing Other D&O Claims, Non-Released D&O Claims; Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts. underlying transactions. Causes of Action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. For greater certainty, with respect to the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries: (i) the vesting free and clear in Newco and Newco II that occurs by operation of this paragraph shall only apply to SFC's direct and indirect ownership interests in the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries; and (ii) except as provided for in the Plan (including section 6.6(a) and sections 4.9(g), 6.4(k), 6.4(l) and 6.4(m) hereof and Article 7 hereof) and the Sanction Order, the assets, liabilities, business and property of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries shall remain unaffected by the Restructuring Transaction.

# ARTICLE 7 RELEASES

#### 7.1 Plan Releases

Subject to 7.2 hereof, all of the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date:

all Affected Claims, including all Affected Creditor Claims, Equity Claims, D&O Claims (other than Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims and Non-Released D&O Claims), D&O Indemnity Claims (except as set forth in section 7.1(d) hereof) and Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims);

- (b) all Claims of the Ontario Securities Commission or any other Governmental Entity that have or could give rise to a monetary liability, including fines, awards, penalties, costs, claims for reimbursement or other claims having a monetary value;
- (c) all Class Action Claims (including the Noteholder Class Action Claims) against SFC, the Subsidiaries or the Named Directors or Officers of SFC or the Subsidiaries (other than Class Action Claims that are Section 5.1(2) D&O Claims, Conspiracy Claims or Non-Released D&O Claims);
- (d) all Class Action Indemnity Claims (including related D&O Indemnity Claims), other than any Class Action Indemnity Claim by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (including any D&O Indemnity Claim in that respect), which shall be limited to the Indemnified Noteholder Class Action Limit pursuant to the releases set out in section 7.1(f) hereof and the injunctions set out in section 7.3 hereof;
- (e) any portion or amount of liability of the Third Party Defendants for the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all Indemnified Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;
- (f) any portion or amount of liability of the Underwriters for the Noteholder Class Action Claims (other than any Noteholder Class Action Claims against the Underwriters for fraud or criminal conduct) (on a collective, aggregate basis in reference to all such Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;
- (g) any portion or amount of, or liability of SFC for, any Class Action Indemnity Claims by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all such Class Action Indemnity Claims together) to the extent that such Class Action Indemnity Claims exceed the Indemnified Noteholder Class Action Limit;
- (h) any and all Excluded Litigation Trust Claims;
- (i) any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the *ad hoc* committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including members of any committee or governance council), partner or employee of any of the foregoing, for or in connection with or in any way relating to: any Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims); Affected Claims; Section 5.1(2) D&O Claims; Conspiracy Claims; Continuing Other D&O Claims; Non-Released D&O Claims; Class Action Claims; Class

Action Indemnity Claims; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, claims for contribution, share pledges or Encumbrances related to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries;

- any and all Causes of Action against Newco, Newco II, the directors and officers (i) of Newco, the directors and officers of Newco II, the Noteholders, members of the ad hoc committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, the Named Directors and Officers. counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including members of any committee or governance council), partner or employee of any of the foregoing, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date (or, with respect to actions taken pursuant to the Plan after the Plan Implementation Date, the date of such actions) in any way relating to, arising out of, leading up to, for, or in connection with the CCAA Proceeding, RSA, the Restructuring Transaction, the Plan, any proceedings commenced with respect to or in connection with the Plan, or the transactions contemplated by the RSA and the Plan, including the creation of Newco and/or Newco II and the creation. issuance or distribution of the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, provided that nothing in this paragraph shall release or discharge any of the Persons listed in this paragraph from or in respect of any obligations any of them may have under or in respect of the RSA, the Plan or under or in respect of any of Newco, Newco II, the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, as the case may be:
- any and all Causes of Action against the Subsidiaries for or in connection with (k) any Claim (including, notwithstanding anything to the contrary herein, any Unaffected Claim); any Affected Claim (including any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Section 5.1(2) D&O Claim; any Conspiracy Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements,

disclosures or press releases relating to SFC; any right or claim in connection with or liability for any indemnification obligation to Directors or Officers of SFC or the Subsidiaries pertaining to SFC, the Notes, the Note Indentures, the Existing Shares, the Equity Interests, any other securities of SFC or any other right, claim or liability for or in connection with the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC (whenever or however conducted), the administration and/or management of SFC, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing;

- (l) all Subsidiary Intercompany Claims as against SFC (which are assumed by Newco and then Newco II pursuant to the Plan);
- (m) any entitlements of Ernst & Young to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan;
- (n) any entitlements of the Named Third Party Defendants to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan; and
- (o) any entitlements of the Underwriters to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan.

#### 7.2 Claims Not Released

Notwithstanding anything to the contrary in section 7.1 hereof, nothing in this Plan shall waive, compromise, release, discharge, cancel or bar any of the following:

- (a) SFC of its obligations under the Plan and the Sanction Order;
- (b) SFC from or in respect of any Unaffected Claims (provided that recourse against SFC in respect of Unaffected Claims shall be limited in the manner set out in section 4.2 hereof);
- (c) any Directors or Officers of SFC or the Subsidiaries from any Non-Released D&O Claims, Conspiracy Claims or any Section 5.1(2) D&O Claims, provided that recourse against the Named Directors or Officers of SFC in respect of any Section 5.1(2) D&O Claims and any Conspiracy Claims shall be limited in the manner set out in section 4.9(e) hereof;
- (d) any Other Directors and/or Officers from any Continuing Other D&O Claims, provided that recourse against the Other Directors and/or Officers in respect of the Indemnified Noteholder Class Action Claims shall be limited in the manner set out in section 4.4(b)(i) hereof;

- (e) the Third Party Defendants from any claim, liability or obligation of whatever nature for or in connection with the Class Action Claims, provided that the maximum aggregate liability of the Third Party Defendants collectively in respect of the Indemnified Noteholder Class Action Claims shall be limited to the Indemnified Noteholder Class Action Limit pursuant to section 4.4(b)(i) hereof and the releases set out in sections 7.1(e) and 7.1(f) hereof and the injunctions set out in section 7.3 hereof;
- (f) Newco II from any liability to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims assumed by Newco II pursuant to section 6.4(x) hereof;
- (g) the Subsidiaries from any liability to Newco II in respect of the SFC Intercompany Claims conveyed to Newco II pursuant to section 6.4(x) hereof;
- (h) SFC of or from any investigations by or non-monetary remedies of the Ontario Securities Commission, provided that, for greater certainty, all monetary rights, claims or remedies of the Ontario Securities Commission against SFC shall be treated as Affected Creditor Claims in the manner described in section 4.1 hereof and released pursuant to section 7.1(b) hereof;
- (i) the Subsidiaries from their respective indemnification obligations (if any) to Directors or Officers of the Subsidiaries that relate to the ordinary course operations of the Subsidiaries and that have no connection with any of the matters listed in section 7.1(i) hereof;
- (j) SFC or the Directors and Officers from any Insured Claims, provided that recovery for Insured Claims shall be irrevocably limited to recovery solely from the proceeds of Insurance Policies paid or payable on behalf of SFC or its Directors and Officers in the manner set forth in section 2.4 hereof;
- (k) insurers from their obligations under insurance policies; and
- (l) any Released Party for fraud or criminal conduct.

## 7.3 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind

whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

## 7.4 Timing of Releases and Injunctions

All releases and injunctions set forth in this Article 7 shall become effective on the Plan Implementation Date at the time or times and in the manner set forth in section 6.4 hereof.

## 7.5 Equity Class Action Claims Against the Third Party Defendants

Notwithstanding Subject only to Article 11 hereof, and notwithstanding anything else to the contrary in this Plan, any Class Action Claim against the Third Party Defendants that relates to the purchase, sale or ownership of Existing Shares or Equity Interests: (a) is unaffected by this Plan; (b) is not discharged, released, cancelled or barred pursuant to this Plan; (c) shall be permitted to continue as against the Third Party Defendants; (d) shall not be limited or restricted by this Plan in any manner as to quantum or otherwise (including any collection or recovery for any such Class Action Claim that relates to any liability of the Third Party Defendants for any alleged liability of SFC); and (e) does not constitute an Equity Claim or an Affected Claim under this Plan.

# ARTICLE 8 COURT SANCTION

# 8.1 Application for Sanction Order

If the Plan is approved by the Required Majority, SFC shall apply for the Sanction Order on or before the date set for the hearing of the Sanction Order or such later date as the Court may set.

#### 8.2 Sanction Order

The Sanction Order shall, among other things:

- (a) declare that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of SFC have been in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects; (iii) the Court is satisfied that SFC has not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (b) declare that the Plan and all associated steps, compromises, releases, discharges, cancellations, transactions, arrangements and reorganizations effected thereby are

- approved, binding and effective as herein set out as of the Plan Implementation Date;
- (c) confirm the amount of each of the Unaffected Claims Reserve, the Administration Charge Reserve and the Monitor's Post-Implementation Reserve;
- (d) declare that, on the Plan Implementation Date, all Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, subject only to the right of the applicable Persons to receive the distributions to which they are entitled pursuant to the Plan;
- (e) declare that, on the Plan Implementation Date, the ability of any Person to proceed against SFC or the Subsidiaries in respect of any Released Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to any such matter shall be permanently stayed;
- (f) declare that the steps to be taken, the matters that are deemed to occur and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by section 6.4, beginning at the Effective Time;
- (g) declare that, on the Plan Implementation Date, the SFC Assets vest absolutely in Newco and that, in accordance with section 6.4(x) hereof, the SFC Assets transferred by Newco to Newco II vest absolutely in Newco II, in each case in accordance with the terms of section 6.6(a) hereof;
- (h) confirm that the Court was satisfied that: (i) the hearing of the Sanction Order was open to all of the Affected Creditors and all other Persons with an interest in SFC and that such Affected Creditors and other Persons were permitted to be heard at the hearing in respect of the Sanction Order; (ii) prior to the hearing, all of the Affected Creditors and all other Persons on the service list in respect of the CCAA Proceeding were given adequate notice thereof;
- (i) provide that the Court was advised prior to the hearing in respect of the Sanction Order that the Sanction Order will be relied upon by SFC and Newco as an approval of the Plan for the purpose of relying on the exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof for the issuance of the Newco Shares, Newco Notes and, to the extent they may be deemed to be securities, the Litigation Trust Interests, and any other securities to be issued pursuant to the Plan;
- (j) declare that all obligations, agreements or leases to which (i) SFC remains a party on the Plan Implementation Date, or (ii) Newco and/or Newco II becomes a party as a result of the conveyance of the SFC Assets to Newco and the further conveyance of the SFC Assets to Newco II on the Plan Implementation Date, shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew,

rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

- (i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
- (ii) that SFC sought or obtained relief or has taken steps as part of the Plan or under the CCAA;
- (iii) of any default or event of default arising as a result of the financial condition or insolvency of SFC;
- (iv) of the completion of any of the transactions contemplated under the Plan, including the transfer, conveyance and assignment of the SFC Assets to Newco and the further transfer, conveyance and assignment of the SFC Assets by Newco to Newco II; or
- (v) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to the Plan;
- (k) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceed with to advance any Released Claims;
- (l) stay as against Ernst & Young the commencing, taking, applying for or issuing or continuing any and all steps or proceedings (other than all steps or proceedings to implement the Ernst & Young Settlement) pursuant to the terms of the Order of the Honourable Justice Morawetz dated May 8, 2012 between (i) the Plan Implementation Date and (ii) the earlier of the Ernst & Young Settlement Date or such other date as may be ordered by the Court on a motion to the Court on reasonable notice to Ernst & Young;
- (m) declare that in no circumstances will the Monitor have any liability for any of SFC's tax liability regardless of how or when such liability may have arisen;
- (n) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;
- (o) direct and deem the Trustees to release, discharge and cancel any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures;
- (p) declare that upon completion by the Monitor of its duties in respect of SFC pursuant to the CCAA and the Orders, the Monitor may file with the Court a

certificate of Plan Implementation stating that all of its duties in respect of SFC pursuant to the CCAA and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be discharged from its duties as Monitor and released of all claims relating to its activities as Monitor; and

- (q) declare that, on the Plan Implementation Date, each of the Charges shall be discharged, released and cancelled, and that any obligations secured thereby shall satisfied pursuant to section 4.2(b) hereof, and that from and after the Plan Implementation Date the Administration Charge Reserve shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge;
- (r) declare that the Monitor may not make any payment from the Monitor's Post-Implementation Plan Reserve to any third party professional services provider (other than its counsel) that exceeds \$250,000 (alone or in a series of related payments) without the prior consent of the Initial Consenting Noteholders or an Order of the Court;
- (s) declare that SFC and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan;
- (t) declare that, subject to the due performance of its obligations as set forth in the Plan and subject to its compliance with any written directions or instructions of the Monitor and/or directions of the Court in the manner set forth in the Plan, SFC Escrow Co. shall have no liabilities whatsoever arising from the performance of its obligations under the Plan;
- (u) order and declare that all Persons with Unresolved Claims shall have standing in any proceeding in respect of the determination or status of any Unresolved Claim, and that Goodmans LLP (in its capacity as counsel to the Initial Consenting Noteholders) shall have standing in any such proceeding on behalf of the Initial Consenting Notheolders (in their capacity as Affected Creditors with Proven Claims);
- (v) order and declare that, from and after the Plan Implementation Date, Newco will be permitted, in its sole discretion and on terms acceptable to Newco, to advance additional cash amounts to the Litigation Trustee from time to time for the purpose of providing additional financing to the Litigation Trust, including the provision of such additional amounts as a non-interest bearing loan to the Litigation Trust that is repayable to Newco on similar terms and conditions as the Litigation Funding Receivable;
- (w) order and declare that: (i) subject to the prior consent of the Initial Consenting Noteholders, each of the Monitor and the Litigation Trustee shall have the right to seek and obtain an order from any court of competent jurisdiction, including an Order of the Court in the CCAA or otherwise, that gives effect to any releases of any Litigation Trust Claims agreed to by the Litigation Trustee in accordance with

the Litigation Trust Agreement, and (ii) in accordance with this section 8.2(w), all Affected Creditors shall be deemed to consent to any such releases in any such proceedings;

- (x) order and declare that, prior to the Effective Time, SFC shall: (i) preserve or cause to be preserved copies of any documents (as such term is defined in the Rules of Civil Procedure (Ontario)) that are relevant to the issues raised in the Class Actions; and (ii) make arrangements acceptable to SFC, the Monitor, the Initial Consenting Noteholders, counsel to Ontario Class Action Plaintiffs, counsel to Ernst & Young, counsel to the Underwriters and counsel to the Named Third Party Defendants to provide the parties to the Class Actions with access thereto. subject to customary commercial confidentiality, privilege or other applicable restrictions, including lawyer-client privilege, work product privilege and other privileges or immunities, and to restrictions on disclosure arising from s. 16 of the Securities Act (Ontario) and comparable restrictions on disclosure in other relevant jurisdictions, for purposes of prosecuting and/or defending the Class Actions, as the case may be, provided that nothing in the foregoing reduces or otherwise limits the parties' rights to production and discovery in accordance with the Rules of Civil Procedure (Ontario) and the Class Proceedings Act, 1992 (Ontario);
- (y) order that releases and injunctions set forth in Article 7 of this Plan are effective on the Plan Implementation Date at the time or times and in the manner set forth in section 6.4 hereof;
- order that the Ernst & Young Release shall become effective on the Ernst & Young Settlement Date in the manner set forth in section 11.1 hereof;
- (aa) order that any Named Third Party <u>Defendant</u> Releases shall become effective if and when the terms and conditions of sections 11.2(a), 11.2(b), 11.2(c) have been fulfilled.;
- (bb) order and declare that the matters described in Article 11 hereof shall occur subject to and in accordance with the terms and conditions of Article 11; and
- (cc) declare that section 95 to 101 of the BIA shall not apply to any of the transactions implemented pursuant to the Plan.

If agreed by SFC, the Monitor and the Initial Consenting Noteholders, any of the relief to be included in the Sanction Order pursuant to this section 8.2 in respect of matters relating to the Litigation Trust may instead be included in a separate Order of the Court satisfactory to SFC, the Monitor and the Initial Consenting Noteholders granted prior to the Plan Implementation Date.

# ARTICLE 9 CONDITIONS PRECEDENT AND IMPLEMENTATION

# 9.1 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon satisfaction or waiver of the following conditions prior to or at the Effective Time, each of which is for the benefit of SFC and the Initial Consenting Noteholders and may be waived only by SFC and the Initial Consenting Noteholders collectively; provided, however, that the conditions in sub-paragraphs (g), (h), (n), (o), (q), (r), (u), (z), (ff), (gg), (mm), (ll) and (nn) shall only be for the benefit of the Initial Consenting Noteholders and, if not satisfied on or prior to the Effective Time, may be waived only by the Initial Consenting Noteholders; and provided further that such conditions shall not be enforceable by SFC if any failure to satisfy such conditions results from an action, error, omission by or within the control of SFC and such conditions results from an action, error, omission by or within the control of the Initial Consenting Noteholders:

# Plan Approval Matters

- (a) the Plan shall have been approved by the Required Majority and the Court, and in each case the Plan shall have been approved in a form consistent with the RSA or otherwise acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably;
- (b) the Sanction Order shall have been made and shall be in full force and effect prior to December 17, 2012 (or such later date as may be consented to by SFC and the Initial Consenting Noteholders), and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court;
- (c) the Sanction Order shall be in a form consistent with the Plan or otherwise acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably;
- (d) all filings under Applicable Laws that are required in connection with the Restructuring Transaction shall have been made and any regulatory consents or approvals that are required in connection with the Restructuring Transaction shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated; without limiting the generality of the foregoing, such filings and regulatory consents or approvals include:
  - (i) any required filings, consents and approvals of securities regulatory authorities in Canada;
  - (ii) a consultation with the Executive of the Hong Kong Securities and Futures Commission that is satisfactory to SFC, the Monitor and the Initial Consenting Noteholders confirming that implementation of the Restructuring Transaction will not result in an obligation arising for

- Newco, its shareholders, Newco II or any Subsidiary to make a mandatory offer to acquire shares of Greenheart;
- (iii) the submission by SFC and each applicable Subsidiary of a Circular 698 tax filing with all appropriate tax authorities in the PRC within the requisite time prior to the Plan Implementation Date, such filings to be in form and substance satisfactory to the Initial Consenting Noteholders; and
- (iv) if notification is necessary or desirable under the Antimonopoly Law of People's Republic of China and its implementation rules, the submission of all antitrust filings considered necessary or prudent by the Initial Consenting Noteholders and the acceptance and (to the extent required) approval thereof by the competent Chinese authority, each such filing to be in form and substance satisfactory to the Initial Consenting Noteholders;
- (e) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Restructuring Transaction that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or prohibit) the Restructuring Transaction or any material part thereof or requires or purports to require a variation of the Restructuring Transaction, and SFC shall have provided the Initial Consenting Noteholders with a certificate signed by an officer of SFC, without personal liability on the part of such officer, certifying compliance with this Section 9.1(e) as of the Plan Implementation Date;

#### Newco and Newco II Matters

- (f) the organization, incorporating documents, articles, by-laws and other constating documents of Newco and Newco II (including any shareholders agreement, shareholder rights plan and classes of shares (voting and non-voting)) and any affiliated or related entities formed in connection with the Restructuring Transaction or the Plan, and all definitive legal documentation in connection with all of the foregoing, shall be acceptable to the Initial Consenting Noteholders and in form and in substance reasonably satisfactory to SFC;
- (g) the composition of the board of directors of Newco and Newco II and the senior management and officers of Newco and Newco II that will assume office, or that will continue in office, as applicable, on the Plan Implementation Date shall be acceptable to the Initial Consenting Noteholders;
- (h) the terms of employment of the senior management and officers of Newco and Newco II shall be acceptable to the Initial Consenting Noteholders;
- (i) except as expressly set out in this Plan, neither Newco nor Newco II shall have:
   (i) issued or authorized the issuance of any shares, notes, options, warrants or

other securities of any kind, (ii) become subject to any Encumbrance with respect to its assets or property; (iii) become liable to pay any indebtedness or liability of any kind (other than as expressly set out in section 6.4 hereof); or (iv) entered into any Material agreement;

- (j) any securities that are formed in connection with the Plan, including the Newco Shares and the Newco Notes, when issued and delivered pursuant to the Plan, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance and distribution thereof shall be exempt from all prospectus and registration requirements of any applicable securities, corporate or other law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance, notice, policy or other pronouncement having the effect of law applicable in the provinces of Canada;
- (k) Newco shall not be a reporting issuer (or equivalent) in any province of Canada or any other jurisdiction;
- (l) all of the steps, terms, transactions and documents relating to the conveyance of the SFC Assets to Newco and the further conveyance of the SFC Assets by Newco to Newco II in accordance with the Plan shall be in form and in substance acceptable to SFC and the Initial Consenting Noteholders;
- (m) all of the following shall be in form and in substance acceptable to the Initial Consenting Noteholders and reasonably satisfactory to SFC: (i) the Newco Shares; (ii) the Newco Notes (including the aggregate principal amount of the Newco Notes); (iii) any trust indenture or other document governing the terms of the Newco Notes; and (iv) the number of Newco Shares and Newco Notes to be issued in accordance with this Plan;

#### Plan Matters

- (n) the Indemnified Noteholder Class Action Limit shall be acceptable to the Initial Consenting Noteholders;
- (o) the aggregate amount of the Proven Claims held by Ordinary Affected Creditors shall be acceptable to the Initial Consenting Noteholders;
- (p) the amount of each of the Unaffected Claims Reserve and the Administration Charge Reserve shall, in each case, be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;
- (q) the amount of the Monitor's Post-Implementation Reserve and the amount of any Permitted Continuing Retainers shall be acceptable to the Initial Consenting Noteholders, and the Initial Consenting Noteholders shall be satisfied that all outstanding monetary retainers held by any SFC Advisors (net of any Permitted Continuing Retainers) have been repaid to SFC on the Plan Implementation Date;
- (r) [Intentionally deleted];

- the amount of each of the following shall be acceptable to SFC, the Monitor and the Initial Consenting Noteholders: (i) the aggregate amount of Lien Claims to be satisfied by the return to the applicable Lien Claimants of the applicable secured property in accordance with section 4.2(c)(i) hereof; and (ii) the aggregate amount of Lien Claims to be repaid in cash on the Plan Implementation Date in accordance with section 4.2(c)(ii) hereof;
- (t) the aggregate amount of Unaffected Claims, and the aggregate amount of the Claims listed in each subparagraph of the definition of "Unaffected Claims" shall, in each case, be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;
- (u) the aggregate amount of Unresolved Claims and the amount of the Unresolved Claims Reserve shall, in each case, be acceptable to the Initial Consenting Noteholders and shall be confirmed in the Sanction Order;
- (v) Litigation Trust and the Litigation Trust Agreement shall be in form and in substance acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably, and the Litigation Trust shall be established in a jurisdiction that is acceptable to the Initial Consenting Noteholders and SFC, each acting reasonably;
- (w) SFC, the Monitor and the Initial Consenting Noteholders, each acting reasonably, shall be satisfied with the proposed use of proceeds and payments relating to all aspects of the Restructuring Transaction and the Plan, including, without limitation, any change of control payments, consent fees, transaction fees, third party fees or termination or severance payments, in the aggregate of \$500,000 or more, payable by SFC or any Subsidiary to any Person (other than a Governmental Entity) in respect of or in connection with the Restructuring Transaction or the Plan, including without limitation, pursuant to any employment agreement or incentive plan of SFC or any Subsidiary;
- (x) SFC, the Monitor and the Initial Consenting Noteholders, each acting reasonably, shall be satisfied with the status and composition of all liabilities, indebtedness and obligations of the Subsidiaries and all releases of the Subsidiaries provided for in the Plan and the Sanction Order shall be binding and effective as of the Plan Implementation Date;

## Plan Implementation Date Matters

- (y) the steps required to complete and implement the Plan shall be in form and in substance satisfactory to SFC and the Initial Consenting Noteholders;
- (z) the Noteholders and the Early Consent Noteholders shall receive, on the Plan Implementation Date, all of the consideration to be distributed to them pursuant to the Plan;
- (aa) all of the following shall be in form and in substance satisfactory to SFC and the Initial Consenting Noteholders: (i) all materials filed by SFC with the Court or

any court of competent jurisdiction in the United States, Canada, Hong Kong, the PRC or any other jurisdiction that relates to the Restructuring Transaction; (ii) the terms of any court-imposed charges on any of the assets, property or undertaking of any of SFC, including without limitation any of the Charges; (iii) the Initial Order; (iv) the Claims Procedure Order; (v) the Meeting Order; (vi) the Sanction Order; (vii) any other Order granted in connection with the CCAA Proceeding or the Restructuring Transaction by the Court or any other court of competent jurisdiction in Canada, the United States, Hong Kong, the PRC or any other jurisdiction; and (viii) the Plan (as it is approved by the Required Majority and the Sanction Order);

- (bb) any and all court-imposed charges on any assets, property or undertaking of SFC, including the Charges, shall be discharged on the Plan Implementation Date on terms acceptable to the Initial Consenting Noteholders and SFC, each acting reasonably;
- (cc) SFC shall have paid, in full, the Expense Reimbursement and all fees and costs owing to the SFC Advisors on the Plan Implementation Date, and neither Newco nor Newco II shall have any liability for any fees or expenses due to the SFC Advisors or the Noteholder Advisors either as at or following the Plan Implementation Date;
- (dd) SFC or the Subsidiaries shall have paid, in full all fees owing to each of Chandler Fraser Keating Limited and Spencer Stuart on the Plan Implementation Date, and neither Newco nor Newco II shall have any liability for any fees or expenses due to either Chandler Fraser Keating Limited and Spencer Stuart as at or following the Plan Implementation Date;
- (ee) SFC shall have paid all Trustee Claims that are outstanding as of the Plan Implementation Date, and the Initial Consenting Noteholders shall be satisfied that SFC has made adequate provision in the Unaffected Claims Reserve for the payment of all Trustee Claims to be incurred by the Trustees after the Plan Implementation Date in connection with the performance of their respective duties under the Note Indentures or this Plan;
- (ff) there shall not exist or have occurred any Material Adverse Effect, and SFC shall have provided the Initial Consenting Noteholders with a certificate signed by an officer of the Company, without any personal liability on the part of such officer, certifying compliance with this section 9.1(ff) as of the Plan Implementation Date;
- (gg) there shall have been no breach of the Noteholder Confidentiality Agreements (as defined in the RSA) by SFC or any of the Sino-Forest Representatives (as defined therein) in respect of the applicable Initial Consenting Noteholder;

(hh) the Plan Implementation Date shall have occurred no later than January 15, 2013 (or such later date as may be consented to by SFC and the Initial Consenting Noteholders);

#### RSA Matters

- (ii) all conditions set out in sections 6 and 7 of the RSA shall have been satisfied or waived in accordance with the terms of the RSA;
- (jj) the RSA shall not have been terminated;

#### Other Matters

- (kk) the organization, incorporating documents, articles, by-laws and other constating documents of SFC Escrow Co. and all definitive legal documentation in connection with SFC Escrow Co., shall be acceptable to the Initial Consenting Noteholders and the Monitor and in form and in substance reasonably satisfactory to SFC;
- (II) except as expressly set out in this Plan, SFC Escrow Co. shall not have: (i) issued or authorized the issuance of any shares, notes, options, warrants or other securities of any kind, (ii) become subject to any Encumbrance with respect to its assets or property; (iii) acquired any assets or become liable to pay any indebtedness or liability of any kind (other than as expressly set out in this Plan); or (iv) entered into any agreement;
- (mm) the Initial Consenting Noteholders shall have completed due diligence in respect of SFC and the Subsidiaries and the results of such due diligence shall be acceptable to the Initial Consenting Noteholders prior to the date for the hearing of the Sanction Order, except in respect of any new material information or events arising or discovered on or after the date of the hearing for the Sanction Order of which the Initial Consenting Noteholders were previously unaware, in respect of which the date for the Initial Consenting Noteholders to complete such due diligence shall be the Plan Implementation Date, provided that "new material information or events" for purposes of this Section 9.1(mm) shall not include any information or events disclosed prior to the date of the hearing for the Sanction Order in a press release issued by SFC, an affidavit filed with the Court by SFC or a Monitor's Report filed with the Court;
- (nn) if so requested by the Initial Consenting Noteholders, the Sanction Order shall have been recognized and confirmed as binding and effective pursuant to an order of a court of competent jurisdiction in Canada and any other jurisdiction requested by the Initial Consenting Noteholders, and all applicable appeal periods in respect of any such recognition order shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court;
- (00) all press releases, disclosure documents and definitive agreements in respect of the Restructuring Transaction or the Plan shall be in form and substance

- satisfactory to SFC and the Initial Consenting Noteholders, each acting reasonably; and
- (pp) Newco and SFC shall have entered into arrangements reasonably satisfactory to SFC and the Initial Consenting Noteholders for ongoing preservation and access to the books and records of SFC and the Subsidiaries in existence as at the Plan Implementation Date, as such access may be reasonably requested by SFC or any Director or Officer in the future in connection with any administrative or legal proceeding, in each such case at the expense of the Person making such request.

For greater certainty, nothing in Article 11 hereof is a condition precedent to the implementation of the Plan.

# 9.2 Monitor's Certificate of Plan Implementation

Upon delivery of written notice from SFC and Goodmans LLP (on behalf of the Initial Consenting Noteholders) of the satisfaction of the conditions set out in section 9.1, the Monitor shall deliver to Goodmans LLP and SFC a certificate stating that the Plan Implementation Date has occurred and that the Plan and the Sanction Order are effective in accordance with their respective terms. Following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

# ARTICLE 10 ALTERNATIVE SALE TRANSACTION

## 10.1 Alternative Sale Transaction

At any time prior to the Plan Implementation Date (whether prior to or after the granting of the Sanction Order), and subject to the prior written consent of the Initial Consenting Noteholders, SFC may complete a sale of all or substantially all of the SFC Assets on terms that are acceptable to the Initial Consenting Noteholders (an "Alternative Sale Transaction"), provided that such Alternative Sale Transaction has been approved by the Court pursuant to section 36 of the CCAA on notice to the service list. In the event that such an Alternative Sale Transaction is completed, the terms and conditions of this Plan shall continue to apply in all respects, subject to the following:

- (a) The Newco Shares and Newco Notes shall not be distributed in the manner contemplated herein. Instead, the consideration paid or payable to SFC pursuant to the Alternative Sale Transaction (the "Alternative Sale Transaction Consideration") shall be distributed to the Persons entitled to receive Newco Shares hereunder, and such Persons shall receive the Alternative Sale Transaction Consideration in the same proportions and subject to the same terms and conditions as are applicable to the distribution of Newco Shares hereunder.
- (b) All provisions in this Plan that address Newco or Newco II shall be deemed to be ineffective to the extent that they address Newco or Newco II, given that Newco and Newco II will not be required in connection with an Alternative Sale Transaction.

- (c) All provisions addressing the Newco Notes shall be deemed to be ineffective to the extent such provisions address the Newco Notes, given that the Newco Notes will not be required in connection with an Alternative Sale Transaction.
- (d) All provisions relating to the Newco Shares shall be deemed to address the Alternative Sale Transaction Consideration to the limited extent such provisions address the Newco Shares.
- (e) SFC, with the written consent of the Monitor and the Initial Consenting Noteholders, shall be permitted to make such amendments, modifications and supplements to the terms and conditions of this Plan as are necessary to: (i) facilitate the Alternative Sale Transaction; (ii) cause the Alternative Sale Transaction Consideration to be distributed in the same proportions and subject to the same terms and conditions as are subject to the distribution of Newco Shares hereunder; and (iii) complete the Alternative Sale Transaction and distribute the Alternative Sale Transaction Proceeds in a manner that is tax efficient for SFC and the Affected Creditors with Proven Claims, provided in each case that (y) a copy of such amendments, modifications or supplements is filed with the Court and served upon the service list; and (z) the Monitor is satisfied that such amendments, modifications or supplements do not materially alter the proportionate entitlements of the Affected Creditors, as amongst themselves, to the consideration distributed pursuant to the Plan.

Except for the requirement of obtaining the prior written consent of the Initial Consenting Noteholders with respect to the matters set forth in this section 10.1 and subject to the approval of the Alternative Sale Transaction by the Court pursuant to section 36 of the CCAA (on notice to the service list), once this Plan has been approved by the Required Majority of Affected Creditors, no further meeting, vote or approval of the Affected Creditors shall be required to enable SFC to complete an Alternative Sale Transaction or to amend the Plan in the manner described in this 10.1.

# ARTICLE 11 SETTLEMENT OF CLAIMS AGAINST THIRD PARTY DEFENDANTS

## 11.1 Ernst & Young

(a) Notwithstanding anything to the contrary herein, subject to: (i) the granting of the Sanction Order; (ii) the issuance of the Settlement Trust Order (as may be modified in a manner satisfactory to the parties to the Ernst & Young Settlement and SFC (if occurring on or prior to the Plan Implementation Date), the Monitor and the Initial Consenting Noteholders, as applicable, to the extent, if any, that such modifications affect SFC, the Monitor or the Initial Consenting Noteholders, each acting reasonably); (iii) the granting of an Order under Chapter 15 of the United States Bankruptcy Code recognizing and enforcing the Sanction Order and the Settlement Trust Order in the United States; (iv) any other order necessary to give effect to the Ernst & Young Settlement (the orders referenced in (iii) and (iv) being collectively the "Ernst & Young Orders"); (v) the fulfillment of all

conditions precedent in the Ernst & Young Settlement and the fulfillment by the Ontario Class Action Plaintiffs of all of their obligations thereunder; and (vi) the Sanction Order, the Settlement Trust Order and all Ernst & Young Orders being final orders and not subject to further appeal or challenge, Ernst & Young shall pay the settlement amount as provided in the Ernst & Young Settlement to the trust established pursuant to the Settlement Trust Order (the "Settlement Trust"). Upon receipt of a certificate from Ernst & Young confirming it has paid the settlement amount to the Settlement Trust in accordance with the Ernst & Young Settlement and the trustee of the Settlement Trust confirming receipt of such settlement amount, the Monitor shall deliver to Ernst & Young a certificate (the "Monitor's Ernst & Young Settlement Certificate") stating that (i) Ernst & Young has confirmed that the settlement amount has been paid to the Settlement Trust in accordance with the Ernst & Young Settlement; (ii) the trustee of the Settlement Trust has confirmed that such settlement amount has been received by the Settlement Trust; and (iii) the Ernst & Young Release is in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Ernst & Young Settlement Certificate with the Court.

- (b) Notwithstanding anything to the contrary herein, upon receipt by the Settlement Trust of the settlement amount in accordance with the Ernst & Young Settlement: (i) all Ernst & Young Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against Ernst & Young; (ii) section 7.3 hereof shall apply to Ernst & Young and the Ernst & Young Claims mutatis mutandis on the Ernst & Young Settlement Date; and (iii) none of the plaintiffs in the Class Actions shall be permitted to claim from any of the other Third Party Defendants that portion of any damages that corresponds to the liability of Ernst & Young, proven at trial or otherwise, that is the subject of the Ernst & Young Settlement.
- (c) In the event that the Ernst & Young Settlement is not completed in accordance with its terms, the Ernst & Young Release and the injunctions described in section 11.1(b) shall not become effective.

## 11.2 Named Third Party Defendants

(a) Notwithstanding anything to the contrary in section 12.5(a) or 12.5(b) hereof, at any time prior to 10:00 a.m. (Toronto time) on December 6, 2012 or such later date as agreed in writing by the Monitor, SFC (if on or prior to the Plan Implementation Date) and the Initial Consenting Noteholders, Schedule "A" to this Plan may be amended, restated, modified or supplemented at any time and from time to time to add any Eligible Third Party Defendant as a "Named Third Party Defendant", subject in each case to the prior written consent of such Third Party Defendant, the Initial Consenting Noteholders, counsel to the Ontario Class Action Plaintiffs, the Monitor and, if occurring on or prior to the Plan Implementation Date, SFC. Any such amendment, restatement, modification and/or supplement of Schedule "A" shall be deemed to be effective automatically upon all such required consents being received. The Monitor shall: (A) provide

notice to the service list of any such amendment, restatement, modification and/or supplement of Schedule "A"; (B) file a copy thereof with the Court; and (C) post an electronic copy thereof on the Website. All Affected Creditors shall be deemed to consent thereto any and no Court Approval thereof will be required.

- Notwithstanding anything to the contrary herein, subject to: (i) the granting of the (b) Sanction Order; (ii) the granting of the applicable Named Third Party Defendant Settlement Order; and (iii) the satisfaction or waiver of all conditions precedent contained in the applicable Named Third Party Defendant Settlement, the applicable Named Third Party Defendant Settlement shall be given effect in accordance with its terms. Upon receipt of a certificate (in form and in substance satisfactory to the Monitor) from each of the parties to the applicable Named Third Party Defendant Settlement confirming that all conditions precedent thereto have been satisfied or waived, and that any settlement funds have been paid and received, the Monitor shall deliver to the applicable Named Third Party Defendant a certificate (the "Monitor's Named Third Party Settlement Certificate") stating that (i) each of the parties to such Named Third Party Defendant Settlement has confirmed that all conditions precedent thereto have been satisfied or waived; (ii) any settlement funds have been paid and received; and (iii) immediately upon the delivery of the Monitor's Named Third Party Settlement Certificate, the applicable Named Third Party Defendant Release will be in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Named Third Party Settlement Certificate with the Court.
- Notwithstanding anything to the contrary herein, upon delivery of the Monitor's Named Third Party Settlement Certificate, any claims and Causes of Action shall be dealt with in accordance with the terms of the applicable Named Third Party <a href="Defendant">Defendant</a> Settlement, the Named Third Party <a href="Defendant">Defendant</a> Settlement Order and the Named Third Party <a href="Defendant">Defendant</a> Release. To the extent provided for by the terms of the applicable Named Third Party Defendant Release: (i) the applicable Causes of Action against the applicable Named Third Party Defendant shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against the applicable Named Third Party Defendant and the applicable Causes of Action against the applicable Named Third Party Defendant and the applicable Causes of Action against the applicable Named Third Party Defendant mutatis mutandis on the effective date of the Named Third Party Defendant Settlement.

## ARTICLE 12 GENERAL

#### 12.1 Binding Effect

On the Plan Implementation Date:

(a) the Plan will become effective at the Effective Time;

- (b) the Plan shall be final and binding in accordance with its terms for all purposes on all Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) each Person named or referred to in, or subject to, the Plan will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety and shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

#### 12.2 Waiver of Defaults

- (a) From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of SFC then existing or previously committed by SFC, or caused by SFC, the commencement of the CCAA Proceedings by SFC, any matter pertaining to the CCAA Proceedings, any of the provisions in the Plan or steps contemplated in the Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and SFC, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse SFC from performing its obligations under the Plan or be a waiver of defaults by SFC under the Plan and the related documents.
- (b) Effective on the Plan Implementation Date, any and all agreements that are assigned to Newco and/or to Newco II as part of the SFC Assets shall be and remain in full force and effect, unamended, as at the Plan Implementation Date, and no Person shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations under, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand against Newco, Newco II or any Subsidiary under or in respect of any such agreement with Newco, Newco II or any Subsidiary, by reason of:
  - (i) any event that occurred on or prior to the Plan Implementation Date that would have entitled any Person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of SFC);
  - (ii) the fact that SFC commenced or completed the CCAA Proceedings;
  - (iii) the implementation of the Plan, or the completion of any of the steps, transactions or things contemplated by the Plan; or

(iv) any compromises, arrangements, transactions, releases, discharges or injunctions effected pursuant to the Plan or this Order.

## 12.3 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

#### 12.4 Non-Consummation

SFC reserves the right to revoke or withdraw the Plan at any time prior to the Sanction Date, with the consent of the Monitor and the Initial Consenting Noteholders. If SFC so revokes or withdraws the Plan, or if the Sanction Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan, including the fixing or limiting to an amount certain any Claim, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against SFC or any other Person; (ii) prejudice in any manner the rights of SFC or any other Person in any further proceedings involving SFC; or (iii) constitute an admission of any sort by SFC or any other Person.

#### 12.5 Modification of the Plan

- (a) SFC may, at any time and from time to time, amend, restate, modify and/or supplement the Plan with the consent of the Monitor and the Initial Consenting Noteholders, provided that: any such amendment, restatement, modification or supplement must be contained in a written document that is filed with the Court and:
  - (i) if made prior to or at the Meeting: (A) the Monitor, SFC or the Chair (as defined in the Meeting Order) shall communicate the details of any such amendment, restatement, modification and/or supplement to Affected Creditors and other Persons present at the Meeting prior to any vote being taken at the Meeting; (B) SFC shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and (C) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Website forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and
  - (ii) if made following the Meeting: (A) SFC shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court; (B) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Website; and (C) such amendment, restatement, modification and/or supplement shall require the approval of the Court following notice to the Affected Creditors and the Trustees.

- (b) Notwithstanding section 12.5(a), any amendment, restatement, modification or supplement may be made by SFC: (i) if prior to the Sanction Date, with the consent of the Monitor and the Initial Consenting Noteholders; and (ii) if after the Sanction Date, with the consent of the Monitor and the Initial Consenting Noteholders and upon approval by the Court, provided in each case that it concerns a matter that, in the opinion of SFC, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors or the Trustees.
- (c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan.

# 12.6 Actions and Approvals of SFC after Plan Implementation

- (a) From and after the Plan Implementation Date, and for the purpose of this Plan only:
  - (i) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, such agreement, waiver consent or approval may be provided by the Monitor; and
  - (ii) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, and the Monitor has been discharged pursuant to an Order, such agreement, waiver consent or approval shall be deemed not to be necessary.

#### 12.7 Consent of the Initial Consenting Noteholders

For the purposes of this Plan, any matter requiring the agreement, waiver, consent or approval of the Initial Consenting Noteholders shall be deemed to have been agreed to, waived, consented to or approved by such Initial Consenting Noteholders if such matter is agreed to, waived, consented to or approved in writing by Goodmans LLP, provided that Goodmans LLP expressly confirms in writing (including by way of e-mail) to the applicable Person that it is providing such agreement, consent or waiver on behalf of Initial Consenting Noteholders. In addition, following the Plan Implementation Date, any matter requiring the agreement, waiver, consent or approval of the Initial Consenting Noteholders shall: (i) be deemed to have been given if agreed to, waived, consented to or approved by Initial Consenting Noteholders in their capacities as holders of Newco Shares, Newco Notes or Litigation Trust Interests (provided that they continue to hold such consideration); and (ii) with respect to any matter concerning the

Litigation Trust or the Litigation Trust Claims, be deemed to be given if agreed to, waived, consented to or approved by the Litigation Trustee.

# 12.8 Claims Not Subject to Compromise

Nothing in this Plan, including section 2.4 hereof, shall prejudice, compromise, release, discharge, cancel, bar or otherwise affect any: (i) Non-Released D&O Claims (except to the extent that such Non-Released D&O Claim is asserted against a Named Director or Officer, in which case section 4.9(g) applies); (ii) Section 5.1(2) D&O Claims or Conspiracy Claims (except that, in accordance with section 4.9(e) hereof, any Section 5.1(2) D&O Claims against Named Directors and Officers and any Conspiracy Claims against Named Directors and Officers shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) D&O Claims or Conspiracy Claims, as applicable, pursuant to the Insurance Policies, and Persons with any such Section 5.1(2) D&O Claims against Named Directors and Officers or Conspiracy Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person, other than enforcing such Persons' rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s)); or (iii) any Claims that are not permitted to be compromised under section 19(2) of the CCAA.

# 12.9 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between:

- (a) the Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and SFC and/or the Subsidiaries as at the Plan Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority.

# 12.10 Foreign Recognition

- (a) From and after the Plan Implementation Date, if requested by the Initial Consenting Noteholders or Newco, the Monitor (at the Monitor's election) or Newco (if the Monitor does not so elect) shall and is hereby authorized to seek an order of any court of competent jurisdiction recognizing the Plan and the Sanction Order and confirming the Plan and the Sanction Order as binding and effective in Canada, the United States, and any other jurisdiction so requested by the Initial Consenting Noteholders or Newco, as applicable.
- (b) Without limiting the generality of section 12.10(a), as promptly as practicable, but in no event later than the third Business Day following the Plan Implementation

Date, a foreign representative of SFC (as agreed by SFC, the Monitor and the Initial Consenting Noteholders) (the "Foreign Representative") shall commence a proceeding in a court of competent jurisdiction in the United States seeking recognition of the Plan and the Sanction Order and confirming that the Plan and the Sanction Order are binding and effective in the United States, and the Foreign Representative shall use its best efforts to obtain such recognition order.

# 12.11 Severability of Plan Provisions

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of SFC and with the consent of the Monitor and the Initial Consenting Noteholders, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide SFC with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that SFC proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

#### 12.12 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding and the Plan with respect to SFC and will not be responsible or liable for any obligations of SFC.

# 12.13 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder, and will be affected hereunder, in each such capacity. Any action taken by or treatment of a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person, SFC, the Monitor and the Initial Consenting Noteholders in writing, or unless the Person's Claims overlap or are otherwise duplicative.

#### 12.14 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

#### (a) if to SFC or any Subsidiary:

Sino-Forest Corporation Room 3815-29 38/F, Sun Hung Kai Centre 30 Harbour Road, Wanchai, Hong Kong Attention: Mr. Judson Martin, Executive Vice-Chairman and Chief

**Executive Officer** 

Fax: +852-2877-0062

with a copy by email or fax (which shall not be deemed notice) to:

Bennett Jones LLP

One First Canadian Place, Suite 3400

Toronto, ON M5X 1A4

Attention: Kevin J. Zych and Raj S. Sahni

Email: zychk@bennettjones.com and sahnir@bennettjones.com

Fax: 416-863-1716

# (b) if to the Initial Consenting Noteholders:

c/o Goodmans LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, Ontario M5H 2S7

Attention: Robert Chadwick and Brendan O'Neill

Email: rchadwick@goodmans.ca and boneill@goodmans.ca

Fax: 416-979-1234

and with a copy by email or fax (which shall not be deemed notice) to:

Hogan Lovells International LLP

11th Floor, One Pacific Place, 88 Queensway

Hong Kong China

Attention: Neil McDonald

Email: neil.mcdonald@hoganlovells.com

Fax: 852-2219-0222

# (c) if to the Monitor:

FTI Consulting Canada Inc. TD Waterhouse Tower 79 Wellington Street West Suite 2010, P.O. Box 104 Toronto, ON M5K 1G8

Attention: Greg Watson

Email: greg.watson@fticonsulting.com

Fax: (416) 649-8101

and with a copy by email or fax (which shall not be deemed notice) to:

Gowling Lafleur Henderson LLP

1 First Canadian Place

100 King Street West, Suite 1600 Toronto, Ontario M5X 1G5

Attention:

Derrick Tay

Email:

derrick.tay@gowlings.com

Fax:

(416) 862-7661

# (d) if to Ernst & Young:

Ernst & Young LLP Ernst & Young Tower 222 Bay Street P.O. Box 251 Toronto, ON M5K 1J7

Attention:

Doris Stamml

Email:

doris.stamml@ca.ey.com

Fax:

(416) 943-[TBD]

and with a copy by email or fax (which shall not be deemed notice) to:

Lenczner Slaght Royce Smith Griffin 130 Adelaide Street West, Suite 2600 Toronto, Ontario M5H 3P5

Attention:

Peter Griffin

Email:

pgriffin@litigate.com

Fax:

(416) 865-2921

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. (Toronto time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

#### 12.15 Further Assurances

SFC, the Subsidiaries and any other Person named or referred to in the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

**DATED** as of the 3<sup>rd</sup> day of December, 2012.

#### **SCHEDULE A**

#### NAMED THIRD PARTY DEFENDANTS

- 1. The Underwriters, together with their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such.
- 2. Ernst & Young LLP (Canada), Ernst & Young Global Limited and all other member firms thereof, together with their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such, in the event that the Ernst & Young Settlement is not completed.
- 3. BDO Limited, together with its respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such.

# Document comparison by Workshare Professional on Thursday, December 06, 2012 10:38:59 AM

| Input:        |                                                                                          |
|---------------|------------------------------------------------------------------------------------------|
| Document 1 ID | PowerDocs://GOODMANS/6148176/5                                                           |
| Description   | GOODMANS-#6148176-v5-Sino-Forest_CCAA_Plan<br>_(as_filed_Nov.28_and_as_further_amendedF) |
| Document 2 ID | PowerDocs://GOODMANS/6148176/6                                                           |
| Description   | GOODMANS-#6148176-v6-Sino-Forest_CCAA_Plan<br>_(as_filed_Nov.28_and_as_further_amendedF) |
| Rendering set | goodmans                                                                                 |

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| <u>Insertion</u>    |   |  |
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| Moved-from          |   |  |
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| Style change        |   |  |
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| Insertions     | 21    |  |  |  |
| Deletions      | 11    |  |  |  |
| Moved from     | 0     |  |  |  |
| Moved to       | 0     |  |  |  |
| Style change   | 0     |  |  |  |
| Format changed | 0     |  |  |  |
| Total changes  | 32    |  |  |  |

This is Exhibit "D" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

A Commissioner, etc.

Court File No. CV-12-9667-00CL

# ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

| THE HONOURABLE MR. | ) | MONDAY, THE 10 <sup>th</sup> DAY |
|--------------------|---|----------------------------------|
|                    | ) |                                  |
| JUSTICE MORAWETZ   | ) | OF DECEMBER, 2012                |

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

#### PLAN SANCTION ORDER

THIS MOTION, made by Sino-Forest Corporation ("SFC"), for an order (i) pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"), sanctioning the plan of compromise and reorganization dated December 3, 2012 (including all schedules thereto), which Plan is attached as Schedule "A" hereto, as supplemented by the plan supplement dated November 21, 2012 previously filed with the Court, as the Plan may be further amended, varied or supplemented from time to time in accordance with the terms thereof (the "Plan"), and (ii) pursuant to the section 191 of the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended (the "CBCA"), approving the Plan and amending the articles of SFC and giving effect to the changes and transactions arising therefrom, was heard on December 7, 2012 at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of W. Judson Martin sworn November 29, 2012 (the "Martin Affidavit"), the Thirteenth Report of FTI Consulting Canada Inc. in its capacity as monitor of SFC (the "Monitor") dated November 22, 2012 (the "Monitor's Thirteenth Report"), the supplemental report to the Monitor's Thirteenth Report (the "Supplemental Report"), and the second supplemental report to the Monitor's Thirteenth Report (the "Second Supplemental Report") and on hearing the submissions of counsel for

SFC, the Monitor, the *ad hoc* committee of Noteholders (the "Ad Hoc Noteholders"), and such other counsel as were present, no one else appearing for any other party, although duly served with the Motion Record as appears from the Affidavit of Service, filed.

# **DEFINED TERMS**

1. THIS COURT ORDERS that any capitalized terms not otherwise defined in this Plan Sanction Order shall have the meanings ascribed to such terms in the Plan and/or the Plan Filing and Meeting Order granted by the Court on August 31, 2012 (the "Plan Filing and Meeting Order"), as the case may be.

# **SERVICE, NOTICE AND MEETING**

- 2. THIS COURT ORDERS that the time for service of the Notice of Motion, the Motion Record in support of this motion, the Monitor's Thirteenth Report, the Supplemental Report and the Second Supplemental Report be and are hereby abridged and validated so that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.
- 3. THIS COURT ORDERS AND DECLARES that there has been good and sufficient notice, service and delivery of the Plan Filing and Meeting Order and the Meeting Materials (including, without limitation, the Plan) to all Persons upon which notice, service and delivery was required.
- 4. THIS COURT ORDERS AND DECLARES that the Meeting was duly convened and held, all in conformity with the CCAA and the Orders of this Court made in the CCAA Proceeding, including, without limitation, the Plan Filing and Meeting Order.
- 5. THIS COURT ORDERS AND DECLARES that: (i) the hearing of the Plan Sanction Order was open to all of the Affected Creditors and all other Persons with an interest in SFC and that such Affected Creditors and other Persons were permitted to be heard at the hearing in respect of the Plan Sanction Order; and (ii) prior to the hearing, all of the Affected Creditors and all other Persons on the Service List in respect of the CCAA Proceeding were given adequate notice thereof.

# SANCTION OF THE PLAN

- 6. THIS COURT ORDERS that the relevant class of Affected Creditors of SFC for the purposes of voting to approve the Plan is the Affected Creditors Class.
- 7. THIS COURT ORDERS AND DECLARES that the Plan, and all the terms and conditions thereof, and matters and transactions contemplated thereby, are fair and reasonable.
- 8. THIS COURT ORDERS that the Plan is hereby sanctioned and approved pursuant to section 6 of the CCAA.

#### **PLAN IMPLEMENTATION**

- 9. THIS COURT ORDERS AND DECLARES that the Plan and all associated steps, compromises, releases, discharges, cancellations, transactions, arrangements and reorganizations effected thereby are approved and shall be deemed to be implemented, binding and effective in accordance with the provisions of the Plan as of the Plan Implementation Date at the Effective Time, or at such other time, times or manner as may be set forth in the Plan, and shall enure to the benefit of and be binding upon SFC, the other Released Parties, the Affected Creditors and all other Persons and parties named or referred to in, affected by, or subject to the Plan, including, without limitation, their respective heirs, administrators, executors, legal representatives, successors, and assigns.
- 10. THIS COURT ORDERS that each of SFC and the Monitor are authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, deliveries, allocations, instruments and agreements contemplated pursuant to the Plan, and such steps and actions are hereby authorized, ratified and approved. Furthermore, neither SFC nor the Monitor shall incur any liability as a result of acting in accordance with terms of the Plan and the Plan Sanction Order.
- 11. THIS COURT ORDERS that SFC, the Monitor, Newco, the Litigation Trustee, the Trustees, DTC, the Unresolved Claims Escrow Agent, all Transfer Agents and any other Person required to make any distributions, deliveries or allocations or take any steps or actions related

thereto pursuant to the Plan are hereby directed to complete such distributions, deliveries or allocations and to take any such related steps and/or actions in accordance with the terms of the Plan, and such distributions, deliveries and allocations, and steps and actions related thereto, are hereby approved.

- 12. THIS COURT ORDERS that upon the satisfaction or waiver, as applicable, of the conditions precedent set out in section 9.1 of the Plan in accordance with the terms of the Plan, as confirmed by SFC and Goodmans LLP to the Monitor in writing, the Monitor is authorized and directed to deliver to SFC and Goodmans LLP a certificate substantially in the form attached hereto as Schedule "B" (the "Monitor's Certificate") signed by the Monitor, certifying that the Plan Implementation Date has occurred and that the Plan and this Plan Sanction Order are effective in accordance with their terms. Following the Plan Implementation Date, the Monitor shall file the Monitor's Certificate with this Court.
- 13. THIS COURT ORDERS AND DECLARES that the steps, compromises, releases, discharges, cancellations, transactions, arrangements and reorganizations to be effected on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated in the Plan, without any further act or formality, beginning at the Effective Time.
- 14. THIS COURT ORDERS that SFC, the Monitor and the Initial Consenting Noteholders are hereby authorized and empowered to exercise all such consent and approval rights in the manner set forth in the Plan, whether prior to or after implementation of the Plan.
- 15. THIS COURT ORDERS that from and after the Plan Implementation Date, and for the purposes of the Plan only, (i) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, such agreement, waiver consent or approval may be provided by the Monitor; and (ii) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, and the Monitor has been discharged pursuant to an Order, such agreement, waiver consent or approval shall be deemed not to be necessary.

## **COMPROMISE OF CLAIMS AND EFFECT OF PLAN**

- 16. THIS COURT ORDERS AND DECLARES that, pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date, any and all Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, subject only to the right of the applicable Persons to receive the distributions and interests to which they are entitled pursuant to the Plan.
- 17. THIS COURT ORDERS AND DECLARES that, pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date and at the time specified in Section 6.4 of the Plan, all accrued and unpaid interest owing on, or in respect of, or as part of, Affected Creditor Claims (including any Accrued Interest on the Notes and any interest accruing on the Notes or any Ordinary Affected Creditor Claim after the Filing Date) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred for no consideration and no Person shall have any entitlement to any such accrued and unpaid interest.
- 18. THIS COURT ORDERS AND DECLARES that, on the Plan Implementation Date, the ability of any Person to proceed against SFC or the Subsidiaries in respect of any Released Claims shall be forever discharged, barred and restrained, and all proceedings with respect to, in connection with, or relating to any such matter shall be permanently stayed.
- 19. THIS COURT ORDERS that each Affected Creditor is hereby deemed to have consented to all of the provisions of the Plan, in its entirety, and each Affected Creditor is hereby deemed to have executed and delivered to SFC all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.
- 20. THIS COURT ORDERS that, on the Plan Implementation Date and at the time specified in Section 6.4 of the Plan, the SFC Assets (including for greater certainty the Direct Subsidiary Shares, the SFC Intercompany Claims and all other SFC Assets assigned, transferred and conveyed to Newco and/or Newco II pursuant to section 6.4 of the Plan) shall vest in the Person to whom such assets are being assigned, transferred and conveyed, in accordance with the terms of the Plan, free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O

Claims, Non-Released D&O Claims, Affected Claims, Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, Causes of Action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. Any Encumbrances or claims affecting, attaching to or relating to the SFC Assets in respect of the foregoing are and shall be deemed to be irrevocably expunged and discharged as against the SFC Assets, and no such Encumbrances or claims shall be pursued or enforceable as against Newco, Newco II or any other Person.

- 21. THIS COURT ORDERS that any securities, interests, rights or claims pursuant to the Plan, including the Newco Shares, the Newco Notes and the Litigation Trust Interests, issued, assigned, transferred or conveyed pursuant to the Plan will be free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Affected Claims, Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims, Non-Released D&O Claims, Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, causes of action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing.
- 22. THIS COURT ORDERS that the Litigation Trust Agreement is hereby approved and deemed effective as of the Plan Implementation Date, including with respect to the transfer, assignment and delivery of the Litigation Trust Claims to the Litigation Trustee which shall, and are hereby deemed to, occur on and as of the Plan Implementation Date. For greater certainty, the Litigation Trust Claims transferred, assigned and delivered to the Litigation Trustee shall not include any Excluded Litigation Trust Claims and all Affected Creditors shall be deemed to have consented to the release of any such Excluded Litigation Trust Claims pursuant to the Plan.
- 23. THIS COURT ORDERS that section 36.1 of the CCAA, sections 95 to 101 of the BIA and any other federal or provincial Law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the Plan or to any payments, distributions, transfers,

allocations or transactions made or completed in connection with the restructuring and recapitalization of SFC, whether before or after the Filing Date, including, without limitation, to any and all of the payments, distributions, transfers, allocations or transactions contemplated by and to be implemented pursuant to the Plan.

- 24. THIS COURT ORDERS that the articles of reorganization to be filed by SFC pursuant to section 191 of the CBCA, substantially in the form attached as Schedule "C" hereto, are hereby approved, and SFC is hereby authorized to file the articles of reorganization with the Director (as defined in the CBCA).
- 25. THIS COURT ORDERS that on the Equity Cancellation Date, or such other date as agreed to by the Monitor, SFC and the Initial Consenting Noteholders, all Existing Shares and other Equity Interests shall be fully, finally and irrevocably cancelled.
- 26. THIS COURT ORDERS AND DECLARES that the Newco Shares shall be and are hereby deemed to have been validly authorized, created, issued and outstanding as fully-paid and non-assessable shares in the capital of Newco as of the Effective Time.
- 27. THIS COURT ORDERS AND DECLARES that upon the Plan Implementation Date the initial Newco Share in the capital of Newco held by the Initial Newco Shareholder shall be deemed to have been redeemed and cancelled for no consideration.
- 28. THIS COURT ORDERS AND DECLARES that it was advised prior to the hearing in respect of the Plan Sanction Order that the Plan Sanction Order will be relied upon by SFC and Newco as an approval of the Plan for the purpose of relying on the exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to section 3(a)(10) thereof for the issuance of the Newco Shares, Newco Notes and, to the extent they may be deemed to be securities, the Litigation Trust Interests, and any other securities to be issued pursuant to the Plan.

#### **STAY OF PROCEEDINGS**

29. THIS COURT ORDERS that all obligations, agreements or leases to which (i) SFC remains a party on the Plan Implementation Date, or (ii) Newco and/or Newco II becomes a party as a result of the conveyance of the SFC Assets to Newco and the further conveyance of

the SFC Assets to Newco II on the Plan Implementation Date, shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation, agreement or lease shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation, agreement or lease, (including any right of set-off, dilution or other remedy), or make any demand against SFC, Newco, Newco II, any Subsidiary or any other Person under or in respect of any such agreement with Newco, Newco II or any Subsidiary, by reason:

- (a) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
- (b) that SFC sought or obtained relief under the CCAA or by reason of any steps or actions taken as part of the CCAA Proceeding or this Plan Sanction Order or prior orders of this Court;
- (c) of any default or event of default arising as a result of the financial condition or insolvency of SFC;
- (d) of the completion of any of the steps, actions or transactions contemplated under the Plan, including, without limitation, the transfer, conveyance and assignment of the SFC Assets to Newco and the further transfer, conveyance and assignment of the SFC Assets by Newco to Newco II; or
- (e) of any steps, compromises, releases, discharges, cancellations, transactions, arrangements or reorganizations effected pursuant to the Plan.
- 30. THIS COURT ORDERS that from and after the Plan Implementation Date, any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceed with to advance any Released Claims.

31. THIS COURT ORDERS that between (i) the Plan Implementation Date and (ii) the earlier of the Ernst & Young Settlement Date or such other date as may be ordered by the Court on a motion to the Court on reasonable notice to Ernst & Young, any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings against Ernst & Young (other than all steps or proceedings to implement the Ernst & Young Settlement) pursuant to the terms of the Order of the Honourable Justice Morawetz dated May 8, 2012, provided that no steps or proceedings against Ernst & Young by the Ontario Securities Commission or by staff of the Ontario Securities Commission under the Securities Act (Ontario) shall be stayed by this Order.

## **RELEASES**

- 32. THIS COURT ORDERS that, subject to section 7.2 of the Plan, all of the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date at the time or times and in the manner set forth in section 6.4 of the Plan:
  - (a) all Affected Claims, including, without limitation, all Affected Creditor Claims, Equity Claims, D&O Claims (other than Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims and Non-Released D&O Claims), D&O Indemnity Claims (except as set forth in section 7.1(d) of the Plan) and Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims);
  - (b) all Claims of the Ontario Securities Commission or any other Governmental Entity that have or could give rise to a monetary liability, including, without limitation, fines, awards, penalties, costs, claims for reimbursement or other claims having a monetary value;
  - (c) all Class Action Claims (including, without limitation, the Noteholder Class Action Claims) against SFC, the Subsidiaries or the Named Directors or Officers of SFC or the Subsidiaries (other than Class Action Claims that are Section 5.1(2) D&O Claims, Conspiracy Claims or Non-Released D&O Claims);
  - (d) all Class Action Indemnity Claims (including, without limitation, related D&O Indemnity Claims), other than any Class Action Indemnity Claim by the Third Party

Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (including, without limitation, any D&O Indemnity Claim in that respect), which shall be limited to the Indemnified Noteholder Class Action Limit pursuant to the releases set out in section 7.1(f) of the Plan and the injunctions set out in section 7.3 of the Plan;

- (e) any portion or amount of liability of the Third Party Defendants for the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all Indemnified Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;
- (f) any portion or amount of liability of the Underwriters for the Noteholder Class Action Claims (other than any Noteholder Class Action Claims against the Underwriters for fraud or criminal conduct) (on a collective, aggregate basis in reference to all such Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;
- (g) any portion or amount of, or liability of SFC for, any Class Action Indemnity Claims by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all such Noteholder Class Action Claims together) to the extent that such Class Action Indemnity Claims exceed the Indemnified Noteholder Class Action Limit;
- (h) any and all Excluded Litigation Trust Claims;
- (i) any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the ad hoc committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including, without limitation, members of any committee or governance council), partner or employee of any of the foregoing, for or in connection with or in any way relating to: any Claims (including, without limitation, notwithstanding anything to the contrary herein, any Unaffected Claims);

Affected Claims; Section 5.1(2) D&O Claims; Conspiracy Claims; Continuing Other D&O Claims; Non-Released D&O Claims; Class Action Claims; Class Action Indemnity Claims; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, claims for contribution, share pledges or Encumbrances related to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries;

**(i)** any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the ad hoc committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, the Named Directors and Officers, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including, without limitation, members of any committee or governance council), partner or employee of any of the foregoing, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date (or, with respect to actions taken pursuant to the Plan after the Plan Implementation Date, the date of such actions) in any way relating to, arising out of, leading up to, for, or in connection with the CCAA Proceeding, RSA, the Restructuring Transaction, the Plan, any proceedings commenced with respect to or in connection with the Plan, or the transactions contemplated by the RSA and the Plan, including, without limitation, the creation of Newco and/or Newco II and the creation, issuance or distribution of the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, provided that nothing in this paragraph shall release or discharge any of the Persons listed in this paragraph from or in respect of any obligations any of them may have under or in respect of the RSA, the Plan or under or in respect of any of Newco, Newco II, the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, as the case may be:

- (k) any and all Causes of Action against the Subsidiaries for or in connection with any Claim (including, without limitation, notwithstanding anything to the contrary herein. any Unaffected Claim); any Affected Claim (including, without limitation, any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Section 5.1(2) D&O Claim; any Conspiracy Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any indemnification obligation to Directors or Officers of SFC or the Subsidiaries pertaining to SFC, the Notes, the Note Indentures, the Existing Shares, the Equity Interests, any other securities of SFC or any other right, claim or liability for or in connection with the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC (whenever or however conducted), the administration and/or management of SFC, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing;
- (l) all Subsidiary Intercompany Claims as against SFC (which are assumed by Newco and then Newco II pursuant to the Plan);
- (m) any entitlements of Ernst & Young to receive distributions of any kind (including, without limitation, Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan;

- (n) any entitlements of the Underwriters to receive distributions of any kind (including, without limitation, Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan; and
- (o) any entitlements of the Named Third Party Defendants to receive distributions of any kind (including, without limitation, Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan.
- 33. THIS COURT ORDERS that nothing in the Plan nor in this Plan Sanction Order shall waive, compromise, release, discharge, cancel or bar any of the claims listed in section 7.2 of the Plan.
- 34. THIS COURT ORDERS that, for greater certainty, nothing in the Plan nor in this Plan Sanction Order shall release any obligations of the Subsidiaries owed to (i) any employees, directors or officers of those Subsidiaries in respect of any wages or other compensation related arrangements, or (ii) to suppliers and trade creditors of the Subsidiaries in respect of goods or services supplied to the Subsidiaries.
- 35. THIS COURT ORDERS that any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of SFC relating to the Notes or the Note Indentures shall be and are hereby deemed to be released, discharged and cancelled.
- 36. THIS COURT ORDERS that the Trustees are hereby authorized and directed to release, discharge and cancel any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures.
- 37. THIS COURT ORDERS that any claims against the Named Directors and Officers in respect of Section 5.1(2) D&O Claims or Conspiracy Claims shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) D&O Claims or Conspiracy Claims, as applicable, pursuant to the Insurance Policies, and Persons with any such Section 5.1(2) D&O Claims against Named Directors and Officers or Conspiracy Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person, (including SFC, any of the Subsidiaries, Newco or Newco II), other than enforcing such Persons' rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s).

- 38. THIS COURT ORDERS that all Persons are permanently and forever barred, estopped. stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.
- 39. THIS COURT ORDERS AND DECLARES that from and after the Plan Implementation Date, (i) subject to the prior consent of the Initial Consenting Noteholders and the terms of the Litigation Trust Agreement, each of the Litigation Trustee and the Monitor shall have the right to seek and obtain an order from any court of competent jurisdiction, including an Order of the Court in the CCAA or otherwise, that gives effect to any releases of any Litigation Trust Claims agreed to by the Litigation Trustee in accordance with the Litigation Trust Agreement, and (ii) all Affected Creditors shall be deemed to consent to any such treatment of any Litigation Trust Claims.
- 40. THIS COURT ORDERS that the Ernst & Young Settlement and the release of the Ernst & Young Claims pursuant to section 11.1 of the Plan shall become effective upon the satisfaction of the following conditions precedent:

- approval by this Honourable Court of the terms of the Ernst & Young Settlement,
   including the terms and scope of the Ernst & Young Release and the Settlement Trust
   Order;
- (b) issuance by this Honourable Court of the Settlement Trust Order;
- the granting of orders under Chapter 15 of the United States *Bankruptcy Code*recognizing and enforcing the Sanction Order and the Settlement Trust Order and any
  court orders necessary in the United States to approve the Ernst & Young Settlement
  and any other necessary ancillary order;
- (d) any other order necessary to give effect to the Ernst & Young Settlement (the orders referenced in (c) and (d) being collectively the "Ernst & Young Orders");
- (e) the fulfillment of all conditions precedent in the Ernst & Young Settlement and the fulfillment by the Ontario Class Action Plaintiffs of all of their obligations thereunder;
- (f) the Sanction Order, the Settlement Trust Order and all Ernst & Young Orders being final orders and not subject to further appeal or challenge; and
- (g) the payment by Ernst & Young of the settlement amount as provided in the Ernst & Young Settlement to the trust established pursuant to the Settlement Trust Order,

Upon the foregoing conditions precedent having been satisfied and upon receipt of a certificate from Ernst & Young confirming it has paid the settlement amount to the Settlement Trust in accordance with the Ernst & Young Settlement and the trustee of the Settlement Trust confirming receipt of such settlement amount, the Monitor shall be authorized and directed to deliver to Ernst & Young the Monitor's Ernst & Young Settlement Certificate and the Monitor shall file the Monitor's Ernst & Young Settlement Certificate with this Honourable Court after delivery of such certificate to Ernst & Young, all as provided for in section 11.1 of the Plan.

41. THIS COURT ORDERS that any Named Third Party Defendant Settlement, Named Third Party Defendant Settlement Order and Named Third Party Defendant Release, the terms

and scope of which remain in each case subject to future court approval in accordance with the Plan, shall only become effective after the Plan Implementation Date and upon the satisfaction of the conditions precedent to the applicable Named Third Party Defendant Settlement and the delivery of the applicable Monitor's Named Third Party Settlement Certificate to the applicable Named Third Party Defendant, all as set forth in section 11.2 of the Plan.

# THE MONITOR

- 42. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein and in the Plan, shall be and is hereby authorized, directed and empowered to perform its functions and fulfill its obligations under the Plan to facilitate the implementation of the Plan.
- 43. THIS COURT ORDERS that the Monitor shall not make any payment from the Monitor's Post-Implementation Reserve to any third party professional services provider (other than its counsel) that exceeds \$250,000 (alone or in a series of related payments) without the prior consent of the Initial Consenting Noteholders or an Order of this Court.
- 44. THIS COURT ORDERS that: (i) in carrying out the terms of this Plan Sanction Order and the Plan, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Order of this Court dated April 20, 2012 expanding the powers of the Monitor, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Plan Sanction Order and/or the Plan, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of SFC and any information provided by SFC without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.
- 45. THIS COURT ORDERS that upon completion by the Monitor of its duties in respect of SFC pursuant to the CCAA, the Plan and the Orders, the Monitor may file with the Court a certificate stating that all of its duties in respect of SFC pursuant to the CCAA, the Plan and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be

discharged from its duties as Monitor and released of all claims relating to its activities as Monitor.

- 46. THIS COURT ORDERS that in no circumstances will the Monitor have any liability for any of SFC's tax liabilities, if any, regardless of how or when such liabilities may have arisen.
- 47. THIS COURT ORDERS that, subject to the due performance of its obligations as set forth in the Plan and subject to its compliance with any written directions or instructions of the Monitor and/or directions of the Court in the manner set forth in the Plan, SFC Escrow Co. shall have no liabilities whatsoever arising from the performance of its obligations under the Plan.

# **RESERVES AND OTHER AMOUNTS**

- 48. THIS COURT ORDERS AND DECLARES that the amount of each of the Indemnified Noteholder Class Action Limit, the Litigation Funding Amount, the Unaffected Claims Reserve, the Administration Charge Reserve, the Monitor's Post-Implementation Reserve and the Unresolved Claims Reserve, is as provided for in the Plan, the Plan Supplement or in Schedule "D" hereto, or such other amount as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders, as applicable, in accordance with the terms of the Plan.
- 49. THIS COURT ORDERS that Goodmans LLP, in its capacity as counsel to the Initial Consenting Noteholders, shall be permitted to apply for an Order of the Court at any time directing the Monitor to make distributions from the Monitor's Post-Implementation Reserve.
- 50. THIS COURT ORDERS AND DECLARES that, on the Plan Implementation Date, at the time or times and in the manner set forth in section 6.4 of the Plan, each of the Charges shall be discharged, released and cancelled, and any obligations secured thereby shall be satisfied pursuant to section 4.2(b) of the Plan, and from and after the Plan Implementation Date the Administration Charge Reserve shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge.
- 51. THIS COURT ORDERS AND DECLARES that any Unresolved Claims that exceed \$1 million shall not be accepted or resolved without further Order of the Court. All parties with Unresolved Claims shall have standing in any proceeding with respect to the determination or status of any other Unresolved Claim. Counsel to the Initial Consenting Noteholders, Goodmans

LLP, shall continue to have standing in any such proceeding on behalf of the Initial Consenting Noteholders, in their capacity as Affected Creditors with Proven Claims.

#### **DOCUMENT PRESERVATION**

52. THIS COURT ORDERS AND DECLARES that, prior to the Effective Time, SFC shall: (i) preserve or cause to be preserved copies of any documents (as such term is defined in the Rules of Civil Procedure (Ontario)) that are relevant to the issues raised in the Class Actions; and (ii) make arrangements acceptable to SFC, the Monitor, the Initial Consenting Noteholders, counsel to Ontario Class Action Plaintiffs, counsel to Ernst & Young, counsel to the Underwriters and counsel to the Named Third Party Defendants to provide the parties to the Class Actions with access thereto, subject to customary commercial confidentiality, privilege or other applicable restrictions, including lawyer-client privilege, work product privilege and other privileges or immunities, and to restrictions on disclosure arising from s. 16 of the Securities Act (Ontario) and comparable restrictions on disclosure in other relevant jurisdictions, for purposes of prosecuting and/or defending the Class Actions, as the case may be, provided that nothing in the foregoing reduces or otherwise limits the parties' rights to production and discovery in accordance with the Rules of Civil Procedure (Ontario) and the Class Proceedings Act, 1992 (Ontario).

#### EFFECT, RECOGNITION AND ASSISTANCE

- 53. THIS COURT ORDERS that nothing in this Plan Sanction Order or as a result of the implementation of the Plan shall affect the standing any Person has at the date of this Plan Sanction Order in respect of the CCAA Proceeding or the Litigation Trust.
- THIS COURT ORDERS that the transfer, assignment and delivery to the Litigation Trustee pursuant to the Litigation Trust of (i) rights, title and interests in and to the Litigation Trust Claims and (ii) all respective rights, title and interests in and to any lawyer-client privilege, work product privilege or other privilege or immunity attaching to any documents or communications (whether written or oral) associated with the Litigation Trust Claims, regardless of whether such documents or copies thereof have been requested by the Litigation Trustee pursuant to the Litigation Trust Agreement (collectively, the "Privileges") shall not constitute a waiver of any such Privileges, and that such Privileges are expressly maintained.

- 55. THIS COURT ORDERS that the current directors of SFC shall be deemed to have resigned on the Plan Implementation Date. The current directors of SFC shall have no liability in such capacity for any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including, without limitation, for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, arising on or after the Plan Implementation Date.
- 56. THIS COURT ORDERS that SFC and the Monitor may apply to this Court for advice and direction with respect to any matter arising from or under the Plan or this Plan Sanction Order.
- 57. THIS COURT ORDERS that this Plan Sanction Order shall have full force and effect in all provinces and territories of Canada and abroad as against all persons and parties against whom it may otherwise be enforced.
- 58. THIS COURT ORDERS that, from and after the Plan Implementation Date, the Monitor is hereby authorized and appointed to act as the foreign representative in respect of the within proceedings for the purposes of having these proceedings recognized in the United States pursuant to chapter 15 of title 11 of the United States Code.
- 59. THIS COURT ORDERS that, as promptly as practicable following the Plan Implementation Date, but in no event later than the third Business Day following the Plan Implementation Date, the Monitor, as the foreign representative of SFC and of the within proceedings, is hereby authorized and directed to commence a proceeding in a court of competent jurisdiction in the United States seeking recognition of the Plan and this Plan Sanction Order and confirming that the Plan and this Plan Sanction Order are binding and effective in the United States.
- 60. THIS COURT HEREBY REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body having jurisdiction in Canada, the United States, Barbados, the British Virgin Islands, Cayman Islands, Hong Kong, the People's Republic of

China or in any other foreign jurisdiction, to give effect to this Plan Sanction Order and to assist SFC, the Monitor and their respective agents in carrying out the terms of this Plan Sanction Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to SFC and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Plan Sanction Order, to grant representative status to the Monitor in any foreign proceeding, or to assist SFC and the Monitor and their respective agents in carrying out the terms of this Plan Sanction Order.

- 61. THIS COURT ORDERS that each of SFC and the Monitor shall, following consultation with Goodmans LLP, be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other courts and judicial, regulatory and administrative bodies, and take such steps in Canada, the United States of America, the British Virgin Islands, Cayman Islands, Hong Kong, the People's Republic of China or in any other foreign jurisdiction, as may be necessary or advisable to give effect to this Plan Sanction Order and any other Order granted by this Court, including for recognition of this Plan Sanction Order and for assistance in carrying out its terms.
- 62. **THIS COURT ORDERS** that this Plan Sanction Order shall be posted on the Monitor's Website at http://cfcanada.fticonsulting.com/sfc and only be required to be served upon the parties on the Service List and those parties who appeared at the hearing of the motion for this Plan Sanction Order.
- 63. THIS COURT ORDERS AND DECLARES that any conflict or inconsistency between the Plan and this Plan Sanction Order shall be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority.

Tho vent 1.

ENTERED AT / INSCRIT À TORONTO ON / BOOK NO: LE / DANS LE REGISTRE NO.:

DEC 1 2 2012

This is Exhibit "E-1" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

CITATION: Sino-Forest Corporation (Re), 2012 ONSC 7041 COURT FILE NO.: CV-12-9667-00CL

**DATE: 20121210** 

# SUPERIOR COURT OF JUSTICE - ONTARIO (COMMERCIAL LIST)

MAG

RE:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT

ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION, Applicant

BEFORE:

MORAWETZ J.

COUNSEL: Robert W. Staley, Kevin Zych, Derek J. Bell and Jonathan Bell, for Sino-

Forest Corporation

Derrick Tay, Jennifer Stam, and Cliff Prophet for the Monitor, FTI Consulting Canada Inc.

Robert Chadwick and Brendan O'Neill, for the Ad Hoc Committee of Noteholders

Kenneth Rosenberg, Kirk Baert, Max Starnino, and A. Dimitri Lascaris, for the Class Action Plaintiffs

Won J. Kim, James C. Orr, Michael C. Spencer, and Megan B. McPhee, for Invesco Canada Ltd., Northwest & Ethical Investments LP and Comité Syndicale Nationale de Retraite Bâtirente Inc.

Peter Griffin, Peter Osborne and Shara Roy, for Ernst & Young Inc.

Peter Greene and Ken Dekkar, for BDO Limited

Edward A. Sellers and Larry Lowenstein, for the Board of Directors of Sino-**Forest Corporation** 

John Pirie and David Gadsden, for Poyry (Beijing)

James Doris, for the Plaintiff in the New York Class Action

David Bish, for the Underwriters

Simon Bieber and Erin Pleet, for David Horsley

James Grout, for the Ontario Securities Commission

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Emily Cole and Joseph Marin, for Allen Chan

Susan E. Freedman and Brandon Barnes, for Kai Kit Poon

Paul Emerson, for ACE/Chubb

Sam Sasso, for Travelers

**HEARD:** 

**DECEMBER 7, 2012** 

#### **ENDORSEMENT**

- [1] The Applicant, Sino-Forest Corporation ("SFC"), seeks an order sanctioning the Plan of Compromise and Arrangement dated December 3, 2012, as modified, amended, varied or supplemented in accordance with its terms (the "Plan") pursuant to section 6 of the Companies' Creditors Arrangement Act ("CCAA"), and ancillary relief as set out in the proposed sanction order (the "Sanction Order").
- [2] The Plan is supported by:
  - (a) the Monitor;
  - (b) SFC's largest creditors, the Ad Hoc Committee of Noteholders (the "Ad Hoc Committee");
  - (c) Ernst & Young LLP ("E&Y");
  - (d) BDO Limited ("BDO"); and
  - (c) the Underwriters.

The Ad Hoc Committee of Purchasers of the Applicant's Securities (the "Ad Hoc Securities Purchasers Committee" including the "Class Action Plaintiffs") has agreed not to oppose the Plan.

- [3] The Plan was approved by an overwhelming majority of Affected Creditors voting on the Plan in person or by proxy. In total, 99% in number, and greater than 99% in value, of those Affected Creditors voting favoured the Plan.
- [4] Invesco Canada Ltd. ("Invesco"), Northwest & Ethical Investments LP and Comité Syndicale Nationale de Retraite Bâtirente Inc. (collectively, the "Funds") object to the proposed Sanction Order. The Funds request an adjournment of the motion for a period of one month. Alternatively, the Funds request that the Plan be altered so as to remove Article 11 "Settlement of Claims Against Third Party Defendants".

[5]

- This endorsement fully addresses the adjournment request of the Funds. In this endorsement, defined terms have been taken from the motion record.
- [6] The Funds are institutional, public and private equity funds that owned 3,085,786 common shares of SFC on June 2, 2011. The Funds alleged that they suffered substantial losses after the market in SFC shares collapsed following a public issuance of a report suggesting that fraud permeated SFC's assets and operations.
- Following the collapse of SFC's share price, class actions were commenced against SFC, [7] certain of its directors and officers, the auditors, the Underwriters and other expert firms.
- On January 6, 2012, Perell J. granted carriage of the class action to Koskie Minsky LLP and Siskinds LLP ("Class Counsel"). The class has not been certified.
- Counsel to the Funds takes the position that Class Counsel does not represent the Funds. [9]
- In his affidavit sworn December 6, 2012, Mr. Eric J. Adelson, Senior Vice President, Secretary and head of Legal of Invesco stated that on December 3, 2012, Class Counsel and E&Y announced that they had entered into a settlement by which E&Y would pay \$117 million into a "Trust" formed as part of the CCAA proceedings, in return for releases of all claims that could be brought against E&Y by any person in connection with SFC.
- [11] Mr. Adelson also states that on December 3, 2012, an Amended Plan was issued that, for the first time in the CCAA proceedings, contained provisions for settlement of claims against Third Party Defendants (Article 11), including specific provisions concerning the settlement by and releases for E&Y, and also allowing other Third Party Defendants to avail themselves of similar provisions for unspecified settlements and releases in the future.
- Mr. Adelson acknowledges that on December 5, 2012, counsel for E&Y advised Invesco's counsel that the parties had decided not to request court approval of the proposed E&Y Settlement at the motion scheduled for December 7, 2012. However, Mr. Adelson takes the position that provisions of the Plan, even apart from the E&Y Settlement, appear to affect the legal and practical ability of Invesco and other investors to seek adjudication of their claims against defendants in the SFC litigation on the merits, rendering it vital that sufficient time be provided to fully understand the present matters.
- [13] Mr. Adelson also details "preliminary reasons for objecting to the Plan's release provisions":
  - 15. If the effect of the Plan is to allow a Third Party Defendant (such as E&Y) to settle its liability to investors in connection with Sino-Forest through a settlement agreement with Class Counsel, and to bind the investors to that settlement without giving them the opportunity to opt out and pursue their claims on the merits outside the Class Action, then Invesco would strenuously object and oppose approval of such an arrangement.
  - 16. The Class Action has not been certified, so Invesco does not view Class Counsel, with whom we have no other relationship, as authorized to represent its

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interests in connection with Sino-Forest. Our views have not been heard and our interests have not been represented in connection with the Plan and the proposed settlement. It is my understanding that Invesco, as an investor with claims against Sino-Forest and the other defendants in the Class Action, is not a "creditor" with respect to the Plan. Invesco accordingly submits that it would be contrary to its rights to bind it to a release or a settlement involving Third Party Defendants unless Invesco directly participated in proceedings or unless in certified class proceedings it was given the opportunity to opt out. We do not understand the CCAA to authorize releases of third parties, that is, parties other than the Applicant and certain officers and directors under certain circumstances, as part of a Sanction Order. Invesco objects to any such provisions or results in this matter.

- Counsel to the Funds made specific reference to Article 11.2 of the Plan which, counsel submits. if approved, establishes an open-ended mechanism for eligible Third Party Defendants, defined to include the 11 Underwriters named as defendants in the class action, BDO and/or E&Y (if its proposed settlement is not already concluded), to enter into a "Named Third Party Defendant Settlement" with "one or more of (i) counsel to the plaintiffs in any of the class actions...".
- Counsel to the Funds further submits that under Articles 11.2 (b) and (c), once a settlement is concluded among the specified parties, the settling defendant will obtain releases and bar orders in the CCAA proceeding, preventing the continued litigation of any SFC-related claims against them. If a settlement is reached in the future, counsel submits that the CCAA release and bar orders will remain available notwithstanding that the CCAA process may have concluded. Accordingly, counsel submits that it appears that these provisions purport to vest authority in the parties as described to enter into settlements that may have the effect of barring any claimants (such as the Funds) from prosecuting SFC-related claims against the Underwriters, BDO and/or E&Y, subject to the approval of this court. This bar, counsel submits, would be imposed without compliance with establishes prerequisites of the Class Proceedings Act ("CPA") - including class certification, a fairness hearing, approval by the court supervising the class action, and provision of opt-out rights - necessary to impose releases or other restrictions on class members who are not named parties before that court.
- Stated more succinctly, counsel submits that the Plan appears designed to unnecessarily fetter the powers of a future court, namely, the class action case management court, by assigning to the CCAA court the power to approve and effectuate class-wide settlements without regard to established statutory and rule-based procedural safeguards found in the CPA.
- The adjournment request was opposed, primarily on the basis that the Funds had misunderstood the terms of the Plan. Oral submissions were made by counsel on behalf of the Monitor, SFC, Ad Hoc Noteholders, SFC Board, Ontario Securities Commission, E&Y and the Class Action Plaintiffs. Specifically, these parties submit there was a misunderstanding on the part of the Funds as to what was before the court for approval and, perhaps more importantly, what was not before the court for approval.
- Counsel to the Monitor also submits that SFC has limited funds and time is critical. [18]

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- The thrust of the arguments of the combined forces opposing the adjournment request is that the court is not being asked, at this time, to approve the settlement. Rather, what is before the court is a motion to approve the Plan, which includes approval of a framework with respect to a proposed settlement of claims against Third Party Defendants.
- Essentially, if certain conditions are met and further court approvals and orders are obtained, it is conceivable that E&Y will get a release. However, such a release is not being requested at this time. Further, it is not a condition of Plan Implementation that the E&Y matter be settled.
- [21] To support this position, counsel referenced a number of provisions in the Plan including:
  - 1. The defined term "Settlement Trust Order", which means a court order that establishes the Settlement Trust (section 11.1 (a) of the Plan) and approves the E&Y Settlement and the E&Y Release...:
  - 2. Section 8.2, which outlines the effect the Sanction Order and includes a reference in Section 8.2 (z) that the E&Y Release shall become effective on the E&Y Settlement Date in the manner set forth in section 11.1;
  - 3. Section 11.1, which details settlement of claims against Third Party Defendants and specifically E&Y. This provision sets out a number of pre-conditions to the required payment to be made by E&Y as provided for in the E&Y Settlement. These pre-conditions are:
    - (i) the granting of the Sanction Order;
    - (ii) the issuance of the Settlement Trust Order;
    - the granting of an order under Chapter 15 of the United States Bankruptcy (iii) Code recognizing and enforcing the Sanction Order and the Settlement Trust Order in the United States;
    - any other order necessary to give effect to the E&Y Settlement; (iv)
    - the fulfillment of all conditions precedent in the E&Y Settlement and the (v) fulfillment by the Ontario Class Action Plaintiffs of all of their obligations thercunder; and
    - the Sanction Order, the Settlement Trust Order and all E&Y Orders being (vi) final orders and not subject to further appeal or challenge.
- [22] Having reviewed these documents, it is apparent that approval of the E&Y Settlement is not before the court on this motion and no release is being provided to E&Y as a result of this motion. In the event all of the pre-conditions are satisfied and if all of the required court approvals and orders are issued, the position of the Funds could be affected. However, the Funds will have the opportunity to make argument on such hearings.

- [23] I have also reviewed the form of Sanction Order being requested specifically paragraph 40. This provision provides that the E&Y Settlement and the release of the E&Y Claims pursuant to section 11.1 of the Plan shall become effective upon the satisfaction of certain conditions precedent, including court approval of the terms of the E&Y Settlement, the terms and scope of the E&Y Release and the Settlement Trust Order and the granting of the Settlement Trust Order.
- [24] Paragraph 41 of the draft Sanction Order also provides that any Named Third Party Defendant Settlement, Named Third Party Defendant Settlement Order and Named Third Party Defendant Release, the terms and scope of which remain in each case subject to further court approval in accordance with the Plan, shall only become effective after the Plan Implementation Date and upon the satisfaction of the conditions precedent, set forth in section 11.2 of the Plan.
- [25] The requested Sanction Order confirms my view that the arguments put forth by counsel on behalf of the Funds are premature and can be addressed on the return of the motion to approve the specific settlements and releases.
- [26] In the result, I have not been persuaded that the adjournment is necessary. The motion for the adjournment is accordingly denied.

MORAWETZ J

Date: December 10, 2012

CITATION: Sino-Forest Corporation (Re), 2012 ONSC 7055 COURT FILE NO.: CV-12-9667-00CL

DATE: 20121210

## SUPERIOR COURT OF JUSTICE - ONTARIO (COMMERCIAL LIST)

MAG

RE:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT

ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR

ARRANGEMENT OF SINO-FOREST CORPORATION, Applicant

BEFORE:

MORAWETZ J.

COUNSEL: Robert W. Staley, Kevin Zych, Derek J. Bell and Jonathan Bell, for Sino-

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Emily Colc and Joseph Marin, for Allen Chan

Susan E. Freedman and Brandon Barnes, for Kai Kit Poon

Paul Emerson, for ACE/Chubb

Sam Sasso, for Travelers

HEARD:

**DECEMBER 7, 2012** 

## **ENDORSEMENT**

[1] For reasons to follow, the motion is granted and an order shall issue sanctioning the Plan substantially in the form of the draft Sanction Order.

Date: December 10, 2012

This is Exhibit "E-2" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

CITATION: Sino-Forest Corporation (Re), 2012 ONSC 7050

**COURT FILE NO.:** CV-12-9667-00CL

**DATE: 20121212** 

## SUPERIOR COURT OF JUSTICE - ONTARIO (COMMERCIAL LIST)

RE:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT

ACT, R.S.C. 1985, c. C-36, AS AMENDED

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Paul Emerson, for ACE/Chubb

Sam Sasso, for Travelers

**HEARD:** 

**DECEMBER 7, 2012** 

**ENDORSED: DECEMBER 10, 2012** 

**REASONS: DECEMBER 12, 2012** 

#### **ENDORSEMENT**

[1] On December 10, 2012, I released an endorsement granting this motion with reasons to follow. These are those reasons.

#### Overview

- [2] The Applicant, Sino-Forest Corporation ("SFC"), seeks an order sanctioning (the "Sanction Order") a plan of compromise and reorganization dated December 3, 2012 as modified, amended, varied or supplemented in accordance with its terms (the "Plan") pursuant to section 6 of the Companies' Creditors Arrangement Act ("CCAA").
- [3] With the exception of one party, SFC's position is either supported or is not opposed.
- [4] Invesco Canada Ltd., Northwest & Ethical Investments LP and Comité Syndicale Nationale de Retraite Bâtirente Inc. (collectively, the "Funds") object to the proposed Sanction Order. The Funds requested an adjournment for a period of one month. I denied the Funds' adjournment request in a separate endorsement released on December 10, 2012 (Re Sino-Forest Corporation, 2012 ONSC 7041). Alternatively, the Funds requested that the Plan be altered so as to remove Article 11 "Settlement of Claims Against Third Party Defendants".
- [5] The defined terms have been taken from the motion record.
- [6] SFC's counsel submits that the Plan represents a fair and reasonable compromise reached with SFC's creditors following months of negotiation. SFC's counsel submits that the Plan, including its treatment of holders of equity claims, complies with CCAA requirements and is consistent with this court's decision on the equity claims motions (the "Equity Claims Decision") (2012 ONSC 4377, 92 C.B.R. (5th) 99), which was subsequently upheld by the Court of Appeal for Ontario (2012 ONCA 816).

- [7] Counsel submits that the classification of creditors for the purpose of voting on the Plan was proper and consistent with the CCAA, existing law and prior orders of this court, including the Equity Claims Decision and the Plan Filing and Meeting Order.
- [8] The Plan has the support of the following parties:
  - (a) the Monitor;
  - (b) SFC's largest creditors, the Ad Hoc Committee of Noteholders (the "Ad Hoc Noteholders");
  - (c) Ernst & Young LLP ("E&Y");
  - (d) BDO Limited ("BDO"); and
  - (e) the Underwriters.
- [9] The Ad Hoc Committee of Purchasers of the Applicant's Securities (the "Ad Hoc Securities Purchasers Committee", also referred to as the "Class Action Plaintiffs") has agreed not to oppose the Plan. The Monitor has considered possible alternatives to the Plan, including liquidation and bankruptcy, and has concluded that the Plan is the preferable option.
- [10] The Plan was approved by an overwhelming majority of Affected Creditors voting in person or by proxy. In total, 99% in number, and greater than 99% in value, of those Affected Creditors voting favoured the Plan.
- [11] Options and alternatives to the Plan have been explored throughout these proceedings. SFC carried out a court-supervised sales process (the "Sales Process"), pursuant to the sales process order (the "Sales Process Order"), to seek out potential qualified strategic and financial purchasers of SFC's global assets. After a canvassing of the market, SFC determined that there were no qualified purchasers offering to acquire its assets for qualified consideration ("Qualified Consideration"), which was set at 85% of the value of the outstanding amount owing under the notes (the "Notes").
- [12] SFC's counsel submits that the Plan achieves the objective stated at the commencement of the CCAA proceedings (namely, to provide a "clean break" between the business operations of the global SFC enterprise as a whole ("Sino-Forest") and the problems facing SFC, with the aspiration of saving and preserving the value of SFC's underlying business for the benefit of SFC's creditors).

#### **Facts**

[13] SFC is an integrated forest plantation operator and forest products company, with most of its assets and the majority of its business operations located in the southern and eastern regions of the People's Republic of China ("PRC"). SFC's registered office is located in Toronto and its principal business office is located in Hong Kong.

- [14] SFC is a holding company with six direct subsidiaries (the "Subsidiaries") and an indirect majority interest in Greenheart Group Limited (Bermuda), a publicly-traded company. Including SFC and the Subsidiaries, there are 137 entities that make up Sino-Forest: 67 companies incorporated in PRC, 58 companies incorporated in British Virgin Islands, 7 companies incorporated in Hong Kong, 2 companies incorporated in Canada and 3 companies incorporated elsewhere.
- [15] On June 2, 2011, Muddy Waters LLC ("Muddy Waters"), a short-seller of SFC's securities, released a report alleging that SFC was a "near total fraud" and a "Ponzi scheme". SFC subsequently became embroiled in multiple class actions across Canada and the United States and was subjected to investigations and regulatory proceedings by the Ontario Securities Commission ("OSC"), Hong Kong Securities and Futures Commission and the Royal Canadian Mounted Police.
- [16] SFC was unable to file its 2011 third quarter financial statements, resulting in a default under its note indentures.
- [17] Following extensive arm's length negotiations between SFC and the Ad Hoc Noteholders, the parties agreed on a framework for a consensual resolution of SFC's defaults under its note indentures and the restructuring of its business. The parties ultimately entered into a restructuring support agreement (the "Support Agreement") on March 30, 2012, which was initially executed by holders of 40% of the aggregate principal amount of SFC's Notes. Additional consenting noteholders subsequently executed joinder agreements, resulting in noteholders representing a total of more than 72% of aggregate principal amount of the Notes agreeing to support the restructuring.
- [18] The restructuring contemplated by the Support Agreement was commercially designed to separate Sino-Forest's business operations from the problems facing the parent holding company outside of PRC, with the intention of saving and preserving the value of SFC's underlying business. Two possible transactions were contemplated:
  - (a) First, a court-supervised Sales Process to determine if any person or group of persons would purchase SFC's business operations for an amount in excess of the 85% Qualified Consideration;
  - (b) Second, if the Sales Process was not successful, a transfer of six immediate holding companies (that own SFC's operating business) to an acquisition vehicle to be owned by Affected Creditors in compromise of their claims against SFC. Further, the creation of a litigation trust (including funding) (the "Litigation Trust") to enable SFC's litigation claims against any person not otherwise released within the CCAA proceedings, preserved and pursued for the benefit of SFC's stakeholders in accordance with the Support Agreement (concurrently, the "Restructuring Transaction").
- [19] SFC applied and obtained an initial order under the CCAA on March 30, 2012 (the "Initial Order"), pursuant to which a limited stay of proceedings ("Stay of Proceedings") was also granted in respect of the Subsidiaries. The Stay of Proceedings was subsequently extended

by orders dated May 31, September 28, October 10, and November 23, 2012, and unless further extended, will expire on February 1, 2013.

- [20] On March 30, 2012, the Sales Process Order was granted. While a number of Letters of Intent were received in respect of this process, none were qualified Letters of Intent, because none of them offered to acquire SFC's assets for the Qualified Consideration. As such, on July 10, 2012, SFC announced the termination of the Sales Process and its intention to proceed with the Restructuring Transaction.
- [21] On May 14, 2012, this court granted an order (the "Claims Procedure Order") which approved the Claims Process that was developed by SFC in consultation with the Monitor.
- [22] As of the date of filing, SFC had approximately \$1.8 billion of principal amount of debt owing under the Notes, plus accrued and unpaid interest. As of May 15, 2012, Noteholders holding in aggregate approximately 72% of the principal amount of the Notes, and representing more than 66.67% of the principal amount of each of the four series of Notes, agreed to support the Plan.
- [23] After the Muddy Waters report was released, SFC and certain of its officers, directors and employees, along with SFC's former auditors, technical consultants and Underwriters involved in prior equity and debt offerings, were named as defendants in a number of proposed class action lawsuits. Presently, there are active proposed class actions in four jurisdictions: Ontario, Quebec, Saskatchewan and New York (the "Class Action Claims").
- [24] The Labourers v. Sino-Forest Corporation Class Action (the "Ontario Class Action") was commenced in Ontario by Koskie Minsky LLP and Siskinds LLP. It has the following two components: first, there is a shareholder claim (the "Shareholder Class Action Claims") brought on behalf of current and former shareholders of SFC seeking damages in the amount of \$6.5 billion for general damages, \$174.8 million in connection with a prospectus issued in June 2007, \$330 million in relation to a prospectus issued in June 2009, and \$319.2 million in relation to a prospectus issued in December 2009; second, there is a \$1.8 billion noteholder claim (the "Noteholder Class Action Claims") brought on behalf of former holders of SFC's Notes. The noteholder component seeks damages for loss of value in the Notes.
- [25] The Quebec Class Action is similar in nature to the Ontario Class Action, and both plaintiffs filed proof of claim in this proceeding. The plaintiffs in the Saskatchewan Class Action did not file a proof of claim in this proceeding, whereas the plaintiffs in the New York Class Action did file a proof of claim in this proceeding. A few shareholders filed proofs of claim separately, but no proof of claim was filed by the Funds.
- [26] In this proceeding, the Ad Hoc Securities Purchasers Committee represented by Siskinds LLP, Koskie Minsky, and Paliare Roland Rosenberg Rothstein LLP has appeared to represent the interests of the shareholders and noteholders who have asserted Class Action Claims against SFC and others.
- [27] Since 2000, SFC has had the following two auditors ("Auditors"): E&Y from 2000 to 2004 and 2007 to 2012 and BDO from 2005 to 2006.

- [28] The Auditors have asserted claims against SFC for contribution and indemnity for any amounts paid or payable in respect of the Shareholder Class Action Claims, with each of the Auditors having asserted claims in excess of \$6.5 billion. The Auditors have also asserted indemnification claims in respect the Noteholder Class Action Claims.
- [29] The Underwriters have similarly filed claims against SFC seeking contribution and indemnity for the Shareholder Class Action Claims and Noteholder Class Action Claims.
- [30] The Ontario Securities Commission ("OSC") has also investigated matters relating to SFC. The OSC has advised that they are not seeking any monetary sanctions against SFC and are not seeking monetary sanctions in excess of \$100 million against SFC's directors and officers (this amount was later reduced to \$84 million).
- [31] SFC has very few trade creditors by virtue of its status as a holding company whose business is substantially carried out through its Subsidiaries in PRC and Hong Kong.
- [32] On June 26, 2012, SFC brought a motion for an order declaring that all claims made against SFC arising in connection with the ownership, purchase or sale of an equity interest in SFC and related indemnity claims to be "equity claims" (as defined in section 2 of the CCAA). These claims encapsulate the commenced Shareholder Class Action Claims asserted against SFC. The Equity Claims Decision did not purport to deal with the Noteholder Class Action Claims.
- [33] In reasons released on July 27, 2012, I granted the relief sought by SFC in the Equity Claims Decision, finding that the "the claims advanced in the shareholder claims are clearly equity claims." The Auditors and Underwriters appealed the decision and on November 23, 2012, the Court of Appeal for Ontario dismissed the appeal.
- [34] On August 31, 2012, an order was issued approving the filing of the Plan (the "Plan Filing and Meeting Order").
- [35] According to SFC's counsel, the Plan endeavours to achieve the following purposes:
  - (a) to effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all affected claims;
  - (b) to effect the distribution of the consideration provided in the Plan in respect of proven claims;
  - (c) to transfer ownership of the Sino-Forest business to Newco and then to Newco II, in each case free and clear of all claims against SFC and certain related claims against the Subsidiaries so as to enable the Sino-Forest business to continue on a viable, going concern basis for the benefit of the Affected Creditors; and
  - (d) to allow Affected Creditors and Noteholder Class Action Claimants to benefit from contingent value that may be derived from litigation claims to be advanced by the litigation trustee.

- [36] Pursuant to the Plan, the shares of Newco ("Newco Shares") will be distributed to the Affected Creditors. Newco will immediately transfer the acquired assets to Newco II.
- [37] SFC's counsel submits that the Plan represents the best available outcome in the circumstances and those with an economic interest in SFC, when considered as a whole, will derive greater benefit from the implementation of the Plan and the continuation of the business as a going concern than would result from bankruptcy or liquidation of SFC. Counsel further submits that the Plan fairly and equitably considers the interests of the Third Party Defendants, who seek indemnity and contribution from SFC and its Subsidiaries on a contingent basis, in the event that they are found to be liable to SFC's stakeholders. Counsel further notes that the three most significant Third Party Defendants (E&Y, BDO and the Underwriters) support the Plan.
- [38] SFC filed a version of the Plan in August 2012. Subsequent amendments were made over the following months, leading to further revised versions in October and November 2012, and a final version dated December 3, 2012 which was voted on and approved at the meeting. Further amendments were made to obtain the support of E&Y and the Underwriters. BDO availed itself of those terms on December 5, 2012.
- [39] The current form of the Plan does not settle the Class Action Claims. However, the Plan does contain terms that would be engaged if certain conditions are met, including if the class action settlement with E&Y receives court approval.
- [40] Affected Creditors with proven claims are entitled to receive distributions under the Plan of (i) Newco Shares, (ii) Newco notes in the aggregate principal amount of U.S. \$300 million that are secured and guaranteed by the subsidiary guarantors (the "Newco Notes"), and (iii) Litigation Trust Interests.
- [41] Affected Creditors with proven claims will be entitled under the Plan to: (a) their pro rata share of 92.5% of the Newco Shares with early consenting noteholders also being entitled to their pro rata share of the remaining 7.5% of the Newco Shares; and (b) their pro rata share of the Newco Notes. Affected Creditors with proven claims will be concurrently entitled to their pro rata share of 75% of the Litigation Trust Interests; the Noteholder Class Action Claimants will be entitled to their pro rata share of the remaining 25% of the Litigation Trust Interests.
- [42] With respect to the indemnified Noteholder Class Action Claims, these relate to claims by former noteholders against third parties who, in turn, have alleged corresponding indemnification claims against SFC. The Class Action Plaintiffs have agreed that the aggregate amount of those former noteholder claims will not exceed the Indemnified Noteholder Class Action Limit of \$150 million. In turn, indemnification claims of Third Party Defendants against SFC with respect to indemnified Noteholder Class Action Claims are also limited to the \$150 million Indemnified Noteholder Class Action Limit.
- [43] The Plan includes releases for, among others, (a) the subsidiary; (b) the Underwriters' liability for Noteholder Class Action Claims in excess of the Indemnified Noteholder Class Action Limit; (c) E&Y in the event that all of the preconditions to the E&Y settlement with the Ontario Class Action plaintiffs are met; and (d) certain current and former directors and officers of SFC (collectively, the "Named Directors and Officers"). It was emphasized that non-released

D&O Claims (being claims for fraud or criminal conduct), conspiracy claims and section 5.1 (2) D&O Claims are not being released pursuant to the Plan.

- [44] The Plan also contemplates that recovery in respect of claims of the Named Directors and Officers of SFC in respect of any section 5.1 (2) D&O Claims and any conspiracy claims shall be directed and limited to insurance proceeds available from SFC's maintained insurance policies.
- [45] The meeting was carried out in accordance with the provisions of the Plan Filing and Meeting Order and that the meeting materials were sent to stakeholders in the manner required by the Plan Filing and Meeting Order. The Plan supplement was authorized and distributed in accordance with the Plan Filing and Meeting Order.
- [46] The meeting was ultimately held on December 3, 2012 and the results of the meeting were as follows:
  - (a) the number of voting claims that voted on the Plan and their value for and against the Plan;
  - (b) The results of the Meeting were as follows:
    - a. the number of Voting Claims that voted on the Plan and their value for and against the Plan:

|                             | Number of Votes | 1%      | Value of Votes      | %       |
|-----------------------------|-----------------|---------|---------------------|---------|
| Total Claims Voting For     | 250             | 98.81%  | \$<br>1,465,766,204 | 99.97%  |
| Total Claims Voting Against | 3               | 1.19%   | \$<br>414,087       | 0.03%   |
| Total Claims Voting         | 253             | 100.00% | \$<br>1,466,180,291 | 100.00% |

b. the number of votes for and against the Plan in connection with Class Action Indemnity Claims in respect of Indemnified Noteholder Class Action Claims up to the Indemnified Noteholder Limit:

|                               | Vote For | Vote Against | Total Votes |
|-------------------------------|----------|--------------|-------------|
| Class Action Indemnity Claims | 4        | 1            | 5           |

c. the number of Defence Costs Claims votes for and against the Plan and their value:

|                             | Number of Votes | ٠/،     | Value of Votes  | %       |
|-----------------------------|-----------------|---------|-----------------|---------|
| Total Claims Voting For     | 12              | 92.31%  | \$<br>8,375,016 | 96.10%  |
| Total Claims Voting Against | 1               | 7.69%   | \$<br>340,000   | 3.90%   |
| Total Claims Voting         | 13              | 100.00% | \$<br>8,715,016 | 100.00% |

d. the overall impact on the approval of the Plan if the count were to include Total Unresolved Claims (including Defence Costs Claims) and, in order to demonstrate the "worst case scenario" if the entire \$150 million of the Indemnified Noteholder Class Action Limit had been voted a "no" vote (even though 4 of 5 votes were "yes" votes and the remaining "no" vote was from BDO, who has now agreed to support the Plan):

|                             | Number of Votes | %       | Value of Votes      | %       |
|-----------------------------|-----------------|---------|---------------------|---------|
| Total Claims Voting For     | 263             | 98.50%  | \$<br>1,474,149,082 | 90.72%  |
| Total Claims Voting Against | 4               | 1.50%   | \$<br>150,754,087   | 9.28%   |
| Total Claims Voting         | 267             | 100.00% | \$<br>1,624,903,169 | 100.00% |

- [47] E&Y has now entered into a settlement ("E&Y Settlement") with the Ontario plaintiffs and the Quebec plaintiffs, subject to several conditions and approval of the E&Y Settlement itself.
- [48] As noted in the endorsement dated December 10, 2012, which denied the Funds' adjournment request, the E&Y Settlement does not form part of the Sanction Order and no relief is being sought on this motion with respect to the E&Y Settlement. Rather, section 11.1 of the Plan contains provisions that provide a framework pursuant to which a release of the E&Y claims under the Plan will be effective if several conditions are met. That release will only be granted if all conditions are met, including further court approval.
- [49] Further, SFC's counsel acknowledges that any issues relating to the E&Y Settlement, including fairness, continuing discovery rights in the Ontario Class Action or Quebec Class Action, or opt out rights, are to dealt with at a further court-approval hearing.

### Law and Argument

- [50] Section 6(1) of the CCAA provides that courts may sanction a plan of compromise if the plan has achieved the support of a majority in number representing two-thirds in value of the creditors.
- [51] To establish the court's approval of a plan of compromise, the debtor company must establish the following:
  - (a) there has been strict compliance with all statutory requirements and adherence to previous orders of the court;
  - (b) nothing has been done or purported to be done that is not authorized by the CCAA; and
  - (c) the plan is fair and reasonable.

(See *Re Canadian Airlines Corporation*, 2000 ABQB 442, leave to appeal denied, 2000 ABCA 238, aff'd 2001 ABCA 9, leave to appeal to SCC refused July 21, 2001, [2001] S.C.C.A. No. 60 and Re Nelson Financial Group Limited, 2011 ONSC 2750, 79 C.B.R. (5th) 307).

- [52] SFC submits that there has been strict compliance with all statutory requirements.
- [53] On the initial application, I found that SFC was a "debtor company" to which the CCAA applies. SFC is a corporation continued under the *Canada Business Corporations Act* ("CBCA") and is a "company" as defined in the CCAA. SFC was "reasonably expected to run out of

liquidity within a reasonable proximity of time" prior to the Initial Order and, as such, was and continues to be insolvent. SFC has total claims and liabilities against it substantially in excess of the \$5 million statutory threshold.

- [54] The Notice of Creditors' Meeting was sent in accordance with the Meeting Order and the revised Noteholder Mailing Process Order and, further, the Plan supplement and the voting procedures were posted on the Monitor's website and emailed to each of the ordinary Affected Creditors. It was also delivered by email to the Trustees and DTC, as well as to Globic who disseminated the information to the Registered Noteholders. The final version of the Plan was emailed to the Affected Creditors, posted on the Monitor's website, and made available for review at the meeting.
- [55] SFC also submits that the creditors were properly classified at the meeting as Affected Creditors constituted a single class for the purposes of considering the voting on the Plan. Further, and consistent with the Equity Claims Decision, equity claimants constituted a single class but were not entitled to vote on the Plan. Unaffected Creditors were not entitled to vote on the Plan.
- [56] Counsel submits that the classification of creditors as a single class in the present case complies with the commonality of interests test. See *Re Canadian Airlines Corporation*.
- [57] Courts have consistently held that relevant interests to consider are the legal interests of the creditors hold *qua* creditor in relationship to the debtor prior to and under the plan. Further, the commonality of interests should be considered purposively, bearing in mind the object of the CCAA, namely, to facilitate reorganizations if possible. See *Stelco Inc.* (2005), 78 O.R. (3d) 241 (Ont. C.A.), *Re Canadian Airlines Corporation*, and *Re Nortel Networks Corporation* (2009) O.J. No. 2166 (Ont. S.C.). Further, courts should resist classification approaches that potentially jeopardize viable plans.
- [58] In this case, the Affected Creditors voted in one class, consistent with the commonality of interests among Affected Creditors, considering their legal interests as creditors. The classification was consistent with the Equity Claims Decision.
- [59] I am satisfied that the meeting was properly constituted and the voting was properly carried out. As described above, 99% in number, and more than 99% in value, voting at the meeting favoured the Plan.
- [60] SFC's counsel also submits that SFC has not taken any steps unauthorized by the CCAA or by court orders. SFC has regularly filed affidavits and the Monitor has provided regular reports and has consistently opined that SFC is acting in good faith and with due diligence. The court has so ruled on this issue on every stay extension order that has been granted.
- [61] In Nelson Financial, I articulated relevant factors on the sanction hearing. The following list of factors is similar to those set out in Re Canwest Global Communications Corporation, 2010 ONSC 4209, 70 C.B.R. (5th) 1:

- 1. The claims must have been properly classified, there must be no secret arrangements to give an advantage to a creditor or creditor; the approval of the plan by the requisite majority of creditors is most important;
- 2. It is helpful if the Monitor or some other disinterested person has prepared an analysis of anticipated receipts and liquidation or bankruptcy;
- 3. If other options or alternatives have been explored and rejected as workable, this will be significant;
- 4. Consideration of the oppression rights of certain creditors; and
- 5. Unfairness to shareholders.
- 6. The court will consider the public interest.
- [62] The Monitor has considered the liquidation and bankruptcy alternatives and has determined that it does not believe that liquidation or bankruptcy would be a preferable alternative to the Plan. There have been no other viable alternatives presented that would be acceptable to SFC and to the Affected Creditors. The treatment of shareholder claims and related indemnity claims are, in my view, fair and consistent with CCAA and the Equity Claims Decision.
- [63] In addition, 99% of Affected Creditors voted in favour of the Plan and the Ad Hoc Securities Purchasers Committee have agreed not to oppose the Plan. I agree with SFC's submission to the effect that these are exercises of those parties' business judgment and ought not to be displaced.
- [64] I am satisfied that the Plan provides a fair and reasonable balance among SFC's stakeholders while simultaneously providing the ability for the Sino-Forest business to continue as a going concern for the benefit of all stakeholders.
- [65] The Plan adequately considers the public interest. I accept the submission of counsel that the Plan will remove uncertainty for Sino-Forest's employees, suppliers, customers and other stakeholders and provide a path for recovery of the debt owed to SFC's non-subordinated creditors. In addition, the Plan preserves the rights of aggrieved parties, including SFC through the Litigation Trust, to pursue (in litigation or settlement) those parties that are alleged to share some or all of the responsibility for the problems that led SFC to file for CCAA protection. In addition, releases are not being granted to individuals who have been charged by OSC staff, or to other individuals against whom the Ad Hoc Securities Purchasers Committee wishes to preserve litigation claims.
- [66] In addition to the consideration that is payable to Affected Creditors, Early Consent Noteholders will receive their *pro rata* share of an additional 7.5% of the Newco Shares ("Early Consent Consideration"). Plans do not need to provide the same recovery to all creditors to be considered fair and reasonable and there are several plans which have been sanctioned by the courts featuring differential treatment for one creditor or one class of creditors. See, for example, *Camvest Global* and *Re Armbro Enterprises Inc.* (1993), 22 C.B.R. (3d) 80 (Ont. Gen.

- Div.). A common theme permeating such cases has been that differential treatment does not necessarily result in a finding that the Plan is unfair, as long as there is a sufficient rational explanation.
- [67] In this case, SFC's counsel points out that the Early Consent Consideration has been a feature of the restructuring since its inception. It was made available to any and all noteholders and noteholders who wished to become Early Consent Noteholders were invited and permitted to do so until the early consent deadline of May 15, 2012. I previously determined that SFC made available to the noteholders all information needed to decide whether they should sign a joinder agreement and receive the Early Consent Consideration, and that there was no prejudice to the noteholders in being put to that election early in this proceeding.
- [68] As noted by SFC's counsel, there was a rational purpose for the Early Consent Consideration. The Early Consent Noteholders supported the restructuring through the CCAA proceedings which, in turn, provided increased confidence in the Plan and facilitated the negotiations and approval of the Plan. I am satisfied that this feature of the Plan is fair and reasonable.
- [69] With respect to the Indemnified Noteholder Class Action Limit, I have considered SFC's written submissions and accept that the \$150 million agreed-upon amount reflects risks faced by both sides. The selection of a \$150 million cap reflects the business judgment of the parties making assessments of the risk associated with the noteholder component of the Ontario Class Action and, in my view, is within the "general range of acceptability on a commercially reasonable basis". See *Re Ravelston Corporation*, (2005) 14 C.B.R. (5<sup>th</sup>) 207 (Ont. S.C). Further, as noted by SFC's counsel, while the New York Class Action Plaintiffs filed a proof of claim, they have not appeared in this proceeding and have not stated any opposition to the Plan, which has included this concept since its inception.
- [70] Turning now to the issue of releases of the Subsidiaries, counsel to SFC submits that the unchallenged record demonstrates that there can be no effective restructuring of SFC's business and separation from its Canadian parent if the claims asserted against the Subsidiaries arising out of or connected to claims against SFC remain outstanding. The Monitor has examined all of the releases in the Plan and has stated that it believes that they are fair and reasonable in the circumstances.
- [71] The Court of Appeal in ATB Financial v. Metcalfe & Mansfield Alternative Investments II Corporation, 2008 ONCA 587, 45 C.B.R. (5th) 163 stated that the "court has authority to sanction plans incorporating third party releases that are reasonably related to the proposed restructuring".
- [72] In this case, counsel submits that the release of Subsidiaries is necessary and essential to the restructuring of SFC. The primary purpose of the CCAA proceedings was to extricate the business of Sino-Forest, through the operation of SFC's Subsidiaries (which were protected by the Stay of Proceedings), from the cloud of uncertainty surrounding SFC. Accordingly, counsel submits that there is a clear and rational connection between the release of the Subsidiaries in the Plan. Further, it is difficult to see how any viable plan could be made that does not cleanse the Subsidiaries of the claims made against SFC.

- [73] Counsel points out that the Subsidiaries who are to have claims against them released are contributing in a tangible and realistic way to the Plan. The Subsidiaries are effectively contributing their assets to SFC to satisfy SFC's obligations under their guarantees of SFC's note indebtedness, for the benefit of the Affected Creditors. As such, counsel submits the releases benefit SFC and the creditors generally.
- [74] In my view, the basis for the release falls within the guidelines previously set out by this court in ATB Financial, Re Nortel Networks, 2010 ONSC 1708, and Re Kitchener Frame Limited, 2012 ONSC 234, 86 C.B.R. (5th) 274. Further, it seems to me that the Plan cannot succeed without the releases of the Subsidiaries. I am satisfied that the releases are fair and reasonable and are rationally connected to the overall purpose of the Plan.
- [75] With respect to the Named Directors and Officers release, counsel submits that this release is necessary to effect a greater recovery for SFC's creditors, rather than having those directors and officers assert indemnity claims against SFC. Without these releases, the quantum of the unresolved claims reserve would have to be materially increased and, to the extent that any such indemnity claim was found to be a proven claim, there would have been a corresponding dilution of consideration paid to Affected Creditors.
- [76] It was also pointed out that the release of the Named Directors and Officers is not unlimited; among other things, claims for fraud or criminal conduct, conspiracy claims, and section 5.1 (2) D&O Claims are excluded.
- [77] I am satisfied that there is a reasonable connection between the claims being compromised and the Plan to warrant inclusion of this release.
- [78] Finally, in my view, it is necessary to provide brief comment on the alternative argument of the Funds, namely, the Plan be altered so as to remove Article 11 "Settlement of Claims Against Third Party Defendants". The Plan was presented to the meeting with Article 11 in place. This was the Plan that was subject to the vote and this is the Plan that is the subject of this motion. The alternative proposed by the Funds was not considered at the meeting and, in my view, it is not appropriate to consider such an alternative on this motion.

#### Disposition

- [79] Having considered the foregoing, I am satisfied that SFC has established that:
  - (i) there has been strict compliance with all statutory requirements and adherence to the previous orders of the court;
  - (ii) nothing has been done or purported to be done that is not authorized by the CCAA; and
  - (iii) the Plan is fair and reasonable.

## - Page 14 -

[80] Accordingly, the motion is granted and the Plan is sanctioned. An order has been signed substantially in the form of the draft Sanction Order.

MORAWETZ J.

Date: December 12, 2012

This is Exhibit "F" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.



Court File No.: CV-11-431153-00CP

## ONTARIO SUPERIOR COURT OF JUSTICE

| THE HONOURABLE | )               | THURSDAY, THE 17 <sup>th</sup> DAY |
|----------------|-----------------|------------------------------------|
| JUSTICE PERELL | ) <i>f</i><br>) | OF MAY, 2012                       |

#### BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC, and BANC OF AMERICA SECURITIES LLC

**Defendants** 

Proceeding under the Class Proceedings Act, 1992

#### ORDER

**THIS MOTION**, made by the Plaintiffs for an Order approving the terms of a litigation funding agreement entered into with Claims Funding International (the "Funding Agreement"), was heard on May 17, 2012;

ON READING the materials filed by each of the parties, and on hearing the submissions of counsel for the parties concerning whether the Funding Agreement should be approved, and if so, upon what terms;

#### 1. THIS COURT ORDERS that:

- (a) The Funding Agreement is approved, subject to the terms and conditions herein;
- (b) Claims Funding International ("CFI") shall pay into court the following amounts as security for the Defendants' costs of this proceeding, on the dates specified:
  - (i) \$750,000 CDN on or before June 17, 2012;
  - (ii) An additional \$1,500,000 CDN by no later than 30 days after any order certifying this proceeding as a class proceeding under the *Class Proceedings Act*, 1992, SO 1992, c 6; and
  - (iii) An additional \$3,750,000 CDN by no later than 90 days prior to the scheduled trial date;
- (c) Each of the amounts specified in (b) shall be paid into court in the form of cash, certified cheque, or money order, or the posting by CFI of an irrevocable letter of credit in a form acceptable to the Plaintiffs and their counsel, and also to the Accountant of the Superior Court of Justice;
- (d) Counsel for the Plaintiffs shall notify counsel for the Defendants forthwith upon the posting of security in accordance with the terms of this Order;
- (e) If CFI fails to provide security in accordance with the terms of this Order the Defendants or any of them are at liberty to bring a motion on short notice to have the action stayed or dismissed;
- (f) CFI submits and attorns to the jurisdiction of the Ontario Superior Court of Justice for all purposes related to this litigation, including in relation to the enforcement of any costs order made in favour of the Defendants or any of them;

- (g) Amounts posted pursuant to this Order shall be paid out to the Defendants in accordance with Rule 72.03 of the *Rules of Civil Procedure*, or as ordered by this Court;
- (h) The Defendants or any of them shall be at liberty to seek to vary this Order at any time to increase the amount of security required to be posted by CFI;
- (i) Nothing in this Order shall be interpreted as limiting the ability of the Defendants or any of them to seek to enforce any costs award against either the Plaintiffs or CFI;
- (j) Subject to further Court Order, no evidence obtained from a Defendant may be provided to CFI without the written consent of the Defendant from whom the evidence was obtained. To the extent any evidence obtained from the Defendants is provided to CFI, then CFI shall be bound by Rule 30.1.01 of the *Rules of Civil Procedure* and shall be deemed to be a party for the purposes of that Rule; and
- (k) The Plaintiffs may communicate to CFI any formal settlement offers made by the Defendants, and those communications and their contents shall be kept confidential pursuant to section 5 of the Funding Agreement.

EMERICA CONTRACTOR A CONTRACTOR AND CONTRACTOR AND

The Honourable Justice Perell

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en mad voja ma Alma od populski nak Bladejo The Trustees of the Labourer's Pension Fund and Sino-Forest Corporation, et al. of Central and Eastern Canada, et al.

Plaintiffs Defendants

Court File No: CV-11-431153-00CP

# ONTARIO SUPERIOR COURT OF JUSTICE

Proceedings Under the Class Proceedings Act, 1992

Proceeding commenced at Toronto

# ORDER (Funding Agreement Approval)

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Lawyers for the Plaintiffs

This is Exhibit "G" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.



## Muddy Waters, LLC

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Director of Research: Carson C. Block, Esq.

#### Disclaimer:

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#### Company:

Sino-Forest Corporation (TRE.TO, OTC: SNOFF)

#### Industry:

Forestry

#### Recommendation:

Strong Sell

#### **Estimated Value:**

< \$1.00

#### **Report Date:**

June 2, 2011

Price:

\$18.21

#### Market Cap:

4.2 billion

#### Float:

4 billion

### Avg Volume:

1.4 million

- Like Madoff, TRE is one of the rare frauds that is committed by an established institution. In TRE's case, its early start as an RTO fraud, luck, and deft navigation enabled it to grow into an institution whose "quality management" consistently delivered on earnings growth.
- TRE, which was probably conceived as another short-lived Canadian-listed resources pump and dump, was aggressively committing fraud since its RTO in 1995.
- The foundation of TRE's fraud is its convoluted structure whereby it runs most of its revenues through "authorized intermediaries" ("AI"). AIs supposedly process TRE's tax payments, which ensures that TRE leaves its auditors far less of a paper trail.
- On the other side of its books, TRE massively exaggerates its assets. We present smoking gun evidence that TRE overstated its Yunnan timber investments by approximately \$900 million.
- TRE relies on Jakko Poyry to produce reports that give it legitimacy. TRE provides fraudulent data to Poyry, which produces reports that do nothing to ensure that TRE is legitimate.
- TRE's capital raising is a multi-billion dollar ponzi scheme, and accompanied by substantial theft.

#### Introduction

As Bernard Madoff reminds us, when an established institution commits fraud, the fraud can become stratospheric in size. Sino-Forest Corp. ("TRE") is such an established institutional fraud, becoming massive due to its early start, luck, and deft navigation. At nearly seven billion dollars in enterprise value, it will now end.

TRE started humbly – as a fraudulent company going public on the Toronto Venture Exchange via reverse takeover ("RTO"). Sixteen years later, Muddy Waters would be exposing its US-listed imitators – companies such as RINO, DGW, ONP, and CCME. It seems impossible that a Chinese RTO coming public in 2010 could ever get to where TRE did. But for many years, TRE sat barely noticed on the Toronto exchange. It was committing fraud from the very beginning; but, there were not enough similar frauds to raise investors' awareness.

Then in 2003, it changed its business model – moving to a level beyond standard capex schemes that most China frauds run. Its new model, purchasing trees, gave it limitless room for growing its fraudulent balance sheet and vacuuming up money from the capital markets. At the same time, China was becoming a major investment theme. TRE became more sophisticated – engaging Jakko Poyry to write valuation reports, all the while giving Poyry manipulated data and restricting its scope of work. Thus more and more investors are drawn into TRE's fraud every year as it falsifies timber investments and manipulates Poyry further. At some point, TRE became an institution – a seasoned stock with "quality management" that consistently grew earnings over more than a decade.

Were Muddy Waters not to have come along, it is likely that this fraud could have continued for a few more years and billions of dollars more. Solving this fraud was not easy. In order to conduct our research, we utilized a team of 10 persons who dedicated most to all of their time over two months to analyzing TRE. The team included professionals who focus on China from the disciplines of accounting, law, finance, and manufacturing. Our team read over 10,000 pages of documents in Chinese pertaining to the company. We deployed professional investigators to five cities. We retained four law firms as outside counsel to assist with our analysis. We are confident that we have brought more expertise, time, and money to bear in analyzing TRE than has any investor or bank — by a substantial margin.

#### **Executive Summary**

Sino-Forest Corp (TSE: TRE) is the granddaddy of China RTO frauds. It has always been a fraud – reporting excellent results from one of its early joint ventures – even though, because of TRE's default on its investment obligations, the JV never went into operation. TRE just lied.

The foundation of TRE's fraud is a convoluted structure whereby it claims to run most of its revenues through "authorized intermediaries" ("AI"). Als are supposedly timber trader customers who purportedly pay much of TRE's value added and income taxes. At the same time, these AIs allow TRE a gross margin of 55% on standing timber merely for TRE having speculated on trees. The sole purpose of this structure is to fabricate sales transactions while having an excuse for not having the VAT invoices that are the mainstay of China audit work. If TRE really were processing over one billion dollars in sales through AIs, TRE and the AIs would be in serious legal trouble. No legitimate public company would take such risks – particularly because this structure has zero upside.

TRE avoids disclosing the identities of all but one of its AIs "for competitive reasons." The one AI we know it has disclosed (at a credit analyst event in April 2011) is actually a connected party—to both TRE and one of its agents. Despite TRE's opacity on the revenue side, we have overwhelming evidence that the \$231.1 million in Yunnan province timber TRE claimed to sell is largely fabricated. Such amount exceeds TRE's real timber holdings in Yunnan province. It exceeds the applicable harvesting quotas by six times. Transporting the harvested logs would have required over 50,000 trucks driving on two-lane roads winding through the mountains from this remote region, which is far beyond belief (and likely road capacity).

On the other side of the books, TRE massively exaggerates its assets. TRE significantly falsifies its investments in plantation fiber (trees). It purports to have purchased \$2.891 billion in standing timber under master agreements since 2006. We have smoking gun evidence from Yunnan province that it overstated its purchases there by over \$800 million. Of the five agents we have been able to identify (TRE does not provide Chinese names), Yunnan appears to have the only legitimate agent. The other agents have histories and connections to TRE that make it obvious they did not purchase billions of dollars in timber for TRE. Further, the other agents appear to be laundering money for TRE – moving large amounts of money to an undisclosed subsidiary of TRE and a trading company that TRE does business with. We also see clear evidence that TRE has falsified its books – Chinese government records make clear that TRE would have had a capital hole of \$377 million to \$922 million if it were making the investments it claims.

TRE then feeds the fraudulent data to Poyry, while allowing Poyry access to only 0.3% of its purported timber holdings. TRE touts the valuation reports as evidence of its credibility. One fresh example occurred at TRE's annual general meeting on May 30, 2011. At the meeting, CFO David Horsley emphasized to the shareholders in attendance that Poyry teams spend "six personal weeks" in the field for the valuations. On a June 1, 2011 telephone call with analysts to discuss the Poyry report, Poyry clarified that four men spent six days in the field, which the Company calculates is approximately six man-weeks. Fortunately, it appears that in 2011 Poyry is becoming somewhat cautious about TRE using its name to bilk investors out of billions of dollars, and it has accordingly restricted how TRE may use the report.

TRE's claims to be "transparent" are interesting. Its offshore structure, which utilizes at least 20 British Virgin Island entities, is an unjustifiable black hole.

Auditors are far less effective in detecting fraud than most investors assume they are. The problem is that fraudsters are willing to forge documents. We show a suspicious letter from HSBC that was written on behalf of one of TRE's main subsidiaries, Sino-Wood Partners. We submitted this document to HSBC's department of fraud risk.

Another issue with auditors detecting fraud is that when the auditors are based in Canada, and the fraud is in China, the auditors are far less versed in the games fraudsters can play in China. As CCME and LFT show, even China offices of "Big Four" auditors have a number of issues detecting fraud. For most of its time as a public company, TRE's auditors have been Ernst & Young out of Canada. In TRE's case, the auditor problem morphs into another significant issue – that of TRE's poor corporate governance. TRE's board of directors appears to be the retirement plan for former Ernst & Young partners, and its audit committee members all fail PRC political,

<sup>&</sup>lt;sup>1</sup> Muddy Waters is proud to say that by this methodology, we spent two man-years researching TRE and preparing this report.

industry, and cultural knowledge tests.<sup>2</sup> A favorite trick of Chinese RTO frauds is to gain credibility by putting Westerners without Chinese skills or background into management or onto the board. TRE probably pioneered the practice.

No fraud is complete without the payoff. Its constant capital raising is a multi-billion dollar ponzi scheme. We see some evidence of how TRE is stealing the hundreds of millions of dollars that have entered the PRC. Its financial tunnels include an undisclosed subsidiary that seems to act as a magnet for payments from many of TRE's disclosed PRC subsidiaries and the agents that purportedly purchase timber for TRE.

#### Valuation

Because TRE has \$2.1 billion in debt outstanding, which we believe exceeds the potential recovery, we value its equity at less than \$1.00 per share.

#### Sino Forest Equity and Debt Estimated Values

Sino-Forest has raised a total \$3.05 billion from the capital markets. The capital structure consists of \$1.892 Billion of bonds outstanding<sup>3</sup>, Senior Secured Bank Loans of \$207 million (\$154.0 million from the Dec 31, 2010 financials and a new CNY 350 mil term facility. This makes debt outstanding \$2.100 Billion.

In addition, it has raised \$989 million of equity in shares sales going back to May 2004. Due to the SAIC filings, we know that a maximum of \$1.2 Billion of cash has been injected onshore.

The Company also has a 63% stake in its listed subsidiary Greenheart Group, however, because we have concerns about this company, we do not factor it into our valuation.

The equity/credit analysis valuation analysis is very difficult as a result of the inability to rely on the audited financials and our belief that the company has far fewer assets than it reports. In order to value the equity and the credit, one has to assume one of two scenarios, both of which assume an injection amount of \$1.2 Billion into China:

<sup>&</sup>lt;sup>2</sup> TRE Management Information Circular, May 11, 2011, pp. 32-33

|                  |       |          | Amt     |      |             |
|------------------|-------|----------|---------|------|-------------|
| Issuer           | Cpn   | Maturity | Out(M)  | Curr | Mty Type    |
| Sino-Forest Corp | 9.125 | 08/17/11 | 87,670  | USD  | BULLET      |
| Sino-Forest Corp | 5     | 08/01/13 | 345,000 | USD  | CONVERTIBLE |
| Sino-Forest Corp | 10.25 | 07/28/14 | 399,517 | USD  | BULLET      |
| Sino-Forest Corp | 4.25  | 12/15/16 | 460,000 | USD  | CONVERTIBLE |
| Sino-Forest Corp | 6.25  | 10/21/17 | 600,000 | USD  | CALLABLE    |

#### Scenario 1: Assets in China are accessible to creditors and shareholders

If the assets in China were accessible, the first thing that creditors would have to do would be sell the small forestry assets that the company has and attempt to recover any cash balances. Given the propensity for theft, we will be liberal and assume that the recovery from asset sales and cash seizures is 50% of the amount injected – roughly \$600 million. \$50 million would be used to pay back the onshore RMB denominated debt. The rest would then need to be repatriated via a capital reduction process with SAFE, the Chinese capital account regulator. At an absolute minimum, the cost of offshoring this money would be around 15%, giving us a total recovery bull case of \$467 million.

The offshore cash is not simply calculated by subtracted cash raised from cash moved into China. Management has been liberal with cash compensation. As well, they have spent \$54 million on their Greenheart stake, \$30 million in a consent payment for a bond exchange, and \$7 million paying off Ms. Chen on the Homix purchase. If the convoluted BVI structure has yet to be used for theft, then the offshore cash balance could be as high as \$1.5 Billion (Non-injected cash minus management compensation minus offshore acquisitions).

This gives us an asset base of \$1.967 Billion in the best case, which we believe to be unlikely. Versus the current outstanding offshore debt of \$1.893 Billion, the "real" best case net asset value is around \$92 million. Divided by the current number of shares outstanding – 245 million - that leaves a share value of approximately C\$0.38 at current exchange rates.

#### Scenario 2: Onshore Recovery of Zero.

Due to the time involved to actually change the legal representatives and liquidate collateral onshore, all the while chasing the cash balances and coordinating with authorities, historical precedent should show that there is little that can be done with onshore assets.

Using the above bull case of offshore assets, we estimate recovery for bondholders would be approximately 80 cents on the dollar, with a value of zero for the stock. Assuming that distressed investors target a 15% IRR (again, this would be extremely generous for a distressed Chinese credit), the absolute maximum an investor should be willing to pay for the credit is around 69 cents on the dollar. The recovery could be higher if less money was put into China.

Our belief is that the true recovery would be far lower, but without the aid of law enforcement, we will never really know how much money is there or where it went.

## I. TRE Was Always a Fraud.4

TRE was engaged in aggressive fraud from the time it went public. Between 1994 and 1996, it generated between 65% to 77% of its reported revenues from an equity joint venture<sup>5</sup> with the Leizhou Forestry Bureau. All of these numbers were fabricated. In reality, TRE breached its commitment to contribute equity capital to the EJV. TRE's conduct so incensed the Leizhou

<sup>&</sup>lt;sup>4</sup> Appendix A5 – Chinese and English translations available.

<sup>&</sup>lt;sup>5</sup> China has two classifications of Sino-Foreign joint ventures: equity joint ventures ('EJV") and cooperating joint ventures ("CJV"). The main difference is that in an EJV, profits and assets (upon winding up) are distributed in proportion to the parties' equity holdings. In a CJV, the parties may contract to divide the economics disproportionately to their equity interests.

Forestry Bureau that it filed with the Zhanjiang City Foreign and Economic Relations and Trade Commission ("COFTEC") a letter containing numerous grievances. We show this letter and a translation in Appendix A5. This letter and the rest of the EJV's SAIC file make clear that the EJV never achieved the any operation remotely close to that envisioned by the partners or described by TRE in its annual reports. Moreover, the Forestry Bureau accuses TRE of misappropriating cash through improper transactions.

In its 1997 annual report, TRE claims that its Heyuan and Guangxi CJV partners took over the (fictitious) wood chip business from the Leizhou EJV – even growing it by 193% that year. Considering the base year (1996) revenue was zero, we believe investors should assume that 1997 results from the CJVs were shy of \$16.1 million TRE reported.<sup>6</sup>

TRE's penultimate fraudulent act in Leizhou was to claim that the Leizhou Forestry Bureau reimbursed TRE \$12.43 million between 1999 and 2003 through a series of payments consisting of logs. This claim that the Forestry Bureau owed TRE in excess of \$10 million dollars was a gross exaggeration of the facts and contradicts the EJV's SAIC file, improperly adding \$12.43 to TRE's shareholders' equity. This type of phantom transaction would become the blueprint for TRE's massive fraud.

There was another critical outgrowth from the Leizhou EJV. Upon termination, TRE converted the company to a wholly foreign-owned enterprise ("WFOE"). The WFOE's business scope included "producing and selling wood products." TRE wound this company down in December 2003. This is the same year it began telling investors that it used AIs to handle its sales because it was not licensed to sell woodchips and wood based products domestically. In other words, TRE wound down a business that was licensed to sell wood chips; yet, at the same time was stating that it was forced to use AIs because none of its companies were licensed to sell woodchips in the domestic market. At that time, the Leizhou WFOE could have utilized this business to take over and carry out the proprietary sales of the wood chip and processed wood business. Essentially because TRE learned that it could successfully lie about operating a factory with a party known to shareholders, it went two steps further – lying about operating a trading business with a party unknown to shareholders.

#### Leizhou EJV - The Ghost of Ventures Past

The Leizhou EJV, the Zhanjiang Leizhou Eucalyptus Resources Development Co. Ltd., came into being on January 29<sup>th</sup>, 1994. TRE subscribed to 53% of the equity, which was to total \$10 million, and the total investment was established at \$25 million. TRE's obligation was straightforward; it would contribute 53% of the investment in cash (\$5.3 million) in phases. It was to inject 15% of the registered capital within three months of incorporation, and its portion of the balance of the registered capital within two years. It paid in one million dollars, which left a balance of \$4.3 million. The Forestry Bureau was to contribute forest assets of 3,533 ha (note that this greatly contradicts TRE's Canadian filings, which state 20,000 ha), and other assets. The articles of association show that the newly formed entity was created for the specific purposes of:

<sup>&</sup>lt;sup>6</sup> Annual Reports 1997 p. 21, 1998 p. 25

<sup>&</sup>lt;sup>7</sup> Leizhou WFOE business certificate April 12, 2000 See Appendix A10

<sup>&</sup>lt;sup>8</sup> 2003 Annual Information, p. 22

<sup>&</sup>lt;sup>9</sup> Leizhou EJV, Articles of Association, 1993 See Appendix A2

"Managing forests, wood processing, the production of wood products and wood chemical products, and establishing a production facility with an annual production capacity of 50,000 m<sup>3</sup> of Micro Density Fiber Board (MDF), managing a base of 120,000 mu (8,000 ha) of which the forest annual utilization would be 8,000 m<sup>3</sup>."<sup>10</sup>

The application included a detailed feasibility study for the MDF board production factory including financial analysis, market studies, and production plans totaling over sixty pages. Leizhou Forestry Bureau's expectation was that the factory would generate profit, provide valueadded manufacturing jobs, and introduce new technology and management knowhow. The articles also reveal a plan for the Leizhou Forest Bureau to make additional land available for harvesting and replanting that would total 8,000 ha (including the original 3,533 ha). This concept formed the basis of TRE's "phasing-in" program and was also utilized to inflate TRE's forest rights claims. However, the EJV never achieved "normal operations", and neither the plans for the manufacturing facility, nor any additional land utilization or forest acquisitions were executed. The signature of TRE's president, K.K. Poon on the amended articles evidences this fact. 11

The EJV's 1995 PRC Capital Verification Report (contained in the SAIC file) showed that the JV lost \$1.1 million (RMB 8,709,107). The audit report also shows inventory of only \$1,100 (RMB 9,000), which is hardly the level required to support an operation making weekly shipments of woodchips of approximately \$400,000, as claimed by TRE. 13 By mid-1995, TRE had still not injected the balance of investment. The Forestry Bureau solicited the local COFTEC<sup>14</sup> to send a formal notification reminding TRE of its obligation. By the time the contribution deadline arrived in January 1996, the TRE management team was incommunicado.<sup>15</sup> After the Jan 29, 1996 deadline lapsed, Allen Chan and Chan Shixing failed to respond to formal letters. They also skipped a Board meeting called to resolve the issues. 16

<sup>11</sup> Leizhou WFOE Amended Articles of Association, Appendix A3.

<sup>12 1995</sup> Annual Audit Report

<sup>&</sup>lt;sup>13</sup> In 1995, p. 13 of TRE's annual report claimed that TRE shipped out 204.2 BDMT of wood chips at an average price of \$103/BDMT. This equals \$21,032,600 USD, or approximately \$420,652 per week based

 <sup>&</sup>lt;sup>14</sup> Zhanjiang City Foreign and Economic Relations and Trade Commission.
 <sup>15</sup> Leizhou Forestry Bureau, Letter Requesting Termination of the EJV See Appendix A5.

<sup>&</sup>lt;sup>16</sup> Leizhou Forestry Bureau, Letter Requesting Termination of the EJV See Appendix A5.

However, in Canadian filings, the Leizhou EJV was white hot. TRE disclosed the following information regarding the EJV.

| Acco  | Calculated Leizhou EJV Annual Sales<br>According to Avg. Price and Qty in BDMT Reported by TRE |                        |          |                    |  |
|-------|------------------------------------------------------------------------------------------------|------------------------|----------|--------------------|--|
| Year  | BDMT (Thousands)                                                                               | Average price (USD/m³) | Amount [ | (Thousands<br>JSD) |  |
| 1994  | 156.3                                                                                          | 85                     | \$       | 13,286             |  |
| 1995  | 204.2                                                                                          | 103                    | \$       | 21,033             |  |
| 1996  | 212.5                                                                                          | 102                    | \$       | 21,675             |  |
| 1997  | 45                                                                                             | 98                     | \$       | 4,410              |  |
| Total | 618                                                                                            |                        | \$       | 60,403             |  |

Source: 1994 ~ 1997 Annual Reports

TRE took a bit of a victory lap in its 1996 Annual Report, when it congratulated itself on the Leizhou EJV completing three years of profitable operations. Moreover, the Company even claimed that the Leizhou EJV carried out \$412,000 of research and development that year. According to TRE, it was floating its partner (rather than the other way around) for \$15.0 million:

"The \$14,992,000 due from the LFB [Leizhou Forestry Bureau] represents cash collected from the sale of wood chips on behalf of the Leizhou EJV. As originally agreed to by Sino-Wood, the cash was being retained by the LFB to fund the ongoing plantation costs of the Leizhou EJV incurred by the LFB." 19

In 1998, the Leizhou Forestry Bureau finally lost its patience and submitted a letter to COFTEC containing numerous grievances, and requesting that the EJV be terminated.<sup>20</sup> In addition to grievances related to the failure to inject capital and develop the MDF board factory as planned, the Forestry Bureau accused TRE of improperly removing money and making payments to a third party with which the EJV had not done business:

"After paying one million dollars, the foreign party not only failed to fully fund the company, but also approved in its own name the gradual withdrawal of funds in the amount of RMB 4,141,045.02 RMB [approximately \$500,000], from the paid in capital provided by the company for the Joint Venture, among which \$270,000 USD was paid out to the Huadu Baixing Wood Products Factory (花都市百兴木制品厂), which has had no business relationship with the joint venture at all. This amount of money equals 47.6% of the money [TRE's] paid in capital. Although our side has almost entirely paid in the capital to which we subscribed (all but 0.9% of the subscription total), because of the limited contribution from the foreign party, and its withdrawal of a huge amount of money from among those funds it contributed, it is impossible to put into practice the project that the joint venture aimed to construct or set up and the intended production and business operation activities. This is because the funding has been insufficient and the

<sup>&</sup>lt;sup>17</sup> 1996 Annual Report, p.22

<sup>&</sup>lt;sup>18</sup> 1996 Annual Information, p. 8

<sup>19 1996</sup> Annual Report, p. 20

<sup>&</sup>lt;sup>20</sup> Leizhou Forestry Bureau, Letter Requesting Termination of the EJV, Appendix A5.

foreign party did not contribute the majority of the equity to which it subscribed. The joint venture therefore is merely a shell, existing in name only." <sup>21</sup>

In additional to phenomenally inflating the sales of woodchips from the EJV, TRE planted the seeds for a new mechanism that would propel its near infinite NAV growth, and enable it to create billion dollar forest accounts out of thin air. In the 1996 Annual Information Form, and that of previous years, TRE claims that the Leizhou JV had already "phased in" 20,000 ha of plantation lands from the Forestry Bureau. <sup>22</sup>

However, the Articles of Association clearly stipulate that if the project requires capitalization beyond \$25 million USD total investment, then the foreign partner would contribute additional cash, and the Chinese partner would make additional in-kind contributions in the form of land use rights and forest assets. Since the project was never fully capitalized, there was no need for the Chinese partner to make additional in-kind contributions, and therefore no new forest assets would have been added to the venture. Additionally, the 8,000 ha, were discussed in the Articles only in the section pertaining to the long range planning for the company. Those sections of the Articles defining the parties' respective capital contributions specifically state 3,533 ha (53,000 mu) as the Leizhou Forest Bureau's contribution. In short, no additional contribution under a "phase –in" plan took place.

In addition to deducing that a scorned government EJV partner would not unilaterally contribute additional forest assets to support a manufacturing facility that had never been constructed, there is documentary proof that since inception, no significant increases in assets occurred. The EJV's PRC audit reports from 1995 and 1997 show no change in the intangible assets, under which heading forest assets are classified.<sup>25</sup> Had an additional 16,500 Ha been phased into the EJV, intangible assets would have increased by approximately RMB 86 million.<sup>26</sup>

In 1998, the two parties agreed to wind up the EJV. In the separation agreement, the parties agreed that the Forestry Bureau would receive all of the assets the Forestry Bureau originally contributed, and TRE would keep the entity and look for a new partner.<sup>27</sup>

Interestingly, in its 1997 annual report TRE described the agreement to terminate the EJV as entitling it to \$12.4 million worth of assets from the LFB. TRE stated that it would in lieu receive payment over three years in the form of 730,440 m3 of standing timber the Forestry Bureau owned.<sup>28</sup>

Four years later, the 2003 Annual Report includes a claim that the Company completed its recovery of open receivables from the Leizhou Forest Bureau with a final collection in the amount of \$10.2 million in the form of standing timber.<sup>29</sup> It is hard enough to collect on a debt

<sup>&</sup>lt;sup>21</sup> Id.

<sup>&</sup>lt;sup>22</sup> 1996 Annual Information, p. 5

<sup>&</sup>lt;sup>23</sup> Leizhou EJV, Articles of Incorporation, 1993, p. 3 Appendix A2.

<sup>&</sup>lt;sup>24</sup> Leizhou EJV, Articles of Incorporation, 1993, p. 2 Appendix A2.

<sup>&</sup>lt;sup>25</sup> The 1997 audit report breaks out the forest rights as being valued at RMB 18,454,766. Appendix A9. <sup>26</sup> The 1997 audit report itemizes the forest assets at a value of RMB 18,454,766, which equates to a total of 5,223 Rmb/Ha. A net increase of 16,467 Ha therefore should result in a net increase of 86,016,029 rmb. Appendix A9.

Board Resolution, Leizhou Resources Development Company, June 3, 1998 See Appendix A6.

<sup>&</sup>lt;sup>28</sup> 1997 Annual Report

<sup>&</sup>lt;sup>29</sup> 2003 Annual Report, p. 34, 40

when the debtor really owes you money. It is substantially harder when you are really the debtor, and the counterparty is a government agency.

|      | Leizhou WFOE                    |           |  |  |
|------|---------------------------------|-----------|--|--|
| A/R  | A/R Collections from Leizhou FB |           |  |  |
| Year | Amount ('000 USD)               |           |  |  |
| 1999 | \$                              | 1,125.00  |  |  |
| 2000 | \$                              | 1,063.00  |  |  |
| 2001 | \$                              | -         |  |  |
| 2002 | \$                              | -         |  |  |
| 2003 | \$                              | 10,242.00 |  |  |

Source: TRE Annual Reports

After the exit of the Leizhou Forest Bureau, the Company did not locate a new joint venture partner. In May of 1999, TRE converted the EJV into a Wholly Foreign-Owned Enterprise ("WFOE"). In April of 2000, the WFOE's new scope of business, which included producing and selling wood products, was formally approved.<sup>30</sup>

However, after receiving approval to reduce the size WFOE's remaining required capital contribution to only \$1.4 million, <sup>31</sup> TRE still failed to do so for another three years. <sup>32</sup> In October of 2003, TRE finally wound down the Leizhou WFOE (without having contributed the additional capital). The application for deregistration was made on Oct 28, 2003 and approved by the Guangdong Zhanjiang COFTEC on November 4, 2003. <sup>33</sup> The key point to note is that in the 2003 Annual Report, TRE began disclosing that it needed to conduct business through authorized intermediaries due to lack of proper licensing, while failing to disclose that in the fourth quarter of the year, it was winding down an existing WFOE that had the business scope to do the business. <sup>34</sup>

#### How to Succeed in Business Without Really Trying (by Finding AIs)

TRE's initial AI model was that it purported to buy logs, turn them into woodchips, and then sell them to customers. TRE disclosed in 2003 that it had been engaging in this model via its Heyuan and Guangxi CJVs. (TRE makes shameless use of the corporate memory hole.)

This model appears to be a tortured attempt to create an accounting event for TRE even though it risked no capital and moved no physical goods. (TRE would later make this look less tortured by creating a third party to the transactions, the agent, which probably made its auditors feel better.)

<sup>&</sup>lt;sup>30</sup> Board Resolution, Dec 1, 1999; Wholly Foreign Owner Enterprise Change of Registration Approval, April 12, 2000. Appendix A10.

Leizhou WFOE Application for Deregistration, Oct 28, 2003 Appendix A8; Zhanjiang COFTEC Approval for Reduction in Registered Capital, Dec 28, 1999. See Appendix A7
 2000 Annual Information, p. 26

<sup>&</sup>lt;sup>33</sup> Application for Deregistration of a Foreign Invested Enterprise, Guangdong State Administration for Industry and Commerce, Oct. 28, 2003 See Appendix A8.

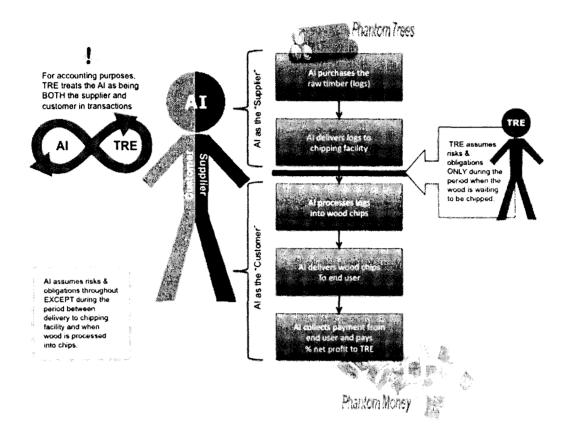
<sup>&</sup>lt;sup>34</sup> 2003 Annual Information, p. 22

According to the description in its 2006 annual information of how these transactions worked, TRE (through the magic of AIs) booked revenue and profit, but

- did not commit capital to purchase the logs,
- did not enter into contracts to purchase the logs from suppliers,
- did not take title to the logs,
- did not at any time store (let alone view) the logs,
- did not commit capital to process the logs into wood chips,
- did not contract to process the logs into wood chips,
- did not market the wood chips,
- <u>did not</u> enter into contracts to sell the wood chips, and
- did not receive cash from the parties purchasing the wood chips.

Instead it "agreed to reimburse the costs of the AI, including the cost of the purchase of raw timber, and to pay both a processing fee and management fee..." However, "...all of [the aforementioned fees] are deducted from the sales proceeds of the wood chips." In other words, TRE would not pay any money because the AI would be "reimbursed" when it sold the chips.

In order to make these transactions into accounting quasi-reality, TRE assumed "all risks and obligations relating to the raw timber once it arrives at the premises of the AI until it is processed into wood chips, except for any loss arising as a result of the AI's default." As the same filing specifies, the AI assumed the risks and obligations of the timber at all other times – from the time it is purchased until title passed to the customer. The below diagram illustrates the purported transactions:



Essentially, TRE's assumed risk was that a meteor would destroy the wood while at the AI's facility (assuming that the contracts lacked force majeure clauses). For this invaluable service, the AI paid TRE a fee on a "net basis after withholding of applicable taxes by the AI." In other words, there was no tax documentation that can be used to confirm whether TRE actually received any money in this way.

Believing that TRE actually generated substantial revenue this way strikes us as akin to believing in the power of diving rods to find precious metals. However, TRE was able to apply the same principles to a model that allowed it to raise billions of dollars more. The model is dealing in standing timber.

#### II. "AI" Really Means "Artificial Intermediary"

The structure of using anonymous parties that purportedly purchase from TRE without requiring TRE to generate VAT invoices allows TRE to invent sales figures without fear of being exposed by tax bureau records. Given that TRE has mostly been audited by accountants based in Canada, using this structure to commit fraud takes more audacity than skill. If TRE really is using an AI structure, shareholders should demand management be replaced immediately because TRE is running substantial and unnecessary legal risks. We are convinced that this model does not really exist though, so no board meeting to discuss the illegalities of the AI structure is yet necessary. As far as we are aware, TRE has disclosed the identity of only one AI, which happened at a recent credit analyst event in China. However, this purported AI's general manager, Lei Guangyu, is part of a web of shadow players spanning the AI, an agent, TRE, and Greenheart. He and the AI are closely related to TRE.

## TRE May be a Great Supplier, but How Much Prison Time Would the AIs be Willing to do for TRE?

In a legitimate public company, management would be summarily dismissed for using TRE's AI structure, if it had not already been arrested. This model would violate fiduciary duties, and because it is so blatantly illegal in the PRC, would probably be beyond the scope of D&O coverage. Furthermore, it would be difficult for TRE to find a counterparty willing to work with it in this model in size. The size of the transactions is so large that the AI management would possibly be committing offenses that could land them lifetime prison sentences.

On the other hand, the cure for the problems is simple. TRE, which already has over 60 wholly-owned companies in the PRC, could buy and sell timber through new or existing WFOEs (wholly foreign-owned enterprises). It could pay its own VAT and enterprise income tax ("EIT"). This is what practically every other foreign investor with at least \$100,000 in its pocket does.

It is illegal for foreign companies to engage in domestic (i.e., non-import / export) business in the PRC without having incorporated a local subsidiary to carry out the business. The PRC deems profits generated by foreign companies doing domestic business without a domestic subsidiary to be illegal. The prior two years of illegal profits are subject to confiscation. Therefore, if TRE were really using this structure for its BVI subsidiaries, they would be risking confiscation of the prior two years of their profits.

As foreign enterprises conducting domestic business in China, TRE's BVI entities would still be subject to the PRC corporate income tax. TRE's failure to pay corporate income tax for its profits generated in China would subject TRE to penalties more severe than those disclosed. The penalties (on top of the unpaid tax) would be 50% to 500% of the unpaid tax. There is no statute of limitations that would prevent the tax bureau from recovering all of TRE's unpaid taxes with per day surcharges and penalties.

Because of TRE's disclosed contingent tax liability of \$156.9 million, it is clear that TRE's entities conducting a sizable portion of its business (whether foreign or domestic) are not paying taxes themselves under their own tax registration. Nor are the AI acting in a legal manner merely as tax payment agents that pay tax to the tax bureau in TRE's name. While such a situation would be critical for any company with sizable China operations, because TRE is free cash flow negative, such penalty would endanger TRE's solvency. Regardless, this is not what TRE is really doing. It is lying about selling such large volumes of timber to the AIs.

TRE would have numerous problems with the AIs trying to pay TRE's value added tax ("VAT"). Entering names other than the seller of the good on a VAT invoice is a tax crime. The penalty for VAT invoice-related crimes on large VAT amounts can be a lifetime prison sentence for managers of companies engaged in this behavior. We assume that many of these VAT payments would be in excess of the threshold to trigger such penalty; therefore, the managements of the AI would be risking the sentences in these transactions. It is difficult to understand how TRE generates a 55% gross margin from the AI on standing timber sales all the while risking their lives. TRE does not appear to add that much value.

TRE and the AIs' chances of getting away with the scheme would be low. The PRC banking system has controls in place for anti-money laundering purposes. The tax bureau is part of this platform. We consulted an attorney who is an expert in tax, foreign exchange, and banking matters. The attorney advised us that it is highly unlikely that TRE could have such large

amounts of RMB sloshing around the banking system without corresponding VAT documentation. Note also as discussed infra in The Capital Hole, TRE's BVI companies would be unable to open up RMB bank accounts.

Because the AIs are not importing this timber, they would not have customs invoices, and would not be able to convert RMB into foreign currency and pay TRE offshore. While it is possible that the AIs could pay TRE offshore from the AIs' existing offshore accounts, with over one billion dollars in payments being made annually, the AIs would likely be left with unmanageable foreign currency / RMB imbalances. Therefore, the banking system and foreign exchange controls would likely have long ago ended TRE's AI business – in an unpleasant way.

# Everybody's All-Intermediary: Lei Guangyu

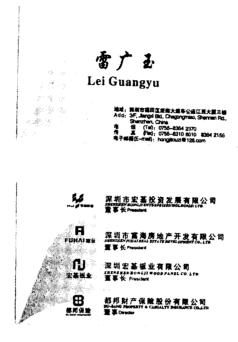
To our knowledge, TRE has only unveiled one AI to investors. In April 2011, TRE introduced credit analysts to Lei Guangyu, who is the president of Shenzhen Hongji Enterprises (Holdings) Ltd. ("Hongji"). Both Lei and Hongji are related to TRE. At the time that TRE sold its 12.73% stake in Greenheart Resources Holdings Ltd. to Omnicorp, Lei Guangyu was the signatory for two BVI entities, Fortune Universe Ltd. and Spirit Land Ltd., which held a combined 7.41% of Greenheart. The 2007 audit report from one of TRE's subsidiaries, Heyuan Jiahe Forestry Development Co. Ltd. ("Jiahe"), lists an account payable to Hongji for approximately \$400,000 (RMB 2.7 million) as a related party transaction. According to the audit report, Hongji's relationship to Jiahe is that they are both subsidiaries of the same parent. See Appendix BB1.

Hongji is engaged in irregular transactions with TRE. One of TRE's key PRC subsidiaries, Sino-Forest (China) Investments Co. Ltd. had an account payable of \$4.2 million (RMB 35 million) to Hongji at the end of 2005. This is a large amount of money in the context of TRE's onshore transactions that we have been able to see. Further, it shows a flow of funds opposite of what should occur (i.e., AI to TRE).

We sent a field agent to Hongji's headquarters in Shenzhen. It has a subsidiary called Gaoyao Hongji Panel Co. Ltd.. The legal representative of this company Wang You Wang is the signatory on a lease contract for the factory belonging to Guangdong Jiayao Wood Development Co., Ltd., one of TRE's key subsidiaries. Gaoyao Hongji also appears to be the "arms length" purchaser of \$30 million in machinery from TRE's Guangdong Jiayao on March 31, 2009. However, the owner of the company that leased the factory from TRE is a TRE and agent executive, Lam Hon Chiu. (We discuss more about Mr. Lam in TRE's Dodgy Timber Agents.) We are not sure what to make of this transaction, but it does not appear to be arms length to us.

As an aside, it appears that Hongji does not buy domestic timber from TRE. According to the person with whom we met at headquarters, Hongji primarily deals in timber imported from Russia and South America.

Below is Lei Guangyu's business card.



# III. Gengma, Yunnan: Illegal Logging or Fraud? Timber Sales are Beyond PRC Quota

According to TRE's 2010 Management's Discussion and Analysis, the Company sold \$507.9 million of Standing Timber, of which 45.5% (\$231.1 million) of the sales were derived from broadleaf trees in Yunnan at an average price of 102 RMB/m³. This equates to 2,265,000 m³ of broad leaf timber in the form of "large logs". In TRE's 2010 Annual Information Form, its claimed yield for broad leaf is between 105 to 210 cubic meters per hectare, which means that approximately between 10,800 ha (hectares) and 21,600 ha would be required for this sale. However, the 2009 Poyry report noted a regulation prohibiting clear cutting of these forests and revised the yield downwards by 50%: 36

Poyry has this year become aware that, under current regulations, this crop type cannot be clear-felled, but must be selectively logged, with only up to 50% of the volume allowed to be removed. Poyry has consequently adjusted the yield table for the broadleaf crop type, from 181 m³/ha to 90 m³/ha to reflect this constraint.<sup>37</sup>

At a maximum of 90 cubic meters per hectare, at least 25,000 ha would be required for this sale. That is the equivalent of approximately 96 square miles, or one and one half the total area of

<sup>&</sup>lt;sup>35</sup> In the June 2, 2011 Poyry/Sino-Forest joint conference call, the Poyry consultant further specified that the high price for the Yunnan broad leaf of \$102/m³ was for "large logs"

<sup>&</sup>lt;sup>36</sup> Sino-Forest Corporation, Valuation of China Forest Crop Assets As at 31 December 2009, Final Report, pp. 15 and A5-3, http://www.sinoforest.com/filings.asp

pp. 15 and A5-3. <a href="http://www.sinoforest.com/filings.asp">http://www.sinoforest.com/filings.asp</a>
37 Sino-Forest Corporation, Valuation of China Forest Crop Assets As at 31 December 2009, Final Report, pp. 15 and A5-3. <a href="http://www.sinoforest.com/filings.asp">http://www.sinoforest.com/filings.asp</a>

Washington D.C. The volume required under either yield calculation is enormous and in excess of both TRE's contracted holdings as well as the Lincang region's local quota.

First, as described in detail in section IV of this report, TRE's contracted holdings in Yunnan are in Lincang City and amount to only 20,000 ha (300,000 mu, 15 mu = 1 ha), not the 200,000 ha claimed by the Company. The 25,000 ha equates to 375,000 mu of forest land. This 375,000 mu needed for the transaction is 75,000 mu in excess of its total contracted holdings and also ignores any previous depletions made in the years 2009 or 2008.

Second, the forest area required for harvest exceeds the total area available in the Lincang region under the annual quota of both 2010 and 2011 combined. In China, forest harvests have been strictly controlled through a quota system since 2001, with quotas established in the Five-Year Plans. The Provincial Forestry Bureaus proposes the quotas to the National Forestry Bureau and the State Council, which have approval responsibility. The Provincial Forestry Bureau then allocates quotas to the local forestry bureaus. Using the maximum yield estimated by Poyry of 90m³/ha, the minimum harvest area of 25,000 ha required to complete this sale by far exceeds the permitted logging quota for the Lincang City (which includes Gengma county) where the Company's operations and land holdings are located. Our local field work in Lincang and Gengma, our calls to the Lincang and Gengma Forestry Bureaus, and open source research all confirm that this alleged sale of 2,265,000 m³ of Yunnan broadleaf exceed the full available quota for natural forest (the classification for hardwood broadleaf) of not just the year 2010, or the two years of 2010 and 2011 combined, but all of 2010, 2011, 2012, 2012, 2014, and all of 2015! Our field agents contact the Lincang Forestry Bureau for re-confirmation of this fact, and the section chief there confirmed that the full years quota for each of 2009, 2010, and 2011 was 376,000 m³.

| Yunnan Lincang City Region Annual Quota for Natural Forest ('10 & |                        |
|-------------------------------------------------------------------|------------------------|
| '11)                                                              | 376,000 m <sup>3</sup> |
| Years of Quota Req'd to Meet 2010Harvest From 2,265,664 (m³)      | 6.02 years             |

#### How Much Forest Did Sino-Forest Forest if Sino-Forest Could Forest Forest?

Even if TRE's was able to simultaneous arrange unite a network of provincial traders in five surrounding regions, including from major competitors with both forests and local mills and plants, such as Yunnan Jinggu, Taixing Forestry, and Shanshui Forestry, around the common goal of filling TRE's order, there remain enormous bureaucratic and logistical obstacles. all of which could only be achieved through an miracle of political, labor, and logistics worthy of the last Great Chairman, Chairman Mao.

Assuming for a second, that all of the requisite plantation rights, logging permits, and transportation permits were properly secured, the actual task of logging still would need to be completed. The 2009 Poyry report explained that the typical harvesting practice in China as labor-intensive. This is especially so because of the required selective logging required for Yunnan broad leaf. Poyry states that, "Trees are typically felled by axe or handsaw, cut to length

<sup>&</sup>lt;sup>38</sup> See Lincang City, Reply Regarding the Request for Approval D3 (English)

<sup>&</sup>lt;sup>39</sup> Chinese land is typically measured in Mu ( $\dot{\Xi}$ ). 1 hectacre (ha) = 15 mu.

<sup>&</sup>lt;sup>40</sup> Muddy Waters field research, and Lincang City Forestry Dept., Lincang Quota, See Appendix C1

<sup>&</sup>lt;sup>41</sup> Muddy Waters field research, and Lincang City Forestry Dept., Lincang Quota, See Appendix C1

in the forest and then carried to the roadside by hand."<sup>42</sup> Additionally, Poyry found that logging broadleaf in Yunnan would be more expensive than any other region in China because of the mountainous terrain and the distances required for carriage of logs to a truckable road.<sup>43</sup> In the few of the Company's plots that Poyry visited in Yunnan in 2009, its forest description notes frequently indicate that the plots which had the best trees with "good form" or "higher stocking and standing volume" were either in places that were "remote", "several km from the nearest navigable road," or with "slopes [that are] steep up to 35 degrees" making the harvest all the more arduous.<sup>44</sup>

To understand the sheer magnitude of the task involved, it is important to understand that Yunnan is a remote, rugged, mountain province that rises from the mountainous border areas of Burma and Laos all the way into the Tibetan Himalayas. Lincang itself is 92% mountainous, with two peaks over 3,000 meters (9,000 ft.), Lincang Snow Mountain and Yongde Snow Mountain, and its southern border drops down to the banks of the Lancang river (headwaters of the Mekong) in a progressive sequence of mountains and valleys. In this rugged geography even the less mountainous, or "hilly" areas, would make for a difficult harvest. The prospect of harvesting any sizeable quantity of logs by hand would be daunting, magnifying the inefficiency exponentially. This brings us to another major hard constraint in this supply chain: logistics.

If by some miraculous feat of human labor, the Company's army of farmers was able to selectively harvest the 2.2 million cubic meters of logs, there is the issue of actually transporting all of the wood. The roads through the mountains are dangerous, with switchbacks, steep precipices, and even no guard rails in the more remote mountain sections; roads leading into the agricultural areas are of a lower quality and often unpaved. During the rainy season, which lasts from May to October, travel by road is further complicated by mud and occasional landslides. According to a local wood trader in Gengma city, Yunnan, the typical load for a small truck is about 20m³ and a large truck is 30 m³. Even if TRE was able to load up all of its trucks with 25 m³ and 35 m³ of logs per load, somewhere between 65,000 to 90,000 truckloads would have been required to make the journey to nearest rail station 200 km (120 miles) away, assuming no losses of trucks or logs while navigating the precipices and hairpin turns.

In short, unless this sale of 2.2 million cubic meters of broad leaf timber from Yunnan was fulfilled illegally (in excess of quota and without all of the requisite permits) and accomplished with an army of Chinese farmers and shipped out via a secret under-ground train tunnel running below the mountains, it either never happened or was grossly over-inflated.

### IV. TRE's \$800 Million Yunnan Scam Shows Timber Holdings are Forged

TRE claims to have purchased, under various master purchase agreements since 2006, timber costing \$2.891 billion. Smoking gun evidence shows that TRE overstated purchases from the

<sup>&</sup>lt;sup>42</sup> 2009 Poyry report, p. 21 <a href="http://www.sinoforest.com/filings.asp">http://www.sinoforest.com/filings.asp</a>

<sup>43 2009</sup> Poyry report, p. 22 http://www.sinoforest.com/filings.asp

<sup>44 2009,</sup> Poyry report, pp. A3-3 to A3-7. http://www.sinoforest.com/filings.asp

<sup>&</sup>lt;sup>45</sup> Muddy Waters Research field work in Lincang and Gengma. For more information on Lincang city and the surrounding regions see: <a href="http://www.yunnanadventure.com/YunnanGuide/Lincang-Travel-Guide.html">http://www.seeyunnan.net/view.asp?id=224</a>

<sup>&</sup>lt;sup>46</sup> Blog: http://uselesstree.typepad.com/useless\_tree/2011/04/dazhai-yunnan.html

<sup>47</sup> Muddy Waters Research Reports by FM and team.

Yunnan agent, Gengma Dai and Wa Tribes Autonomous Region Forestry Co. Ltd. 48 (also known as Gengma Forestry Co. Ltd. - see Appendix D1), which appears to be a legitimate agent, by approximately \$800 million.

The value of purchases made under Yunnan master agreement is overstated by approximately \$800 million. TRE announced in March 2007 that it had entered into a master agreement to purchase up to 200,000 hectares of plantation trees in Lincang City, Yunnan Province.<sup>49</sup> (Note that Gengma County is a sub-division of Lincang City.)

The SAIC file for TRE's Yunnan entity, Sino-Panel (Gengma) Co. Ltd. and the Lincang City Forest Bureau's 2008 - 2010 Work Completion Reports contain the following documents, which we used to understand the real terms of the Yunnan master agreement:

- 1) the Approval Letter by the Lincang City Commercial and Business Bureau (临商发 《2007》68号) (Appendix D2)
- 2) the Approval Letter by Lincang City Development and Reform Commission (临发改 经贸发《2007》234号)(Appendix D3)
- 3) the Lincang City's Forest Bureau 2008 Work Completion Report Summary and 2009 Work Leads (临林发 [2009] 1号) (Appendix D4)
- 4) the Lincang City's Forest Bureau 2009 Work Completion Report Summary and 2010 Work Leads (临林发 [2010] 1号) (Appendix D5)
- 5) the Lincang City Forest Bureau's 2010 Half Year Work Completion Report and Planning for the Second Half. (Appendix D6)

<sup>&</sup>lt;sup>48</sup> This is the agent that TRE refers to as the Gengma Dai and Wa Tribes Autonomous Region Forestry Company in its March 2007 announcement of the master agreement.

49 See Sino-Forest website.

The approval letters state that TRE has entered into an agreement to acquire 6,667 ha (300,000 mu) of forest plantation in Lincang City. TRE acquired 75,000 mu in 2007 from Gengma Forestry Co. Ltd. The Yunnan agent told us that after TRE completed this purchase, it helped TRE acquire another 13,333 ha (200,000 mu) in the nearby Lincang counties of Mengding and Cangyuan. Below is a photo of the agent's office that our field agent took.



Lest there be any doubt that the approvals omitted the other 160,000 ha that TRE claims is covered under the agreement, information about the local economy and forest industry make it clear that TRE did not enter into agreements to acquire such a large amount of forest, and at such a high per unit price.

The 2008 Work Completion Report states that Lincang City's forest industry output was approximately \$380 million (RMB 2.6 billion). The report also states that the forestry business received only \$32 million in foreign investment in 2008. TRE would have represented 80% of the forestry GDP for the entire city – let alone county. It would have invested approximately substantially more than the city reports in foreign investment in the industry. (Again, their main operation is in Gengma county, which is a sub-division of the city.) In the 2009 Report, the industry output reached approximately \$440 million for the entire city. More interestingly, the report states that the city only issued forest rights concessions of 267 ha (4,000 mu) for the year. The 2010 semi-annual report states that as of 2010, Lincang City had issued forest rights concessions of 45,526 ha, valued at approximately \$50 million. From these numbers, we can see that TRE is overstating the per hectare cost by about four times. Below is the calculation based on Lincang City's numbers:

\$50 million / 45,526 ha = \$1,098 per ha

VS.

## TRE's claimed purchase price of \$4,865 per ha.

The sheer scale of TRE's claims regarding its Lincang City, Yunnan transaction contradict reality. The Bureau of Statistics of Lincang stated the GDP of Lincang City was \$3.1 billion in 2010 (Appendix D7). This contract alone would have caused local GDP to grow to four billion dollars, making Lincang the next Shenzhen in terms of growth rate.

From our fieldwork, we were told that Gengma County's 2010 total GDP was only \$475 million. If TRE were to be believed, it would have been the vast majority of the entire economy of the county.

Further, we made calls to a local wood product manufacturer that appears to be one of the larger such companies in the area. He is familiar with TRE, and stated that he believes TRE purchased about 150,000 mu of plantation forest, which is in line with the documents we obtained. We spoke with a local official at the Gengma County Forestry Bureau who stated that TRE purchased 50,000 to 60,000 mu of forest. This range is a decent bit lower than the amount stated in the documents. The constant throughout is that the measurement unit is mu (again 6.7% of a hectare).

By all indications, the Yunnan agent is a legitimate agent. At least it is the only agent with a relevant scope of business. Its scope of business includes "wood and wood product purchasing, processing, and sales; forestry and forestry-related product planting, purchasing, processing, and sales; specialized economic forestry and wood project development and construction…" ("木材及木材制品收购、加工、销售; 林业及林下产品种植、收购、加工、销售; 特种经济林木及制品德基地建设和项目开发…")

#### V. TRE's Dodgy Timber Agents

Four Other Agents are Highly Unlikely to Have Sold the \$2.9 Billion TRE Claims to Have Bought

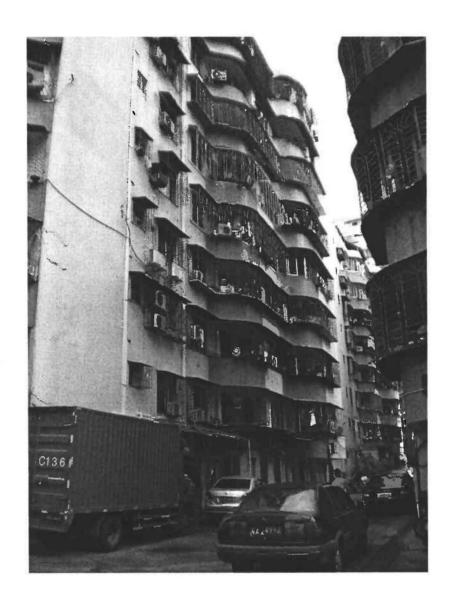
Four other agents are highly unlikely to have sold anything close to TRE's claim of a combined \$2.9 billion. These agents, which would be among the largest private businesses in their locales, generally operated out of apartments while purportedly each doing annual revenue in the hundreds of millions from TRE alone. Two of these agents are managed by a senior TRE executive, Lam Hon Chiu.

TRE does not disclose the Chinese translations of its agents' names. We obtained the Chinese names from PRC audit reports (contained in the SAIC files) of various TRE subsidiaries. We show the various audit report pages with the agents' names in Appendix E1. We did not obtain the Hunan agent's SAIC file in time for this report, and we did not find the Chinese name for the Guizhou agent.

# Guangxi agent: Zhanliang Bo Hu Wood Co. Ltd. (湛江博虎木业有限公司)

TRE claims to have entered into a master agreement in December 2007 under which (as of December 31, 2010) it has purchased 150,000 ha of plantation for \$646.6 million. We are skeptical for the following reasons:

- Bo Hu was incorporated only one month before TRE entered into this massive contract. See the business license in Appendix E2.
- Bo Hu was thinly capitalized at the time of entering into the agreement its registered capital was only \$135,000 (RMB one million) at the time. Obviously Bo Hu was not extending any credit to TRE for the tens of millions of dollars in timber purchases it was likely making at a given time.
- Bo Hu's scope of business does not include anything related to forest agency (unlike the Yunnan agent supra). Its scope of business at the time of purportedly entering into the agreement was "wood products, plywood, glues, paper products, and decoration material (木制品,胶合板,胶水,纸制品,装饰材料). Bo Hu did not add attempt to anything relevant to forest agency until September 23, 2008. See the application to change the scope of business in Appendix E2.
- Bo Hu is incorporated in Guangdong province, and would likely have substantial tax issues operating in Guangxi province (due to incessant competition among tax authorities in China). Further, all companies dealing with wood products must have a wood product permit issued by the forestry bureaus within the provincial jurisdiction. Bo Hu's license is for Guangdong not Guangxi. See Appendix E3.
- While purportedly generating hundreds of millions of dollars in annual revenue, Bo Hu's
  office was in an apartment building in this apartment complex from August 2008 through
  sometime in 2009:



How many \$200 million companies are in this apartment complex?

Bo Hu's current office is now in a proper office building, but the high level of security is unusual. On the ground floor, our researcher was stopped by security guards who seemed very cautious and alert. They questioned our researcher regarding why he was there. He was only permitted to enter the building after convincing the guards he had an appointment with Bo Hu's vice president of sales, Mr. Xu. There was yet another security guard stationed outside Bo Hu's office door on the second floor. This type of security around an office of this size is highly irregular in China.

- We spoke with a Mr. Xu, who is the vice president of sales for Bo Hu. He is certain that Bo Hu does not deal in Guangxi plantations. Mr. Xu did say however that Bo Hu is a customer of Sino-Panel (one of TRE's subsidiaries), and has been buying plywood from it since summer 2010 in volumes less than \$1.5 million annually.
- Bo Hu's audit report shows that it has made substantial payments to TRE entities, including an undisclosed subsidiary. (See Appendix E4 & E5.) As we discuss infra in Glimpses of How TRE Steals the Money, we believe that some of these entities may be tunnels through which TRE steals investor funds.
- Bo Hu's 2008 audit report shows revenue of approximately \$37,000 (RMB 250,189) for the sake of clarity, that is thirty-seven thousand dollars. See Appendix E6. It is inconceivable to us that Bo Hu would be able to understate its revenue by over \$200 million (or 99.9%) at over \$200 million in annual revenue, Bo Hu would be one of the larger privately-owned businesses in Zhanjiang. It would not be able to avoid booking so much revenue, in which case the revenue in the audit report would reflect much larger amounts.

# Fujian Agent

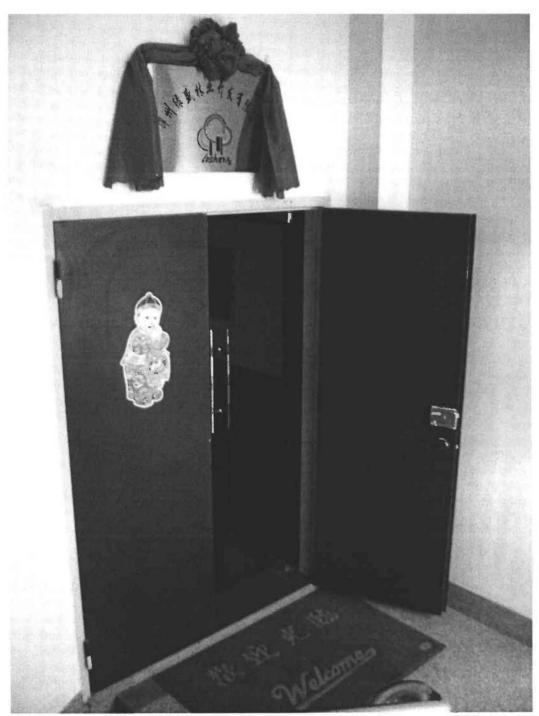
- Zhangzhou Lu Sheng Forestry Development Company Limited (漳州绿盛林业发展有限公司) was incorporated on Nov. 19, 2007 (Appendix E7), just nine months before TRE entered an approximately one billion dollar (RMB seven billion) master contract with it.
- The registered capital was only \$78,000 (RMB 550,000) (Appendix E7).
- The registered address was at Floor 1, No. 7 Xibian Hongyang New Village (Orchid Garden), Shan Cheng Village, Nanjing County (南靖县山城镇溪边宏洋新村(兰花园) 7号 1层) until November 29, 2010 (Appendix E10). This address is the personal residential address of Mr. Wang Rui Mei (Appendix E8), who is also listed on the SAIC filings to be the legal representative, executive director, supervisor, and manager of the company (Appendix E11).



Image 10 No 7 Orchid Garden

- A copy of the master agreement signed by TRE and Zhangzhou Lusheng was found in the Sino-Panel (Fujian)'s SAIC files (Appendix E9a-E9g). It is a contract with a total of seven pages with no terms regarding liability it seems to be an unlikely billion dollar contract. Interestingly, the contract stated that as of the time signing the contact Lusheng has already been authorized by the owners of 200,000 Ha of the forests in Fujian to act on their behalf. However, Lusheng did not have any wood or forestry related license at the time it entered into the contract.
- We sent a team of field agents to visit Zhangzhou Lusheng in Fujian. Our agents located the new registered address at 5<sup>th</sup> Floor, Jiamao Honey Industry, No 362 Construction Road, Shancheng Town, Nanjing County (南靖县山城建设路 362 号嘉贸峰业大厦 5楼)。





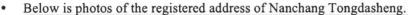
Field enquiries confirmed that Zhangzhou Lusheng operates at the address on the 5th floor. There are four desks in Zhangzhou Lusheng's office, which appeared to be approximately 180 m2 with 5-6 employees in the office at the time of visit. This implies that Lusheng has an extremely efficient computer system (given that it processes so much money and so many payments with a small staff).

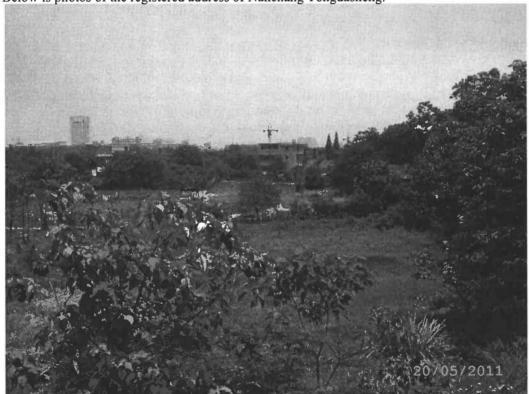
 Our researcher paid a visit to the Nanjing County Forestry Bureau and spoke with the Unit Head Mr. Ma there. Mr. Ma claimed that he has not heard about Zhangzhou Lusheng nor has he heard of Wang Rui Mei.

# Jiangxi Zhonggan

- This agent is a related party. The legal representative and President of this company is TRE executive vice president, Lam Hong Chiu.
- Jiangxi Zhonggan Industrial Development Company Ltd ("Zhonggan")江西中赣实业发展有限公司 was incorporated on January 28, 2009 just five months before TRE entered into an approximately \$700 million contract on June 16, 2009. See the business license in Appendix BB2.
  - o Yun County Electronic Paper (云县电子报), an online newspaper operated by the Yun County local government (中共云县委云县人民政府主办), published an article naming Lam Hon Chiu as the general manager of Hong Kong Sino-Panel Company who has visited Yun County with government officials on July 23rd, 2010. http://61.166.10.99:8011/Qnews.asp?ID=5340&QID=1837 (Appendix E12)
  - O Dongkou County Hunan, an online article published on Dongkou County government website stated that on Feburary 5, 2007, the county government met with the top management of Canadian Sino-Forest Group including Chairman Allen Chan (陈德源), VP Ye Han Xiang (叶翰祥) and VP Lam Hon Chiu (林汉 钊)at Changsha discussing the possibility of investment in Dongkou County. http://dongkou.mofcom.gov.cn/column/print.shtml?/zhongyaozt/200707/2007070 4898019 (Appendix E13)
  - o Qiqihaer City Heilongjiang, an online article published on June 20, 2006 on the Qiqihaer city's government website stated that the Qiqihaer government official met with the VP of Sino-wood (Asia) Limited Lam Hon Chiu (林汉钊) on their trip to Hong Kong to discuss investment in Qiqihaer City. http://www.qqhrmofcom.gov.cn/index.php3?file=detail.php3&kdir=2200134&no wdir=2030157&id=830707&detail=1 (Appendix E14)
  - On one of the company listing website http://www.bldg-materials.com.hk/master.php?keyword=1854 listed Lam Hon Chiu as the Senior Manager of Sino-Panel (Asia) Limited. (Appendix E15)
    - Jiangxi Zhonggan is clearly a related party related party.
- Jiangxi Zhonggan is a joint-venture incorporated by Hong Kong China Square Industrial Ltd. 香港中国坊实业有限公司 (China Square) and Nanchang Tongdasheng Industrial Company Ltd. 南昌市通达盛实业有限公司 (Tongdasheng) with a total register capital of USD 5 million with USD 4 million by China Square and USD 1 million by Tongdasheng.

- China Square is a company registered in both Hong Kong and BVI with Lam Hon Chiu as its legal representative, it seems to be a shadow actor on TRE's behalf to setup undisclosed but related subsidiaries in China.
- By looking at the SAIC file of Jiangxi Zhonggan's Chinese partner Nanchang Tongdasheng, we don't see any reason for its existence except that TRE needs a Chinese name to legally register a joint venture as its agent in Jiangxi. Tongdasheng was incorporated November 3rd, 2006, with a registered capital of 500,000 RMB. The registered address is a fishing village near Nanchang city 南昌市西湖区桃花镇渔业村. The business scope is Domestic Trading 国内贸易 (Appendix E16). According to the 2009 Annual Check Report in the SAIC files that the revenue of Tongdasheng for 2009 is USD 14,909.84 (RMB 104,368.93) with a net profit of USD 326.58 (RMB 2,286.07). It is nearly impossible for such a company to invest on its own with USD 1 million to setup Jiangxi Zhonggan with China Square unless someone else is "funding" the amount.







The 2008 and 2009 Jiangxi Zhonggang's audit report shows numerous large transactions between the Company, TRE, and other parties. However, none of these transaction is forestry related.

# VI. The Capital Hole

Chinese government records show a capital hole that makes claimed timber Purchases impossible.

China imposes capital controls that ensure there are records of significant movements of foreign currency into China. From TRE's PRC company SAIC files, it is clear that TRE's cash needs in China outstrip the capital it has contributed to its China operations by at least \$377 million, and possibly quite more. China's capital controls prevent TRE from funding its operations from outside of the PRC by purchasing trees through payment of foreign currency.

When an existing PRC company wants to bring foreign currency into China as investment in the business, it applies to the Ministry of Commerce, the State Administration of Foreign Exchange, and the State Administration of Industry and Commerce ("SAIC"). Once the authorities approve the application, the company may bring in the approved amount of foreign currency. When an investor forms a new foreign-owned company, it must specify foreign currency it will invest.

The authorities will review the entire establishment application, including the portion requesting the right to bring foreign currency into China.<sup>50</sup>

A given company's SAIC file shows records current within a few months of all applications for injecting equity capital. Further, PRC law requires equity capital injections to be verified by PRC licensed accountants. The amount of debt a company can borrow is limited by law, and SAIC records reflect the amount of money that a company is approved to borrow from offshore. However, debt injections are not recorded in SAIC files. We totaled up all of TRE's actual equity injections and approved debt injections (again, the debt capital is not verified, but we gave TRE the benefit of the doubt), and the amount of capital that went into TRE's PRC operations is only \$1.213 billion since 1994. Its investments were \$1.7 billion larger than its operating cash flow during this period. (Note that these figures also exclude the need for operating cash.) Therefore, TRE has a capital hole of \$377 million to \$922 million. It could not have purchased the trees it claims to have.

| (USD millions)                       |       |  |
|--------------------------------------|-------|--|
| OCF                                  | 3,308 |  |
| CapEx - Disposals                    | 5,058 |  |
| Total ST Borrowings incl. Repayments | 160   |  |
| Onshore Capital Need                 | 1,590 |  |
| Capital Contributed - High           | 1,213 |  |
| Capital Contributed - Low            | 668   |  |
| Onshore Cash Hole - Low              | 377   |  |
| Onshore Cash Hole - High             | 922   |  |

Cash flow numbers from Bloomberg. To be conservative, we assumed that all short-term borrowings were onshore.

TRE could not have funded its business with foreign currency. If TRE were going to pay the supplier in foreign currency, it would be illegal unless the goods sold were for export. Because the investments are not for export out of the PRC, the sellers would not be able to obtain customs declarations. Large amounts of foreign currency hitting the sellers' bank accounts without accompanying customs declarations would be quite risky for the sellers just on a one-time basis – such a transaction could lead to inability to convert the currency, and issues with the customs and tax bureaus. We do not believe that TRE found suppliers willing to engage in transactions with such large risks throughout its 16-year reporting history. Therefore TRE could not have made these investments by paying the sellers in foreign currency in the PRC.

TRE's agents under the master purchase agreements are thinly capitalized (see infra TRE's Dodgy Timber Agents). They could not have each funded hundreds of millions of dollars in undocumented currency swaps done through offshore bank accounts.

<sup>&</sup>lt;sup>50</sup> For more on how China's currency controls work, see Collins, Robert and Block, Carson "Doing Business in China for Dummies" (Wiley 2007), chapter 9.

TRE's only means of funding these investments would have been by injecting investment capital into its own PRC companies, which it did not do in sufficient amounts. Therefore, TRE's claimed investments and revenues are fraudulent.

# VII. TRE's Manipulation of Poyry Reports

TRE's abuse of Poyry's name is well-illustrated by a recent statement that TRE CFO David Horsley made at the annual shareholders' meeting on May 30, 2011 that Poyry teams spend "four to six personal weeks" in the field evaluating TRE's holdings. On a June 1, 2011 call the statement was clarified to mean that a team of four people each spends six days in the field, so that the total approximates six man-weeks of work. (Amusingly reminiscent of Bill Clinton's "I did not have sexual relations" comment.)

Since 2003 Poyry (Beijing) and its Shanghai branch have been engaged to conduct reviews of TRE's operations and value its assets; however, Poyry's purpose is only to estimate the market value of the forest assets based on information provided by TRE, and not to perform due diligence or confirm the ownership of the forest areas.<sup>51</sup> In numerous locations throughout the reports, Poyry adds disclaimers, stating:

- Poyry has not viewed any of the contracts relating to forest land-use rights, cutting rights, or forest asset purchases <sup>52</sup>
- It is important to understand that this is not a confirmation of forest ownership, but rather a verification of the mapped and recorded areas of stocker forest. 53

However, despite a generally favorable report, Poyry nevertheless cannot hold back a degree of astonishment at TRE's unusual trading practices, describing in the reports opening paragraphs that TRE's forest holdings are "dynamic" (emphasis provided by Poyry). Poyry states, "Unlike most forest owners and managers, Sino-Forest actively trades in forests. Each year the company both sells and buys forests, and accordingly the composition of the forest estate changes much more than for a business that is simply managing and harvesting a more static resource." This fact greatly complicates its inspection and valuation process as "the composition of Sino-Forest's estate can change quite significantly from one year to the next."

Certainly such dynamic trading complicates inspection and verification activities, as it is tantamount to a giant shell game. With a maximum of only 53% of existing 2008 forest being carried over into 2009,<sup>57</sup> it is easy to disclaim any specific accusation of lack of forest rights ownership in any given plot or region.

<sup>&</sup>lt;sup>51</sup> Conference call, June 1, 2011, Poyry valuation discussion.

<sup>&</sup>lt;sup>52</sup> 2009 Poyry, Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2009, Final Report, 23 April 2010 Rev. 03, p. iv <a href="http://www.sinoforest.com/filings.asp">http://www.sinoforest.com/filings.asp</a> 2009 Poyry, p. 12

<sup>&</sup>lt;sup>54</sup> Poyry, Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2009, Final Report, 23 April 2010 Rev. 03, p. vi & 8

<sup>&</sup>lt;sup>55</sup> Poyry, Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2009, Final Report, 23 April 2010 Rev. 03, p. vi & 8

<sup>&</sup>lt;sup>56</sup> Poyry, Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2009, Final Report, 23 April 2010 Rev. 03, p. 8

<sup>&</sup>lt;sup>57</sup> 2009 Poyry report, Valuation of China Forest Crop Assets As at 31 December 2009, 23 April 2010, Rev 03, www.sinoforest.com/filing.asp, p. 8

In introducing its methodology for assessing risk into the discount rate calculation, 2009 Poyry explains that the valuation of forest crop assets faces challenges, including:

- The reliability of forest descriptions
- The accuracy of yield prediction
- Achieving high growth rates in a consistent manner<sup>58</sup>

The Poyry report explains that its review of forest land holdings consisted of selecting 66 cluster maps that represented only 1,611 ha of forest, or only about 0.3% of TRE's claimed 491,000 ha.<sup>59</sup> During the June 1, 2011 conference call, Poyry revealed that the figure for the 2010 assessment was only 0.1% of estate holdings due to the substantial increases in newly acquired plantations. Poyry further reveals that current yield tables for these forests have not been properly established.<sup>60</sup> Poyry has performed some field studies and collected sample data from various plots, but its statistical analysis comes with the caveat that "in comparison with most other forests, the large Sino-Forest estate is significantly under-sampled for growth and yield purposes."<sup>61</sup> In short, due to the poor quality of data and documentation on the forest plot, until there is an opportunity to both verify the forest's physical characteristics and use satellite imagery on all forest claims, that the sample sizes are too small to establish significance. Poyry and all investors then can only take TRE at its word that the remaining 99.9% of its purported holdings are accurate in terms of their size, yield, and composition.

# Do You Think a 2.5% Risk Premium on TRE's Discount Rate for WACC Seems a Little Low?

Poyry's 2009 report includes an appendix detailing the calculation method for the discount rate, WACC, and CAPM; wherein the consultant, Dr. Mardsen, from the University of Auckland's Dept. of Accounting and Finance of the School of Business, provides details on formulas used to value a generic forest asset in the China. Dr. Mardsen repeatedly emphasizes the need to keep in mind the additional risk associated with developing markets, such as capital controls, political instability, corruption, poor accounting and managerial controls, an uncertain legal framework and lack of protection of investor property rights; and factor a premium onto the discount rate of the cost of capital, stating: 62

In China and in emerging markets the level of corporate governance may vary significantly between companies. Corporate governance is important as it provides mechanisms whereby outside investors can protect themselves against expropriation by insiders. Corporate governance can impact on the risks that outside investors may face in respect of any expropriation of assets. These factors together with the size and other market frictions may warrant an adjustment to the cash flow expectations and/or an

<sup>&</sup>lt;sup>58</sup> Poyry, Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2009, Final Report, 23 April 2010 Rev. 03, p. 55

<sup>&</sup>lt;sup>59</sup> Poyry, Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2009, Final Report, 23 April 2010 Rev. 03, p. 11

<sup>&</sup>lt;sup>60</sup> Poyry, Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2009, Final Report, 23 April 2010 Rev. 03, p. 17

<sup>&</sup>lt;sup>61</sup> Poyry, Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2009, Final Report, 23 April 2010 Rev. 03, p. 17

<sup>&</sup>lt;sup>62</sup> 2009 Poyry Report Appendix: Uniservices, Investment Appraisal for Forest Investment in China, 5 Jan 2010. P. 5

increment to the cost of capital for the forest if investors' property rights are not clearly defined. Where control is not obtained a minority discount and / or illiquidity discount many apply. <sup>63</sup>

Dr. Marsden calculates the real pre-corporate tax WACC range of between 7.1% to 12.8%. Poyry then selected the current 8.5% to 9.0% discount rates in New Zeeland and adds a 2.5% to 3.0% resulting in a discount rate of 11.5%, providing for the 2006 pre-tax cash flow valuation of TRE's assets at \$2,297.5 million USD as of December 31, 2010.<sup>64</sup> But, Dr. Marsden closes with a note and a warning:

If significant corporate governance and agency cost issues between insides and outside investors arise (e.g. from <u>lack of transparency</u>, possible <u>risk of expropriation of assets</u>, <u>restrictions of remittance of profits</u>, or <u>exchange rate control</u>), the use of cost of capital at the upper end of our range may be warranted.<sup>65</sup>

It begs the question; if evidence of systemic and comprehensive fraud and illegal activity is discovered in the Company from inception, throughout its operating history, and into the present, by how much would the discount rate need to be adjusted?

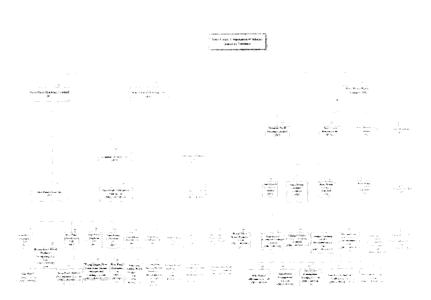
<sup>&</sup>lt;sup>63</sup> 2009 Poyry, P. 4, 5

<sup>&</sup>lt;sup>64</sup> 2009 Poyry, p. vi; 58; 2009 Poyry Report Appendix: Uniservices, Investment Appraisal for Forest Investment in China, 5 Jan 2010. P. 23.

<sup>&</sup>lt;sup>65</sup> 2009 Poyry Report Appendix: Uniservices, Investment Appraisal for Forest Investment in China, 5 Jan 2010. P. 23

# VIII. Egregiously Complex and Opaque Offshore Structure

In TRE's 2010 annual information form, it discloses that it has at least 20 British Virgin Island ("BVI") entities. As a recent South China Morning Post article points out, BVI is the favorite domicile of Chinese seeking opacity. There is no public shareholder registry, and there are no requirements to file tax returns. TRE no longer discloses its organizational chart, but the last one it made available in an annual information statement is from 2007 – see below. This structure is highly opaque, and in our view, unnecessary for legitimate business purposes. It is not a tax-optimized structure either due to direct ownership of PRC entities by BVI subsidiaries. (Dividends remitted to Hong Kong holding companies are taxed at a lower rate than dividends to BVI owners.) We therefore pose the following question to TRE's management (given its emphasis on its transparency): "Why have you structured the business in this way?"



# IX. Suspicious Bank Document

# Suspicious Bank Document.

The following bank letter appears to be written on behalf of Sino-Wood Partners, Ltd. We found it in incorporation applications in the SAIC files for four of Mandra's entities. TRE, which now owns 100% of Mandra, was a founding shareholder of Mandra with a 15% stake. Sino-Wood was the entity that was reverse merged into the public shell to make TRE a public company. It had been expected to IPO in 2003, but the IPO was unexpectedly canceled.





PRIVATE & CONFIDENTIAL

Ref:

CMB TSD Division B

Relevant Approval Authorities and Administration Authorities for Industry & Commerce

1 February 2005

Dear Sirs

# Re:MANDRA FORESTRY ANHUI LIMITED

At the request of Sino-Wood Bartners, Limited (the "Company"), we have pleasure in advising that the Company has maintained an active and satisfactorily conducted current account with us. General banking facilities to the extent of HKD medium eight figures have been granted to the Company on an unsecured basis. For the past twelve months, we have hancled their import/export bills business with satisfactory results. We consider the Company is good for normal business engagement.

The aforesaidinformationis given in strict comfidence and without any responsibility, howsoever arising, on the part of the Bank or any of its officers.

Yours faithfully

Regina Lee Relationship Manager

c.c. Mandra Forestry Anhui Limited

The Hongkong and Shanghai Banking Corporation Limited
Lim She Toui District Commercial Renking Centre:
107F ESEC Building Teim She Tani, 82 Nathan Road, Kowloon, Hong Kong
Dei: 2733 9111 Fax: 68521 2721 7648

## X. Shoddy Corporate Governance

Internally, TREs fraud was enabled by poor corporate governance. The corporate governance issues include the following:

- TRE's board appears to be the retirement plan for partners of its auditor, Ernst & Young. It currently has five directors on its board from E&Y. We believe that such a clubby atmosphere can dull the auditors' ability to perceive problems.
- We are bothered by senior management's practice of paying its salary via fees to a consulting firm this is inappropriate for a public company with a multi-billion dollar market capitalization. More disturbing is senior management's C\$12 million buyout of its own shares in subsidiary with investor funds. (The subsidiary's planned 2003 IPO was unexpectedly canceled.)
- TRE failed to disclose a 2003 petition to wind it up at the listed company level.
- TRE has failed its internal control test. The 2010 failure is due to senior management personally handling settlement of accounts receivable and accounts payable. This is particularly troublesome because the notes to TRE's financial statements appear to state that the majority of TRE's receivables from its accounts receivable are paid by TRE's AIs to TREs agents to pay off timber purchases. If our reading is accurate, then a substantial portion of TRE's purported revenue would not even be expected to hit its bank account, thereby making the fraud substantially easier to carry out.

# XI. Glimpses of How TRE Steals the Money

- From reviewing TRE and the "Agent's" annual inspection and audit reports from the SAIC files, it seems that the agents mainly serve as a tunnel to move money for TRE.
- These agents generally report little to no revenue or profit, and pay little to no tax. However, they have balance sheets orders of magnitude the sizes of their revenues. The balance sheets mainly consist of receivables from TRE entities, and disturbingly, payables to TRE entities.
- Both Yunnan and Guangxi agents are sending a large amount of money to TRE's undisclosed subsidiary, Huaihua City Yuda Wood Co. Ltd. This subsidiary is based in Huaihua City, Hunan Province, which we suspect is the nerve center for TRE's illicit activities. We tried mightily to obtain SAIC files for TRE's four subsidiaries and the Hunan agent, but we were only able to obtain minimal information (such as shareholdings) after much effort. This is highly unusual.
- Payments to farmers and collectives for forest are noticeably scarce in the financial statements of the agents.
- The following tables shows the finances of three agents for 2008 and 2009

| 2008                    | Zhanjiang Bohu<br>湛江博虎 | Jiangxi Zhonggan<br>江西中 <b>赣</b> | Gengma Forestry<br>耿马林业 |
|-------------------------|------------------------|----------------------------------|-------------------------|
| Revenue                 | ¥250,188.59            | ¥0.00                            | ¥161,944.45             |
| Tax Paid                | ¥16,280.71             | ¥0.00                            | ¥545,651.87             |
| Profit                  | (¥707,828.30)          | (¥473,604.40)                    | (¥1,730,241.89)         |
| Total Assets (Year End) | ¥328,764,932.35        | ¥78,342,694.60                   | ¥127,590,736.52         |
| Total Debts (Year End)  | ¥328,478,921.42        | ¥44,400,000.00                   | ¥122,287,992.44         |

| 2009                    | Zhanjiang Bohu<br>湛江博虎                 | Jiangxi Zhonggan<br>江西中赣 | Gengma Forestry<br>耿马林业 |
|-------------------------|----------------------------------------|--------------------------|-------------------------|
| Revenue                 | 12111111111111111111111111111111111111 | ¥58,516,200.00           | ¥455,400.00             |
|                         |                                        | , ,                      | •                       |
| Tax Paid                |                                        | ¥0.00                    | ¥122,757.00             |
| Profit                  | Not Available                          | ¥42,528,626.48           | (¥1,199,609.00)         |
| Total Assets (Year End) |                                        | ¥619,731,395.86          | ¥121,465,482.00         |
| Total Debts (Year End)  |                                        | ¥543,260,074.78          | ¥120,338,833.00         |

Bohu's 2008 Transactions (TRE entities are highlighted) (Appendix E4 and E5)

# Bohu 2008

| Prepayments Made         |          |                 |
|--------------------------|----------|-----------------|
| Shaoyang Jiading (TRE)   | 邵阳嘉鼎     | ¥49,871,398.63  |
| Hunan Jiayu (TRE)        | 湖南嘉裕     | ¥24,202,808.06  |
| Xiangxi Jiaxi (TRE)      | 湘西嘉熙     | ¥30,925,793.41  |
|                          |          | ¥105,000,000.10 |
| Other Account Receivable | 2        |                 |
| Sino-Panel (TRE)         | 嘉汉板业     | ¥38,661,000.00  |
| Guangxi Dacheng          | 广西大成     | ¥15,000,000.00  |
| Xuwen Hengdong           | 徐闻恒东     | ¥7,610,000.00   |
| Guangxi Bohu             | 广西博虎     | ¥3,200,000.00   |
| Beihai Real Estate       | 北海房地产    | ¥27,813,100.00  |
| Zhanjiang Tianxiang      | 湛江天翔     | ¥25,450,000.00  |
| Zhanjiang Tianlun        | 湛江天伦     | ¥19,000,000.00  |
| Leizhou Bangsheng        | 雷州邦盛     | ¥40,000,000.00  |
| Leizhou Hengfu           | 雷州恒福     | ¥1,897,777.11   |
| Other                    | 其它       | ¥1,009,563.51   |
|                          |          | ¥179,641,440.62 |
| Other Account Payable    |          |                 |
| Sino-Panel (China)       | 嘉汉板业(中国) | ¥53,158,409.50  |
| Sino-Panel (Sanjiang)    | 嘉汉板业(三江) | ¥31,297,786.00  |
| Sino-Panel (Luzhai)      | 嘉汉板业(鹿寨) | ¥29,399,999.97  |
| Sino-Panel (Hezhou)      | 嘉汉板业(贺州) | ¥79,000,000.00  |
| Huaihua Yuda             | 怀化裕达     | ¥134,900,000.00 |
| Guangxi Bobai Forestry   | 广西博白林场   | ¥2.09           |
|                          |          | ¥327,756,197.56 |

From the above table, Bohu has made three prepayments to TRE's subsidiaries totaling RMB 105 million. This flow of funds contradicts the disclosed nature of the parties' relationship. Further, with such low registered capital and poor operating results, it is difficult to understand how Bohu's balance sheet is this large.

Bohu has an account payable of RMB 327.8 million to six companies. Four of the six companies are Sino-Panel Subsidiaries. The fifth company Huaihua Yuda is an undisclosed TRE subsidiary that has been receiving massive amounts of money from TRE's subsidiaries. The last company listed is Guangxi Bobai Forestry, which is supposed to be a partner forestry company in Guangxi; however, but the amount owed RMB 2.09 (\$0.30) pales in comparison.

Jiangxi Zhonggan (an undisclosed related party) plays the same games. Its 2009 audit report shows that it had received a prepayment of RMB 448.6 million from Sino Panel China (Investment) Company Ltd. In the same year, it made a prepayment of RMB 212.0 million to Harbin Oubangde Economic and Trading Co. Ltd., a trading company in Harbin, whose business has nothing to do with acquiring forests in Jiangxi Province. According to the audit report, Jiangxi Zhonggang has dealt with more trading companies than forestry companies. (Appendix K3 and K4)

The same is true for Gengma Forestry (a mostly legitimate agent). Its revenue has been declining since it entered into the master agreement with TRE. The revenue was RMB 3.6 million in 2007, and declined to RMB 160,000 RMB in 2008 and RMB 455,400 in 2009. The assets and debts are 787 times 2008 revenue, and 266 times 2009 revenue. Although it really does broker forests, it appears to be helping TRE in some way beside acquiring forest.

TRE has a significant undisclosed subsidiary, Huaihua Yuda Wood Company Ltd. (怀化裕达木业有限公司). Huaihua Yuda has taken massive amount from TRE's subsidiaries, but its existence was never disclosed. In 2007, Huaihua Yuda received a prepayment of RMB 92.0 million from Sino Panel (Hezhou) and another payment of RMB 81.0 million from Sino Panel (Gengma). (Appendix K5 and K6) According to our research from two government websites, Huaihua Yuda is a subsidiary of TRE.

# XII. The Multi-Billion Dollar Ponzi Scheme

Sino Forest to date has raised over \$3.05 billion from the capital markets and has not paid a cent back from free cash flow, nor has it paid a dividend.

Sino-Forest raises capital in increasingly larger amounts, which is effectively a Ponzi scheme. TRE raises cash from the financial markets, purportedly buys forestry assets, which are then valued at a significantly higher level by Poyry (which takes TRE's word on the size and scope of the acquisition at face value), leading to a higher reported net asset value which acts as the support or collateral for an even larger capital raise. The first investor relies upon the new capital to generate the return, thereby fitting a classic Ponzi scheme definition.

It is a fairly standard capital markets transaction to complete a new financing of an asset that has increased in value. In isolation, this conceptually would not be a Ponzi scheme. However, a series of financings almost wholly reliant upon a series of unreliable reports covering the asset values of a company that has been free cash flow negative for 16 straight years should raise some red flags. In order to understand how this cycle has managed to continue for such a long period of time, it is important to understand two key issues: the manipulation of Jakko Poyry's valuation reports, and the way the TRE uses these reports to convince new investors to finance them.

With the exception of an incentive payment of \$30 million to exchange an existing bond into a longer dated one, TRE has never returned any capital to shareholders despite so many financings. Because of the nature of the company, TRE must continue to spend in order to survive. Without

an acquisition pipeline, TRE cannot justify raising capital from new investors. Without new investors, it cannot repay old investors, and would fall apart.

As expected, TRE is still talking about a large acquisition pipeline for 2011.

This is Exhibit "H" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

A Commissioner, etc.

## **FOR IMMEDIATE RELEASE**

#### SINO-FOREST COMMENTS ON SHARE PRICE DECLINE

**TORONTO, CANADA, June 3, 2011** – Sino-Forest Corporation (TSX: TRE) ("Sino-Forest" or the "Company"), a leading commercial forest plantation operator in China, today commented on the share price decline on June 2, 2011 as a result of the allegations made in a 'report' issued on a website by a short seller operating under the name Muddy Waters, LLC. The Company was not contacted by Muddy Waters for comment ahead of publication of its report.

The Board of Directors and management of Sino-Forest wish to state clearly that there is no material change in its business or inaccuracy contained in its corporate reports and filings that needs to be brought to the attention of the market. Further we recommend shareholders take extreme caution in responding to the Muddy Waters report.

As indicated in the report, Muddy Waters has a short position in the Company's shares and therefore stands to realize significant gains from a share price decline that it precipitated. Muddy Waters expressly admits that it makes no representation as to the accuracy, timeliness, or completeness of any information contained in its report. Further, its website discloses no address or ownership information, nor the credentials of any of the authors of the 'report'. Neither the Ontario Securities Commission nor the Securities Exchange Commission website lists Muddy Waters or its author as being registered as an advisor. Nevertheless, due to the substantial impact that the report has had on the prices of the Company's securities and the reputation of the Company, the Board has appointed an independent committee consisting of three of the Company's independent directors. William Ardell (Chair), James Bowland and James Hyde. All three of these directors are financially qualified professionals and two of the three are recent appointees to the Board. The independent committee's mandate is to thoroughly examine and review the allegations contained in Muddy Waters' report, and report back to the Board. The independent committee has appointed Osler Hoskin & Harcourt LLP as independent legal counsel and will retain the services of an independent accounting firm and such other independent advisors as it deems necessary to assist with its examination. During the course of the independent committee's examination, the Company will provide any updates as appropriate. Following conclusion of the report, the key findings of the independent committee will be released to shareholders.

Allen Chan, Chairman and CEO of Sino-Forest commented: "We are committed to a high level of corporate governance and stand by the integrity of our company, our 16-year operational track record and our financial statements. Our company has continuously retained the services of internationally recognized law firms, auditors and expert consultants from Canada, the US, Hong Kong and mainland China."

"It is important that our independent committee thoroughly address Muddy Waters' allegations, and they will have my full support and those of the management team in doing so. However, let me say clearly that the allegations contained in this report are inaccurate and unfounded. Muddy Waters' shock-jock approach is transparently self-interested and we look forward to providing our investors and other stakeholders with additional information to rebut these allegations."

David Horsley, Senior Vice President and CFO of Sino-Forest commented: "I am confident that the independent committee's examination will find these allegations to be demonstrably wrong, as for example:

(a) Muddy Waters fundamentally misunderstands and misrepresents the most basic items in our published Management's Discussion & Analysis with respect to revenue generated from Yunnan Province, which we report as being approximately 45.5% of the Company's standing timber revenue of approximately US\$508 million. Muddy Waters alleges that it is impossible that such revenue existed because achieving such levels would greatly exceed allowable cutting quotas and it would be impossible to truck close to that volume in the period. However, that revenue was very clearly disclosed in our MD&A filed for Q1 and Q2 of 2010 as revenue resulting from the sale of the standing timber - there is no cutting or transport involved, as the trees were sold but not harvested and therefore are not considered part of the quota for the region until the harvesting is conducted by the buyers.

(b) Muddy Waters alleges that the Company overstated the assets in Yunnan Province, based on its erroneous and narrow assumption that our only purchases in Yunnan Province consisted of purchases of 20,574 ha of plantations in Gengma county in Yunnan. However, this allegation ignores the fact that in addition to the purchased plantations in Gengma county, (as disclosed in our 2010 annual MD&A of a total of approximately 193,000 ha purchased in Yunnan Province) we have purchased approximately 173,000 ha of plantations in approximately 25 other counties in Yunnan Province as of December 31, 2010."

As at December 31, 2010, the Company had approximately US\$1.26 billion in cash, cash equivalents and short term deposits as reported in the audited consolidated balance sheet. As at March 31, 2011, the comparable amount was approximately US\$1.09 billion. The Company continues to hold such cash, with the majority of it in banks in Hong Kong and offshore.

As previously announced, the Company intends to file its Q1 2011 results on June 14, 2011.

# **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, a Hong Kong-listed investment holding company (HKSE: 00094) with operations based in Suriname, South America and New Zealand, which is involved in responsible and sustainable log harvesting, lumber processing and sales and marketing of logs and lumber products to China and other countries 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

### SINO-FOREST CORPORATION

Dave Horsley

- Senior Vice President & Chief Financial Officer

Tel: +905 281 8889

Email: davehorsley@sinoforest.com

Please note: This press release contains projections and forward-looking statements regarding future events. Such forward-looking statements are not guarantees of future performance of the Company and are subject to risks and uncertainties that could cause actual results and company plans and objectives to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties include, but are not limited to: changes in China's and international economies and in currency exchange rates; changes in market supply and demand for the Company's products, including global production capacity and wood product imports into China; changes in China's political and forestry policies; changes in climatic conditions affecting the growth of the Company's trees; competitive pricing pressures for the Company's products; and changes in wood acquisition and operating costs.

This is Exhibit "I" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

FINAL

#### FOR IMMEDIATE RELEASE

#### SINO-FOREST RELEASES SUPPORTING EVIDENCE AGAINST ALLEGATIONS FROM SHORT SELLER

**TORONTO, CANADA, June 6, 2011 –** Sino-Forest Corporation (TSX: TRE) ("Sino-Forest" or the "Company"), a leading commercial forest plantation operator in China, today provided further response to allegations by short seller, Muddy Waters, LLC.

The Company believes Muddy Waters' report to be inaccurate, spurious and defamatory. Muddy Waters' self-interest is transparent: to make money from the fall in Sino-Forest's share price on the back of a decline that itself precipitated. Since the report's release, the Company has been working to address the allegations. The Company's Board of Directors is wholly sympathetic to stakeholders who are urging the Company to respond forcefully and quickly. However, the Company wants to respond definitively and it is the Board's fiduciary duty to address these allegations with an unrestricted thorough and independent review, through the Independent Committee that was set up late last week. The Independent Committee has appointed independent legal counsel, appointing Osler, Hoskin & Harcourt LLP to support it in Canada and both Mallesons, (a leading international law firm with offices in Beijing, Shanghai and Hong Kong) and Jun He Law Offices a leading Chinese law firm. The Independent Committee is also expected to announce the appointment of an independent international accounting firm later today.

#### Ownership of trees

The recent events have caused several shareholders to request clear proof of ownership of the Company's timber assets. The Board is anxious to respond to this request and has commenced actions to address this, focusing first on Yunnan Province, where the Company's largest hectarage of purchased plantations are held and where the short seller focused its attacks. Nevertheless, the Company will be posting today the following initial supporting information on the Company's website (www.sinoforest.com):

- A signed copy of the master (framework) agreement (in Chinese) for Lincang City and surrounding areas in the Yunnan Province (together with a version translated to English for ease of reference) pursuant to which individual purchase contracts are then entered into;
- A summary schedule, as at December 31, 2010, showing the 186,700 hectares of purchased plantations in cities of Yunnan province such as Lincang, Lijiang and Pu'er;
- Signed copies of contracts relating to the acquisition of plantations in Gengma county of Lincang City and Ninglang county of Lijiang City, together with examples of the applicable plantation rights certifications or confirmations from the relevant government forestry bureau (as described in the AIF extract below). English translations will be also posted for ease of reference. Such contracts have been made available, at individual contract level with accompanying government confirmations, to the Company's auditors as part of its annual audit process for numerous years; and
- An extract from the Company's annual information form (AIF) for the year ended December 31, 2010 describing the nature of the Company's ownership interests in purchased plantations.

The consent from each relevant local government is necessary for the disclosure of the individual purchase documentation. The Company has made approximately 230 individual purchases under the six master framework agreements it has publicly identified which have occurred in approximately 38 cities (encompassing approximately 99 counties). The Company is seeking the applicable consents on an expedited basis first focusing on consents for its Yunnan purchased plantations. The Independent Committee have advised the Board that it will ask its independent experts to separately examine and review such individual purchase agreements and related government documents.

#### Cash on hand

As at December 31, 2010, the Company had approximately US\$1.26 billion in cash, cash equivalents and short term deposits as reported in the audited consolidated balance sheet. As at March 31, 2011, the comparable amount was US\$1.09 billion. The sources and uses of cash for the period

ending March 31, 2011 will be further detailed in our quarterly report for the period ending March 31, 2011 expected to be issued on June 14, 2011.

Sino-Forest has released today on its website a summary schedule of cash and cash equivalent and short term deposits along with a detailed listing with copies of its bank statements confirming the cash held within the Company as at that date. The Company has conducted business in the ordinary course since then and made ordinary course expenditures, and its cash remains intact with the majority of it in banks in Hong Kong.

#### Share buy-back

The Company has heard from many investors encouraging it to buy back shares given the current prices. The Company has been advised by counsel that it and its directors and officers are precluded from purchasing stock in the current circumstances.

#### Legal recourse

Given the deeply damaging nature of Muddy Waters' self-interested attack on the Company and its shareholders, the Company is considering its legal remedies against Muddy Waters and its principals. Further, the Company intends to ask the securities regulators in Canada and in other jurisdictions to investigate the trading activities conducted by Muddy Waters.

#### **Analyst tour**

The Company will be inviting analysts to join management on a tour of the Company's plantations in July 2011, with details to follow. The analysts will be invited to suggest specific locations for the tour, and for each plantation visited, the Company will present GPS references and the ownership documents.

#### Chairman of Sino-Forest, Mr. Allen Chan, commented:

"I have spent 17 years building Sino-Forest and I can promise investors we are not guilty of the charges levied against us. The Company has grown significantly over the past five years; a period of time in which our financial statements have been audited by Ernst & Young a leading international audit firm, and during which we have been thoroughly scrutinized by several groups of major international underwriters and their well known legal counsel both inside and outside of China in the course of seven public and major private offerings. I stand by our audited financial statements, including the revenue and assets shown therein. All material related party transactions are appropriately disclosed in our financial statements. We do business with the parties identified in the report at arms length. Those parties are not related or connected to the Company or any of its management.

"I very much appreciate the understanding and support so many shareholders have shown us in the past few days. With over a billion dollars in cash, and a clear business strategy and plan, we will continue to focus on executing our business strategy, while we also deal with these allegations.

"It is important people recognize the motivations of Muddy Waters, because it is they who deliberately muddy the waters, not us. This is a company that has taken out a major short position in our company and then issued a report designed to make them money by the decline of our stock. By now they might be out of their short position and in the money. It is the rest of us that lick our wounds, while they lick their lips. I believe their report to be defamatory and I am confident that the Independent Committee's report will demonstrate that."

# **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, a Hong Kong-listed investment holding company (HKSE: 00094) with operations based in Suriname, South America and New Zealand, which is involved in responsible and sustainable log harvesting, lumber processing and sales and marketing of logs and lumber products to China and other countries 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 <a href="https://www.sinoforest.com">www.sinoforest.com</a>.

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# Foreword looking statement disclaimer

This press release contains forward-looking statements regarding future events. Such forward-looking statements are not guarantees of future performance of the Company and are subject to risks and uncertainties that could cause actual results and company plans and objectives to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties include, but are not limited to: changes in China's and international economies and in currency exchange rates; changes in market supply and demand for the Company's products, including global production capacity and wood product imports into China; changes in China's political and forestry policies; changes in climatic conditions affecting the growth of the Company's trees; competitive pricing pressures for the Company's products; and changes in wood acquisition and operating costs.

This is Exhibit "J" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.



# SINO-FOREST INDEPENDENT COMMITTEE APPOINTS **PRICEWATERHOUSECOOPERS**

TORONTO, CANADA, June 6, 2011 - Sino-Forest Corporation (TSX: TRE) ("Sino-Forest" or the "Company"), a leading commercial forest plantation operator in China, today announced that the Independent Committee, which has been set up to examine and review the allegations contained in Muddy Waters' report, has appointed PricewaterhouseCoopers ("PwC") as the independent international accounting firm to assist with the investigations. PwC is highly familiar with the forestry industry and the business environment in China. PwC has extensive resources in North America and China. and will commence its work immediately.

### **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, a Hong Kong-listed investment holding company (HKSE: 00094) with operations based in Suriname, South America and New Zealand, which is involved in responsible and sustainable log harvesting, lumber processing and sales and marketing of logs and lumber products to China and other countries 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.

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This is Exhibit "K" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

Muddy Waters, LLC June 13, 2011

Important disclaimer on back page

#### Reaction to TRE Q1 Earnings Call

The selloff in TRE shares following this morning's call illustrates our overall feelings about management's responses to questions. The highlights are:

- Ernst & Young has been unable to complete its review of TRE's Q1 numbers.
- Chairman / CEO Allen Chan personally guarantees that TRE has disclosed all related party transactions. However at no time did management address TRE's relationship with Lei Guangyu, the only disclosed AI. Mr. Chan stated that Mr. Lei is a major AI.
- TRE's suppliers (agents) and buyers (AIs) are two different parties. As shown by our analysis of five suppliers, none of which were capable of selling nearly the volume of timber TRE claims, TRE had made this point clearly before.
- TRE added an odd twist to its disclosed business model. Als now apparently do not pay TRE directly (see our discussion of the various problems in doing so). Rather they pay TRE indirectly by paying TRE's "designated purchasing agents", which then purchase more parcels. As we wrote in our initial report, a consistent theme of TRE's stated business practices is that they are unnecessary, overly complicated, and risky for a legitimate business.
  - Is the designated purchasing agent an AI-squared? We look forward to more detail on this new facet so that we can analyze the legal and practical issues.
- Mr. Chan explained that the AI model came into being because TRE could not form WFOEs in the 1990s to conduct this business. As we pointed out in our report, after TRE's EJV with the Leizhou Forestry Bureau terminated (due to TRE's failure to contribute its capital), TRE had a WFOE that had a business scope that permitted it to do business directly. Aside from that point, management did not explain why it continues to use an AI model today. Thus the AI model makes no more sense now than it did before this explanation.
- TRE still refuses to disclose its AIs' identities for "competitive reasons." It cited an example from the 1990s when an AI's identity was disclosed, and then smaller competitors undercut TRE's prices and won business. This explanation strikes us once again as TRE relying on everybody in the chain (e.g., the farmers) being ignorant.

We do not dispute that TRE's AIs are overpaying TRE (allowing TRE a 55% gross margin on standing timber). However, TRE's AIs would be among the largest buyers of timber in China – we do not understand how revealing their identities could subject them to any greater information about the extent of this overpayment than they are currently in a position to receive.

- It will apparently take PWC two to three months to complete its investigation. In our experience with much smaller frauds / companies, this is an aggressive timeline.
- CFO David Horsley stated that TRE can not confirm whether the AIs actually make TRE's tax payments. He said they "just don't know" whether the payments are made. Again, the AI model is unnecessary, overly complicated, and risky for a legitimate business.
- Allen Chan did not answer a question about how much replanting TRE did in the quarter, other than to say that TRE is progressing with the program. He later responded to a question about whether TRE is in compliance with PRC replanting regulations by stating that TRE would have heard from the authorities if it were not.

We believe that investors underappreciate the replanting metric (or lack thereof). China has in the past experienced devastating floods due to harvesting without sufficient replanting. If TRE were not fulfilling its obligations to replant, this would complicate the ability of either TRE or its AIs to obtain harvesting permits for the standing timber.

- Management stated something to the effect that it could remit its cash out of China by closing or selling the BVI entities, and then remitting the cash. This was not a confident or clear explanation, and it raises more questions than it answers. Along those lines, when TRE was asked to clarify this statement during the Q&A, nobody answered and the questioner was mysteriously dropped.
- TRE had some notable blocks / drops of other awkward questions. TRE cut off the Nomura analyst Anissa Lee rather than answering her question asking for more details on where the cash balances are kept.

Management also failed to attempt to answer a question about whether its banks are uncomfortable with extending credit. Instead of answering, there was a death ray type of sound toward the end of the question, and the questioner was no longer there. In true memory hole fashion, management moved onto the next questioner without making any statement in response to the question.

• William Ardell stated that PWC is going to check balances in every PRC bank account at the branch level. As LFT, CCME, and other frauds show us, such

- confirmation should also take place at the central level of the banks branches are easily corrupted.
- Regarding the dearth of information in the data room, Allen Chan said that he would have to check with "our people" about putting more information online. We advise investors to take note of this delay.

Use of Muddy Waters LLC's research is at your own risk. You should do your own research and due diligence before making any investment decision with respect to securities covered herein. You should assume that as of the publication date of any report, Muddy Waters, LLC (possibly along with or through our members, partners, affiliates, employees, and/or consultants) along with our clients and/or investors has a short position in the stock (and/or options of the stock) covered herein, and therefore stands to realize significant gains in the event that the price of stock declines. Following publication of any report, we intend to continue transacting in the securities covered therein, and we may be long, short, or neutral at any time hereafter regardless of our initial recommendation. This is not an offer to sell or a solicitation of an offer to buy any security, nor shall any security be offered or sold to any person, in any jurisdiction in which such offer would be unlawful under the securities laws of such jurisdiction. Muddy Waters, LLC is not registered as an investment advisor. To the best of our ability and belief, all information contained herein is accurate and reliable, and has been obtained from public sources we believe to be accurate and reliable, and who are not insiders or connected persons of the stock covered herein or who may otherwise owe any fiduciary duty or duty of confidentiality to the issuer. However, such information is presented "as is," without warranty of any kind - whether express or implied. Muddy Waters, LLC makes no representation, express or implied, as to the accuracy, timeliness, or completeness of any such information or with regard to the results to be obtained from its use. All expressions of opinion are subject to change without notice, and Muddy Waters, LLC does not undertake to update or supplement this report or any of the information contained herein.

This is Exhibit "L" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.



# THE GLOBE AND MAIL

June 18, 2011

# Key partner casts doubt on Sino-Forest claim

By MARK MacKINNON AND ANDY HOFFMAN From Saturday's Globe and Mail

Globe inquiry finds irregularities in timber company's disclosure; Chinese forestry officials open probe

Embattled Sino-Forest Corp. TRE-T, once Canada's biggest publicly-traded timber company, appears to have substantially overstated the size and value of its forestry holdings in China's Yunnan province, according to figures provided by senior forestry officials and a key business partner there.

During two weeks of on-the-ground reporting that included interviews with Chinese government officials, forestry experts, local business operators and brokers, The Globe and Mail uncovered a number of glaring inconsistencies that raise doubts about the company's public statements regarding the value  $\Box$ 

of the assets that lie at the centre of the company's core business

of buying and selling Chinese timber rights.

Once a stock market favourite, Sino-Forest has had a spectacular fall since a short seller's report, published June 2, alleged that the company engaged in large-scale fraud and is inflating the value of its timber assets. The shares are down 82 per cent since the release of that report, written by Carson Block of Muddy Waters LLC, representing a paper loss of \$3.7-billion to investors in little more than two weeks.

The company has denied all wrongdoing and the board of directors formed a committee to probe the allegations raised by Muddy Waters. The investigation is expected to last months and has begun with representatives from PricewaterhouseCoopers checking Sino-Forest's bank accounts to verify the more than \$1-billion (U.S.) the company says it holds in cash at Chinese banks and other financial institutions.

The Globe's investigation raises particularly hard questions about a key agreement in March, 2007, that Sino-Forest says gave it the right to buy timber rights for up to 200,000 hectares of forest in Yunnan over a 10-year period for between \$700-million (U.S.) and \$1.4-billion. The trees were to be bought through a series of agreements with an entity called Gengma Dai and Wa Tribes Autonomous Region Forestry Co. Ltd., also known as Gengma Forestry.

The company says it has fulfilled virtually all of the agreement with Gengma and now owns more than 200,000 hectares in Yunnan.

But officials with Gengma Forestry, including the chairman, dispute the company's account of the deal, telling The Globe and Mail that the actual numbers are much smaller.

Xie Hongting, the chairman of Gengma Forestry, said in an interview that the transactions carried out so far by Sino-Forest amounted to less than 14,000 hectares.

Asked how many deals Gengma had conducted with Sino-Forest, Mr. Xie said: "I've told you that we sold them almost 200,000 mu." (Mu is a Chinese unit of land measurement; 15 mu equals one hectare.)

Mr. Xie's account corroborates the assertions of senior forestry officials in the province. Speaking on condition of anonymity, these officials challenged the company's statements that it controls more than 200,000 hectares of Yunnan trees, and said they are now investigating.

In a written response to questions from The Globe, Sino-Forest said it stands by its public statements regarding its Yunnan holdings. The company said it has purchased about 13,300 hectares of "forestry assets and leased land" directly from Gengma Forestry, and another 180,000 hectares of "forestry assets only" from other sellers, using Gengma as a purchasing agent.

"The agreement has not been yet fulfilled as we have not completed the purchase of 200,000 hectares," the company said.

That statement from Sino-Forest appears to contradict its own publicly filed financial reports. In its first quarter 2011 report, the company said that "under the master agreement entered in March 2007 to acquire 200,000 hectares of plantation trees over a 10-year period in Yunnan, the Company has actually acquired 230,200 hectares of plantation trees for \$1,193,459,000 as at March 31, 2011."

The company's 2010 annual information form filed with regulators earlier this year said that as of December 31, 2010, Sino-Forest had "acquired approximately 190,300 hectares of plantation trees for \$925.9-million (U.S.) under the terms of the master agreement."

The Globe's investigation of the company's dealings and holdings in Yunnan points to inconsistencies in the company's accounting of its timber rights and raises broader questions about its business practices.

In dispute is just how much the company really controls of the dense oak, pine and birch forests that cover the rippling mountains of southern Yunnan, which is close to China's border with Myanmar.

Sino-Forest's core business consists of buying timber assets in China, holding these plantations for two or three years as they appreciate in value, and then selling them at a profit. Sino-Forest also has a log trading business. Combined, these operations account for about 95 per cent of the company's current revenue. Sino-Forest also plants trees for harvest, but these holdings are not expected to generate revenues for five or six years.

Its corporate structure has opened Sino-Forest up to criticism that it is too opaque. The company has scores of subsidiaries in China and offshore locations such as the British Virgin Islands. It has refused to disclose the names or locations of the customers who buy its standing timber, saying it doesn't want to reveal the identity of its customers for competitive reasons.

Non-state-owned forests in China are usually collectively owned by village councils on behalf of their residents, or in some cases belong to individual households. The trees and their produce can be bought, but the land can only be leased.

As of the end of 2010, the company claimed control of about 800,000 hectares of trees in nine Chinese provinces plus New Zealand. Its operation in Yunnan province, in addition to being its largest, is also the one for which it has made additional disclosures recently in an attempt to defuse the allegations made in the Muddy Waters report.

So far, however, it has disclosed purchase agreements as well as forest and woodland rights certificates for about 7,000 hectares of forest in Yunnan. The company has not disclosed significant documentation regarding its forestry holdings in other provinces.

To find Gengma Forestry, Sino-Forest's local partner in the so-called "Yunnan master agreement" - the 2007 deal said to be worth as much as \$1.4-billion - you have to duck down an alleyway behind the drugstore on the main street of this nondescript trading city, then up a dusty cement staircase.

On the landing is the litter-strewn office with an open door and a window protected by metal bars. Despite signing a deal with Sino-Forest that should guarantee a windfall, the company has clearly fallen on hard times. "Our relations with [Sino-Forest] were not totally good. They talked about a lot of things, but in the end it was hard to get money from them," said Zhang Ling, Gengma Forestry's office manager.

Ms. Zhang said the company was approached by Sino-Panel, a Sino-Forest subsidiary, out of the blue in 2006 -

"they said they found us over the Internet" - but that they hadn't heard anything from the company in recent years. She said Gengma Forestry felt it had made a bad deal on the forests it sold. "We sold it for 30 yuan per mu (per year). Now the price is soaring because the hype around timber is very high."

When The Globe asked Sino-Forest why a Gengma official offered a different account of the 2007 deal, the company said it stood by its statements on the transaction and suggested Gengma's chairman should be contacted. "We don't know who you spoke to, but we continue to be in touch and have a good relationship with the Chairman, Xie Hongting," the company said in an e-mail. Mr. Xie's office address and local phone number were both included. When The Globe contacted Mr. Xie, he contradicted Sino-Forest's account that it has bought about 200,000 hectares of forest through the Yunnan master agreement.

With four years of the master agreement deal already elapsed, Mr. Xie said Sino-Forest has followed through on deals that give them long-term leases, which are usually for three or four decades, for timber rights on "almost" 200,000 mu of timber through Gengma, or about 13,300 hectares - not the 200,000 hectares the company claims to have acquired.

At the same time as the company announced the Gengma Forestry deal in 2007, it also announced the sale of \$200-million (U.S.) in new shares to a group of investors led by Temasek Holdings, Singapore's massive sovereign wealth fund, to help  $\Box$  pay for the timber deal - one of a series of equity and debt financings Sino-Forest has completed over the past decade to fund its huge growth.

While Gengma Forestry officials question Sino-Forestry's account of the 2007 deal, local land brokers said it would be difficult to find 200,000 hectares of quality land leases to complete that agreement.

"Most of the land with good trees around Gengma is all sold out. Only lesser land is still available to buyers now," said Zhang Fuyin, a broker who said he sold 10,000 mu of timber in the area to Sino-Panel, a Sino-Forest subsidiary, several years ago. The deal with Gengma Forestry says the timber purchases will take place in "Lincang city and its surrounding areas," a likely reference to Lincang county, of which Gengma is the geographical heart.

Senior forestry officials in the province challenged the company's assertion that it controls about 200,000 hectares of forest in the region. Speaking on condition they not be identified, they said their records showed Sino-Forest manages far less than that and said the Yunnan Forestry Bureau would begin an investigation aimed at determining the company's true holdings.

In addition to the questions about Sino-Forest's disclosures on the size of its holdings, forestry officials, as well as local timber brokers who spoke to The Globe raised questions regarding the value Sino-Forest attributes to its Yunnan assets.

"It's very hard for anyone to say what the value of their property is," said one forestry official, adding that forested land in Yunnan needed to be evaluated by a special body jointly appointed by the Forestry Bureau and the Ministry of Finance. Sino-Forest has not requested such an official valuation of its land, he said. "(The valuation) must have two chops (official seals) and two forestry resource evaluation experts and two licensed evaluators... . Even I can't just go there and give it a value."

In an e-mail response to The Globe and Mail, Sino-Forest replied that because they own the trees, rather than the land, their holdings would not be registered with the provincial forestry bureau.

"As a matter of course, when we purchase trees only, we obtain a confirmation of our ownership from the local county or city Forestry Bureau for the local area in which we purchase, not the provincial Forestry Bureau. Sino Forest's ownership of its forestry assets in the Yunnan province is voluntarily documented in each case by the local or city Forestry Bureaus, not at the provincial Forestry Bureau level. As a result, officials at the provincial Yunnan Forestry Bureau would not have an official record about Sino-Forest's local forestry assets."

Born from a reverse takeover of a shell company trading on the Alberta Stock Exchange in 1994, Sino-Forest grew to a market capitalization of more than \$6-billion. Its largest shareholder is Paulson & Co., run by John Paulson, who is among the world's best-known hedge fund managers and whose flagship fund owns 14 per cent of Sino-Forest's shares, according to regulatory filings.

Before the Muddy Waters report was published, seven out of seven Canadian equity analysts who covered Sino-Forest rated the company a buy.

With reporting by freelance writer Carolynne Wheeler in Beijing.

#### **FOREST GROWTH**

March 23, 2007: Sino-Forest announces a deal to acquire 200,000 hectares of standing timber in Yunnan province over a 10-year period for \$700-million (U.S.) to \$1.4-billion. The company says it will acquire the trees through "purchase agreements" with Gengma Dai and Wa Tribes Autonomous Forestry Co. Ltd. (Gengma Forestry).

At the same time, the company says it will sell \$200-million in new shares to investors, with most of that going to Temasek Holdings, Singapore's sovereign wealth fund.

**Dec. 31, 2007:** By this date, Sino-Forest had acquired 10,438 hectares for \$88.1-million under the Gengma deal, according to company disclosures.

**2008:** Sino-Forest acquires 64,562 hectares of Yunnan forest under the Gengma deal, according to company documents, for a total of 75,000 hectares purchased.

**2009:** Further acquisitions bring Sino-Forest's total purchases under the Gengma deal to 109,100 hectares, at a cost of more than \$500-million.

**2010:** Sino-Forest has its busiest year yet in Yunnan, acquiring another 81,200 hectares through Gengma. As of Dec. 31, 2010, it had bought 190,300 hectares of Yunnan trees via the deal, for \$925.9-million.

**June 2, 2011:** An obscure research firm, Muddy Waters LLC, alleges that Sino-Forest has overstated purchases from the Gengma agreement by \$800-million.

Source: Company documents

The Globe and Mail, Inc.

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This is Exhibit "M" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.



# THE GLOBE AND MAIL \*

June 19, 2011

# On the trail of the truth behind Sino-Forest

By MARK MacKINNON From Monday's Globe and Mail

Two weeks of travelling by car and plane to visit Sino-Forest offices, properties and partners in Yunnan lead to as many new questions as answers

The deepening mystery surrounding Canadian timber company Sino-Forest Corp. TRE-T leads to the regional capital of Kunming in China's Yunnan province and down Huashan West Road - to an address that doesn't exist.

That address, No. 125 - 129 Huashan West Rd., is listed as the office of a forestry company that sold 1,600 hectares of timber in Yunnan province to a Sino-Forest subsidiary in March. But the odd-numbered side of Huashan West Road ends at 81.

Finding the buyer, the Sino-Forest subsidiary, proves almost as elusive. The office is in a white three-storey building with a green Sino-Panel sign on Bai Tai Road on the northern edge of Lincang, the administrative centre of the region's forestry industry. But it's empty.

The curious transactions totalling \$6-million and inked on March 7 between a Sino-Forest subsidiary with an empty office and a seller with no address highlight the bigger questions surrounding Sino-Forest's dealings in southern China. Trying to penetrate Sino-Forest's complicated business in Yunnan can be like trying to spot the sun through the thick forests of oak, birch, pine and other timber that carpet the mountains in this sprawling region along China's border with Myanmar.

Sino-Forest, once Canada's biggest publicly-traded timber company, has seen its stock fall by 82 per cent since the June 2 publication of a report by a short seller, Carson Block of Muddy Waters LLC, that alleged large-scale fraud and overstatement of assets by the company.

The Globe and Mail reported on Saturday that Yunnan forestry officials say the company's claim that it controls almost 200,000 hectares in Yunnan province doesn't match their records. A key business partner, the intermediary in a Yunnan "master agreement" under which Sino-Forest says it conducted the bulk of its transactions there, told The Globe it has so far sold less than 14,000 hectares to Sino-Forest. Sino-Forest has said that it has almost completely fulfilled the 10-year master agreement signed in 2007, which gave it the right to purchase up to 200,000 hectares in the region via the intermediary, Gengma Dai and Wa Tribes Autonomous Region Forestry Co. Ltd. (also known as Gengma Forestry).

Senior forestry bureaucrats also told The Globe and Mail that there's no official valuation of Sino-Forest's properties, since the company has never applied to have an evaluation conducted by the local government. The Yunnan Forestry Bureau has since launched an investigation into the company's claims.

In e-mail responses to the Globe, Sino-Forest says it stands by its public statements regarding its holdings in

Yunnan, and said it bought some assets from Gengma Forestry, and used Gengma Forestry as a purchasing agent to buy another 180,000 hectares of forest from other sellers. The company has denied all wrongdoing alleged by Muddy Waters and the board of directors has formed a committee to investigate.

Two weeks of travelling by car and plane to visit Sino-Forest offices, properties and partners in Yunnan, Hunan and Beijing - and interviews with forestry officials, industry experts and local residents - led to as many new questions as answers.

In the series of deals inked on March 7, the buyer was named as Sino-Panel (Yunnan) Forestry Co., the local affiliate of Sino-Forest, and the seller was listed as Yunnan Shunxuan Forestry Co. Ltd. of Huashan West Road.

No one on Huashan West Road recalls a forestry company ever having an office in the area. "If there was a company like this on Huashan West Road, I would know about it," said a member of the neighbourhood committee (a hyperlocal and usually omniscient arm of the ruling Communist Party) that is responsible for the street.

At the same time, neighbours say the office of Sino-Panel on Bai Tai Road sat empty until Thursday, June 2 - hours before Muddy Waters released the report that rocked investor confidence in Sino-Forest and sent its share price spiralling downwards. Then a moving van arrived at the long-vacant building and began unloading desks, chairs, power bars and Internet cables.

A week later, however, there was still no evidence of anyone working there, other than a squashed cigarette butt and a caulking gun that lay on the dirty tile floor amid the bare workstations.

"We wouldn't have noticed, but (on June 2) my car was blocking the moving van (and had to be moved). Before that, the building was empty," said Wu Jie, manager of the regional office of Fanhua Forestry Investments Development Co., which sits beside a massage parlour and an English training centre across the street from the deserted Sino-Panel building.

Sino-Forest says its office was empty because they only incorporated their Lincang office at the start of the year. "The signing of the four contracts occurred after the registration of this new office but we haven't yet moved our staff to this location because we have been renovating the office space," the company said in a statement e-mailed to The Globe and Mail.

But other answers did little to shed light on who the company was dealing with in the March 7 transactions. Asked why Yunnan Shunxuan didn't have an office at the location listed on the four purchase certificates for the 1,600 hectares Sino-Forest bought, Sino-Forest gave another address.

This one turned out to be a 60-square-metre room in an apartment hotel, with no sign on the door indicating a business of any kind inside. The woman who answered the phone said she was Chen Xin, the company's sales manager. She confirmed that Shunxuan had indeed done business in the past with Sino-Forest. But she refused to answer any other questions.

A short flight and a long drive away in a remote corner of Hunan, another Chinese province, questions mount around a separate partner, Huaihua Yuda Wood. The company was identified on Chinese websites - including that of the Huaihua City Bureau of Commerce - as a subsidiary of Sino-Forest. Such a relationship with Huaihua Yuda Wood would have been a required disclosure when the Sino-Forest reported a 2007 transaction in which it paid \$68-million for just over 7,000 hectares of forest in Yunnan.

Sino-Forest denies that Huaihua is a related party, and has since made public a letter from Huaihua Yuda Wood asking that the website be corrected after apparently going unnoticed for almost five years (an application accepted by the local government, which acknowledged making an "error").

But again, it's a challenge trying to track down the real origins of the Sino-Forest partner. No street address is given for Huaihua Yuda Wood on the documents made available by Sino-Forest, only the name of a tiny township called Anjiang in southern Hunan province. There, locals say a company called Yuda did indeed own a crumbling sawmill in the area that has since changed hands.

Employees who remained behind at the mill after it was sold say they believed that Huaihua Yuda Wood was indeed a subsidiary of Sino-Forest. "There were Canadians here all the time back then," said an office worker who would only give her family name, Yi.

At the offices of Jiading, the Sino-Forest subsidiary in the nearby city of Dongkou, the story gets even more

complicated. The factory manager says Huaihua Yuda Wood's operations are indeed in the same building as Jiading's. Yuda is a "cousin company," the factory manager explained.

But his boss, general manager Liu Zhiwei, denies that's the case and says Yuda Wood remains an independent company based in Anjiang, though he says he doesn't know its address or phone number.

An official with the Huaihua City Bureau of Commerce told The Globe and Mail by telephone Wednesday that Huaihua Yuda was no longer a legally registered company and that he could not provide any other information. But that same week, the seemingly defunct company wrote to the same commerce bureau, asking for and receiving a letter clarifying that it was indeed a separate entity from Sino-Forest.

The questions about Sino-Forest, which have made headlines in North America, have barely made a ripple here in the heart of its operations. None of the government officials, business people, forestry industry experts or local residents interviewed by The Globe and Mail in Yunnan and Hunan had heard anything about Muddy Waters or the allegations against Sino-Forest.

At Sino-Forest's real centre of operations in Yunnan, on the fourth floor of a converted hotel in the small but affluent town of Mengding, a harrowing five-hour drive through the mountains south of Lincang, the company's troubles seem to be little more than a rumour. Branch manager Shen Xe "heard something happened at the company, but I'm not certain what it is." Others among the company's 19 staff in Mengding professed complete ignorance.

Or perhaps the questions were just unwelcome. When the interview was over, local police were waiting in the parking lot. They questioned The Globe's reporter, and then attempted to follow his movements for the rest of the day.

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This is Exhibit "N" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.



#### FOR IMMEDIATE RELEASE

#### SINO-FOREST RESPONDS TO THE GLOBE AND MAIL ARTICLE

TORONTO, CANADA, June 20, 2011 – Sino-Forest Corporation (TSX: TRE) ("Sino-Forest" or the "Company"), a leading commercial forest plantation operator in China, today made the following statement in response to the incorrect portrayal of its business provided by The Globe and Mail in an article published on Saturday, June 18th.

At the heart of The Globe and Mail's article is the assertion that there is a discrepancy between the Company's public disclosure regarding its 2007 Master Agreement with Gengma Dai and Wa Tribes Autonomous County Forestry Limited ("Gengma Dai and Wa") for the purchase of plantations in the province of Yunnan (the "Master Agreement" - filed in the dataroom on the Company's website), acquisitions made under it, and the description of the Master Agreement and related acquisitions that was apparently provided by Gengma Dai and Wa to The Globe and Mail. There is no discrepancy.

The Chairman of Gengma Dai and Wa, Mr. Xie Hongting, was introduced by Sino-Forest to The Globe and Mail in an open attempt to address some of its many questions. After the interview with Mr. Xie, the Company had its own background interview with The Globe and Mail, during which it became clear there were some factual misunderstandings regarding the Company's ownership of trees in Yunnan. The Company informed The Globe and Mail that Mr. Xie would clarify the relationship between both parties. However, The Globe and Mail chose not to wait for Gengma Dai and Wa's complete description of its relationship with Sino-Forest.

The Company has provided the following status update with respect to its Yunnan tree ownership resulting from the Master Agreement entered into with Gengma Dai and Wa in 2007:

- Sino-Forest entered into the first Yunnan Master Agreement in 2007 (filed in the dataroom on the Company's website). The Master Agreement had a target to acquire 'approximately' 200,000 hectares (3 million mu mu being the common Chinese unit of land measurement that is equivalent to 1/15th of a hectare) of standing timber. The Master Agreement does not specify a maximum amount of standing timber to be acquired under the Agreement (the phrase "up to" in The Globe and Mail article is inaccurate and not a reflection of the Company's public disclosures on this matter). As per Sino-Forest's 2010 Annual Information Form, the Company had acquired 190,300 hectares (2.855 million mu) under the Master Agreement and retained holdings of 186,700 hectares (2.8 million mu) as at December 31, 2010. As per the Management's Discussion and Analysis (MD&A) that accompanied the financial statements for the first quarter 2011, the Company had acquired approximately a total of 230,200 hectares (3.453 million mu) under the Master Agreement as of March 31, 2011.
- In 2007, through its subsidiaries, the Company entered into specific agreements to acquire standing timber and land use rights on 12,667 hectares (190,000 mu) of Gengma Dai and Wa's land in Lincang City, Yunnan Province. A sample of these agreements have previously been published on the Company's website.
- Subsequent to that initial sale, Gengma Dai and Wa has sold approximately 34,667 hectares (520,000 mu) of standing timber located in Lincang City, Yunnan Province to subsidiaries of the Company. Of this amount approximately 12,000 hectares (180,000 mu) was standing timber owned by Gengma Dai and Wa, and approximately 22,667 hectares (340,000 mu) was standing timber sold to the Company by others. Gengma Dai and Wa acted as a purchasing agent in those transactions, by arranging the sales of bundles of standing timber parcels to the Company and its subsidiaries by the owners of such standing timber.

- In addition, Gengma Dai and Wa has acted as the Company's purchasing agent, under the Master Agreement, for the purchase of other standing timber elsewhere in Yunnan Province, beyond Lincang City, totalling approximately 182,867 hectares (2.743 million mu).
- As a result, in total under the Master Agreement, the Company through its subsidiaries has acquired standing timber of 182,867 hectares (2.743 million mu), plus 34,667 hectares (520,000 mu) and 12,667 hectares (190,000 mu), for a total of approximately 230,200 hectares, or approximately 3.453 million mu.
- Gengma Dai and Wa is currently continuing to work with the Company on further purchases in Lincang City, Yunnan Province.

This breakdown is completely consistent with the Company's public disclosure of its total acquisitions of standing timber hectares in Yunnan Province in its first quarter 2011 MD&A of 230,200 hectares (3.453 million mu) acquired pursuant to the Yunnan Master Agreement and is also consistent with the comments of Mr. Xie of Gengma Dai and Wa to The Globe and Mail. When asked in the interview how much he has sold to Sino-Forest, he accurately says he has sold the Company "almost 200,000 mu" (13,333 hectares) which represents land use rights on land provided by Gengma Dai and Wa and is an approximate total of the Company's land lease certificates in Yunnan. In addition, Gengma Dai and Wa has sold standing timber for a total of another 34,667 hectares (520,000 mu) in Lincang City both as owner and as agent, and acted as an agent on another 182,867 hectares (2.743 million mu) elsewhere in Yunnan Province. For further clarity, the Company attaches Gengma Dai and Wa's own statement on this matter which was issued over the weekend, again consistent with what the Company has set out above. This is the clarification that the Company asked The Globe and Mail to wait for prior to publication; however the newspaper chose to publish the article without all of the facts on June 18th.

The Globe and Mail's article is further inaccurate in a critical part of its research. It refers to "Gengma Forestry", with its "litter-strewn" office "up a dusty cement staircase"; and its office manager Zhang Ling. Very poetic, but completely irrelevant, because based on the information that The Globe and Mail provided to the Company, the Company believes that this is the address of a business known as Gengma Dai and Wa Autonomous County Forestry Industrial Co., Ltd. (耿马傣族佤族自治县林产有限责任公司). It is a different organization from Gengma Dai and Wa Tribes Autonomous County Forestry Limited (耿马傣族佤族自治县林业有限责任公司), with whom Sino-Forest has its Master Agreement, which is based at an entirely different address. Upon becoming aware of this incorrect description, the Company provided the correct address for Gengma Dai and Wa Tribes Autonomous County Forestry Limited to The Globe and Mail.

In addition, in support of its case The Globe and Mail quotes an unnamed broker who stated that "most of the land with good trees around Gengma is all sold out." The scope of the Master Agreement encompasses the whole of Yunnan Province. For reference, Gengma County represents approximately 16% of the landmass of Lincang City area and less than 1% of Yunnan Province as a whole.

Furthermore, regarding The Globe and Mail's reference to an unnamed Yunnan Provincial forestry bureau official saying that Sino-Forest manages far less than 200,000 hectares, as indicated in the Company's written response to The Globe and Mail, the provincial level bureau records land ownership and land lease transactions, but <u>does not</u> separately record sales of standing timber. As publicly disclosed, the substantial majority of Sino-Forest's purchases are <u>standing timber</u>. The provincial level forestry bureau will therefore not have full details of the total area of timber purchases under Sino-Forest's and its subsidiaries' names.

The Company would like to remind investors that most domestic and multinational companies with significant China exposure, a country with a rapidly evolving business environment, have structures and operations that are complex and significantly different from the North American environment and that can be complex to explain. As, for example, the distinction between ownership of standing timber and leasing the underlying land by plantation operators whereas only the State and farmers-collective "own" the land that exists in China. The Independent Committee has told the Board that the review and examination being undertaken by the Independent Committee with the assistance of PricewaterhouseCoopers (PwC) and its independent legal advisors will likely take at least two to three months, which is normal for such processes. The Company fully understands that the pressure for

answers is significant, but stands by its public disclosure and, as far as possible, asks that investors trust that process, and allow it to be conducted fully and definitively, not over-judging single articles or publications that are not produced by persons necessarily familiar with the forestry business or business practices in China, that might not be fully sourced or accurate. During the course of the Independent Committee's examination, the Board expects it will provide updates from such process as appropriate. That is precisely why the Company and Independent Committee need the time to complete the process.

#### Terms used in this announcement

- Mu is a standard unit of land measurement in China and is one-fifteenth of a hectare (1 hectare = 15 mu).
- Gengma County in Yunnan Province falls within the jurisdiction of Lincang City metropolitan

#### **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, a Hong Kong-listed investment holding company (HKSE: 00094) with operations based in Suriname, South America and New Zealand, which is involved in responsible and sustainable log harvesting, lumber processing and sales and marketing of logs and lumber products to China and other countries 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.

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#### Forward Looking Statement Disclaimer

This press release contains forward-looking statements regarding future events. Such forward-looking statements are not guarantees of future performance of the Company and are subject to risks and uncertainties that could cause actual results and company plans and objectives to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties include, but are not limited to: changes in China's and international economies and in currency exchange rates; changes in market supply and demand for the Company's products, including global production capacity and wood product imports into China; changes in China's political and forestry policies; changes in climatic conditions affecting the growth of the Company's trees; risk that the Independent Committee review and examination cannot fully independently determine the veracity of certain public allegations made against the Company, competitive pricing pressures for the Company's products; and changes in wood acquisition and operating costs.

This is Exhibit "O" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

Muddy Waters, LLC June 20, 2011

Important disclaimer on pp. 4-5

# The Ties that Blind Part 1: Huaihua Yuda

"I personally stand by and guarantee that the audited financial statements in the reports filed are accurate, and any material connected parties' transactions have been disclosed in our management discussions and analysis." – Allen Chan, Sino-Forest Chairman / CEO on TRE's June 14, 2011 conference call.

Contrary to information TRE released on June 17, 2011, Huaihua Yuda, appears to be closely related to TRE.

#### Background

Sino-Forest investors had not heard of Huaihua Yuda ("Yuda") until Muddy Waters, LLC's June 2<sup>nd</sup> report on TRE. Our report disclosed the existence of Yuda, and showed that TRE has been moving significant sums of money to Yuda. On June 17<sup>th</sup>, TRE posted a local government letter in its data room that states Yuda is not a subsidiary of TRE; rather, that it is a subsidiary of Sonic Jita Engineering Ltd.

#### Summary

Sonic Jita was once owned by Sino-Forest executives, and then by Sino-Forest itself. When TRE owned Sonic Jita, TRE engaged in a major undisclosed related party transaction with Sonic Jita. At present Sonic Jita is nominally owned by parties unrelated to TRE. TRE and Sonic Jita share a senior executive, although it is unclear whether his dual role is concurrent. A recent report by Canada's Globe and Mail presents evidence suggesting that TRE exercises control over Yuda.

#### Sonic Jita and Sino-Forest

Sino-Forest executives, and then Sino-Forest itself, owned Sonic Jita. At the time TRE owned Sonic Jita, TRE entered into a major transaction with Sonic Jita that TRE did not disclose was a related party transaction. As part of this transaction, TRE was sued for an alleged breach of a contract by Sonic Jita, even though Sonic Jita was not named as a defendant. Sonic Jita and TRE appear to share at least one key executive, although it is currently unclear whether his dual role is concurrent.

Sino-Wood Partners Ltd. and Sino-Wood (Guangdong) Ltd., two of TRE's primary holding companies, previously owned Sonic Jita. At the time TRE (via its subsidiaries) owned Sonic Jita, TRE announced that it had entered into a major equipment purchase contract with Sonic Jita. TRE disclosed the transaction as though it were an unconnected

arm's length transaction. In reality, TRE was named the sole defendant in a 1998 lawsuit relating to Sonic Jita's alleged breach of a contract. We are unclear why Sonic Jita was not named as a defendant. Thus, as early as 1997, TRE engaged in an undisclosed related party transactions with Sonic Jita.

TRE acquired its stake in Sonic Jita from TRE co-founder K.K. Poon; ADS Capital Ltd.<sup>2</sup>; and Leslie Chan, who was then a major shareholder and executive vice president of TRE as well as a co-founder of Sino-Wood Partners Ltd. (we are unclear whether there is a familial relationship between Allen Chan and Leslie Chan). Allen Chan was a director of Sonic Jita at the time TRE acquired Sonic Jita. It was never disclosed that TRE's management individually owned and controlled Sonic Jita.

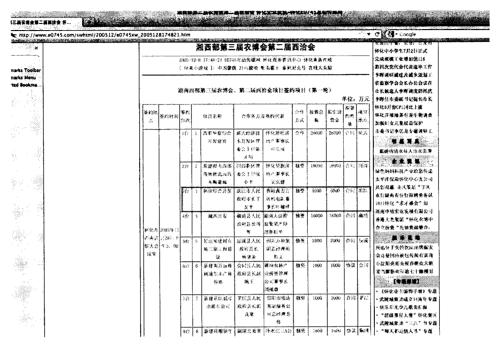
Sonic Jita is presently owned by parties who appear unrelated to TRE.

However, Sonic Jita appears to share at least one key executive with TRE, Mr. Ye Han Xiang. It is unclear at this point whether Mr. Ye concurrently holds a position at Sonic Jita. Mr. Ye is the Legal Representative<sup>3</sup> of four TRE entities, including one of TRE's acknowledged Huaihua companies, Sino-Panel (Yuan Ling) Co. Ltd. According to the first website below, Mr. Ye entered into a contract in 2005 with Hong Jiang City, Hunan Province on behalf of Sonic Jita. The second website shows Mr. Ye's status as Sino-Panel Yuan Ling's current Legal Representative.

<sup>1</sup> See Sino-Forest 1997 Annual Information form, p. 22.

<sup>&</sup>lt;sup>2</sup> It is likely that ADS Capital Ltd. was at least partly controlled by Allen Chan. During the 1990's, Mr. Chan was a director of A D Sinensas & Assoc.; further, in prior prospectuses, Allen Chan's family members were disclosed as beneficial owners of TRE stock via ADS Holdings BVI Ltd.

<sup>&</sup>lt;sup>3</sup> The Legal Representative is a company official who has legal authority to enter into binding contracts, and who is personally liable for administrative and criminal wrongdoing by the company.





6知公告:

长当前的位置: 首页>>企业公告>>变更公告

#### 嘉汉板业(沅陵)有限公司

时间: 2011-05-25 11:06:09 来源: 作者:hh315 海克次数: 17

#### 事权报告(证据)有限公司专更公告

**塞汉吸虫化酸)有限公司已于 2011-05-12在杯化市工教行政管理局通过变更登记,被照相关法律法规** 现将其**变**更新的社对信息予以公示、公示时间为一个月。

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#### . 熱点文章

#### Yuda and Sino-Forest

Canada's Globe and Mail recently encountered evidence that TRE controls Yuda when it visited Yuda's office.<sup>4</sup> It wrote

"But again, it's a challenge trying to track down the real origins of the Sino-Forest partner. No street address is given for Huaihua Yuda Wood on the documents made available by Sino-Forest, only the name of a tiny township called Anjiang in southern Hunan province. There, locals say a company called Yuda did indeed own a crumbling sawmill in the area that has since changed hands. Employees who remained behind at the mill after it was sold say they believed that Huaihua Yuda Wood was indeed a subsidiary of Sino-Forest. "There were Canadians here all the time back then," said an office worker who would only give her family name, Yi.

At the offices of Jiading, the Sino-Forest subsidiary in the nearby city of Dongkou, the story gets even more complicated. The factory manager says Huaihua Yuda Wood's operations are indeed in the same building as Jiading's. Yuda is a "cousin company," the factory manager explained.

But his boss, general manager Liu Zhiwei, denies that's the case and says Yuda Wood remains an independent company based in Anjiang, though he says he doesn't know its address or phone number.

An official with the Huaihua City Bureau of Commerce told The Globe and Mail by telephone Wednesday that Huaihua Yuda was no longer a legally registered company and that he could not provide any other information. But that same week, the seemingly defunct company wrote to the same commerce bureau, asking for and receiving a letter clarifying that it was indeed a separate entity from Sino-Forest." <sup>5</sup>

#### Disclaimer

Use of Muddy Waters LLC's research is at your own risk. You should do your own research and due diligence before making any investment decision with respect to securities covered herein. You should assume that as of the publication date of any report, Muddy Waters, LLC (possibly along with or through our members, partners, affiliates, employees, and/or consultants) along with our clients and/or investors has a short position in the stock (and/or options of the stock) covered herein, and therefore stands to realize significant gains in the event that the price of stock declines. Following publication of any report, we intend to continue transacting in the securities covered therein, and we may be long, short, or neutral

<sup>&</sup>lt;sup>4</sup> See <a href="http://www.theglobeandmail.com/globe-investor/on-the-trail-of-the-truth-behind-sino-forest/article2066964/">http://www.theglobeandmail.com/globe-investor/on-the-trail-of-the-truth-behind-sino-forest/article2066964/</a>

<sup>&</sup>lt;sup>5</sup> Id.

at any time hereafter regardless of our initial recommendation. This is not an offer to sell or a solicitation of an offer to buy any security, nor shall any security be offered or sold to any person, in any jurisdiction in which such offer would be unlawful under the securities laws of such jurisdiction. Muddy Waters, LLC is not registered as an investment advisor. To the best of our ability and belief, all information contained herein is accurate and reliable, and has been obtained from public sources we believe to be accurate and reliable, and who are not insiders or connected persons of the stock covered herein or who may otherwise owe any fiduciary duty or duty of confidentiality to the issuer. However, such information is presented "as is," without warranty of any kind – whether express or implied. Muddy Waters, LLC makes no representation, express or implied, as to the accuracy, timeliness, or completeness of any such information or with regard to the results to be obtained from its use. All expressions of opinion are subject to change without notice, and Muddy Waters, LLC does not undertake to update or supplement this report or any of the information contained herein.

#### Source Materials

(See following pages)



HCA 5439/1998

#### IN THE HIGH COURT OF

ACCOUNTS OFFICE HIGH COURT

#### THE HONG KONG SPECIAL ADMINISTRATIVE REGION

COURT OF FIRST INSTANCE TB

-4APR '98#000E0274 11:47R

HUA DAO SHIPPING (FAR EAST) LIMITED

1st Plaintiff

BM SHIPPING GROUP SRL.

2nd Plaintiff

and

SINO-WOOD PARTNERS LIMITED

Defendant

To the Defendant, SINO-WOOD PARTNERS LIMITED whose registered office is situated at Room 1409 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out on the back.

Within 14 days after the service of the Writ on you, counting the day of service, you must either satisfy the claim or return to the Registry of the High Court the accompanying ACKNOWLEDGMENT OF SERVICE stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued from the Registry of High Court this day of April

Note:- This Writ may not be served later than 12 calendar and that date unless renewed by order of the Court.

#### **IMPORTANT**

Directions for Acknowledgment of Service are given with the accompanying form.

#### STATEMENT OF CLAIM

- 1. At all material times the 1st Plaintiff was a Hong Kong registered shipping and forwarding company providing, inter alia, agency and transhipment services and the 2nd Plaintiff was a shipping company based in Genoa, Italy.
- 2. The Defendant was at all material times a trading company registered in Hong Kong.
- 3. By an agreement dated 1st October 1997 between the 2nd Plaintiff the parent company of the 1st Plaintiff and Sonic Jita Engineering Company Limited ("Sonic Jita") an associated company of the Defendant (the "Freight Agreement") it was agreed that freight and transhipment services would be supplied by the 2nd Plaintiff to Sonic Jita in respect of a cargo of one complete plywood manufacturing line (the "Cargo") shipped from Kotka, Finland to Gaoyao, the PRC via Hong Kong.
- 4. Pursuant to the Freight Agreement, the 2nd Plaintiffs arranged shipment of the Cargo from Kotka to Hong Kong on board the vessel "MED GENOA" and the Defendant, assuming the liability of Sonic Jita under the Freight Agreement, paid the 2nd Plaintiff in full for the ocean freight from Kotka to Hong Kong.
- 5. It was a term of the Freight Agreement that Sonic Jita would pay the transhipment costs to the 2nd Plaintiffs within three days of the receipt by the Defendant of the bills of lading issued on transhipment and the transhipment cost invoices.
- 6. The 1st Plaintiff arranged the transhipment of the Cargo at Hong Kong and then arranged onward shipment from Hong Kong to Gaoyao, such services being set out in the 1st Plaintiff's invoices nos.HDS970130 and HDS970135 dated 29th December 1997 totalling HK\$397,413.01 and issued to the Defendant on behalf of the 2nd Plaintiff. The amounts of the invoices were calculated by reference to measurements made of the Cargo at Kotka, Finland.
- 7. The Defendant disputed the Cargo measurements and declined to settle the 1st Plaintiff's invoices in full. However, the Defendant acknowledged liability to the 1st Plaintiff for at least part of the transhipment cost on 26th January 1998 and made a part payment of US\$100,000 to the 1st Plaintiff.
- 8. In a meeting dated on or around 16th February 1998 between inter alia Mr. Guido Ferrando, a Director of the 1st Plaintiff and Mr. Wilson Kam, a manager of the Defendant, the Defendant produced a schedule entitled "Freight Calculation for Gaoyao Project" setting out the amounts it claimed to owe to the 1st and/or 2nd Plaintiffs in respect of the transhipment. These calculation of these amounts was based on the Defendant's own measurements of the Cargo carried out at Gaoyao in the absence of the 1st and 2nd Plaintiffs. The 1st and/or 2nd Plaintiffs agreed to accept the amount set out in the schedule, US\$204,363.70, as an initial payment leaving the balance of the amount owed by the Defendant and/or Sonic Jita to the 1st and/or 2nd Plaintiffs to be resolved in arbitration.

9. Wrongfully and in breach of the agreement set out in paragraph 7 above the Defendant have failed to pay the Plaintiffs the agreed amount or any further amount at all in respect of the transhipment and the 1st and 2nd Plaintiffs have suffered loss and/or damage as a result of the Defendant's breach.

#### **Particulars**

A. The 1st Plaintiff rendered invoices in respect of the services it provided to the Defendant.

| DATE                      | REFERENCE                  | AMOUNT                |
|---------------------------|----------------------------|-----------------------|
| 29.12.96                  | HDS970130                  | US\$366,413.99        |
| 29.12.97                  | HDS970135                  | US\$ 27,999.02        |
|                           |                            | Total: US\$394,413.01 |
| Less sum already paid     |                            | US\$100,000.00        |
| Less amount in dispute to | be referred to arbitration | <u>US\$ 90,094.31</u> |
|                           |                            |                       |

B. The Plaintiff claims interest pursuant to Section 48 of the Supreme Court Ordinance for such periods and at such rate as this Honourable Court deems fit.

Balance owed to the 1st and/or 2nd Plaintiff

#### AND THE PLAINTIFF CLAIMS:-

- 1. US\$204,363.70;
- 2. Alternatively damages;
- 3. Interest;
- 4. Costs; and
- 5. Further or other relief;

RICHARDS BUTLER Solicitors for the Plaintiff

US\$204,363.70

This Writ was issued by Richards Butler of 20th Floor, Alexandra House, Chater Road, Hong Kong, Solicitors for the Plaintiff, whose addresses are (1) is Units 1-10, 14/F., Boss Commercial Centre, 28 Ferry Street, Kowloon and (2) 5, G. da Verrazzano, 54036 Marina di Carrara, Italy.

# IN THE HIGH COURT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION COURT OF FIRST INSTANCE

HUA DAO SHIPPING (FAR EAST) LIMITED

1st Plaintiff

BM SHIPPING GROUP SRL. 2nd Plaintiff

and

SINO-WOOD PARTNERS LIMITEDDefendant

#### WRIT OF SUMMONS

Dated the Dated the day of 1998

Filed the day of 1998

RICHARDS BUTLER Solicitors for the Plaintiffs 20th Floor, Alexandra House Chater Road, Hong Kong

> Tel: 2810 8008 Fax: 2810 1607

Our Ref: DAS\WJGB\kf\H269-001





Form 表格 AR1

# **Annual Return**

|             | C  | Companies Registry<br>公司註冊處                                                                                                            | 存案<br>15-08-1997com                                                                          | 周年申報表                      |
|-------------|----|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------|
|             | 1  | Company Name 公司名稱<br>VICONDIA LIMITED                                                                                                  | for Registrar of Companies<br>公司註册改成长代行人                                                     | 435844                     |
| (Note IE 2) | 2  | Business Name 簡業名稱<br>N11                                                                                                              |                                                                                              |                            |
|             | 3  | Type of Company 公司的類別 Please lick epp  Private 私人                                                                                      | ropriete Dox  I存在通常空格内加 ~ 號                                                                  |                            |
| (Note 註 3)  | 4  | Address of Registered Office 驻府辦事處地址<br>2408 Sun Hung Kai Centre, 30 Harbo                                                             |                                                                                              | Kong.                      |
| (Note It 4) | 5  | UD 日 MM 月 YYY 年 ★ A                                                                                                                    | late of AGM 周年大會日期<br>nniversary Date of Incorporation<br>ck appropriate box <i>同在通常空格内加</i> |                            |
|             | 6  | Mortgages and Charges 按揭及押記  Total Amount outstanding at the date of this Return on a Registrar of Companies 截至本中報表日期,一切須向公司註冊處處長  N11 |                                                                                              |                            |
|             |    | sentor's Name and Address<br>人的姓名及地址                                                                                                   | For Official Use<br>請勿填寫本閥                                                                   |                            |
|             | VI | CONDIA LIMITED                                                                                                                         | 15/08/1997<br>Sh. Form:                                                                      | 00:39282<br>ARIL<br>#95,00 |
|             | 04 | 328959<br>                                                                                                                             | 07<br>Сно                                                                                    | 195.00<br>195.00           |

Amendment No. 1/97 to Specification No. 1/97

## Annual Return 周年申報表

| Date of Rel | um 本中邦 | 接目期    |
|-------------|--------|--------|
| 15          | July   | 1997   |
| DD B        | MM FI  | YYYY 4 |

| Company Number | 公司與號 |
|----------------|------|
| 435844         |      |
|                |      |

Page 2 加二耳

(Note 註 5) 7 Share Capital 股本 (As at the date of this Return 数至本中報表日期)

|                         | Authorised<br>Share Capital<br>法定股本 |                                 | Issued Share Capi<br>已發行股本                               | ital                                                        |
|-------------------------|-------------------------------------|---------------------------------|----------------------------------------------------------|-------------------------------------------------------------|
| Class of Shares<br>股份知則 | Total<br>Nominal Value<br>總面値       | No. of Shares Issued<br>已發行股份數目 | Total Nominal Value<br>of Shares Issued<br>已發行股份的<br>總面值 | Total Paid up Value<br>of Shares Issued<br>已發行股份的<br>已致股款絕值 |
| Ordinary                | нк\$10,000.00                       | 9,000                           | нк\$9,000.00                                             | нк\$9,000.00                                                |
|                         |                                     |                                 |                                                          | ·                                                           |
|                         |                                     |                                 |                                                          |                                                             |
| Total<br>總值             | нк\$10,000.00                       | 9,000                           | HK\$9,000.00                                             | нк\$9,000.00                                                |

Enter below any changes to the structure of the company's share capital since the date of the last Return. 如公司股本的結構由上一份申報农日期以來管理變動,讀在下面填寫詳博。

| Class of Shares 股份期別 | Change 變動情況 |
|----------------------|-------------|
| N/A                  |             |
|                      |             |
|                      |             |

|            | L. |      |           |                                                                                  |
|------------|----|------|-----------|----------------------------------------------------------------------------------|
| (Note 註 6) | 8  | Past | t and F   | Present Members 過去及現在的成員 Please tick appropriate box <i>隨在過當空格內加 ✓</i>           |
|            |    | For  | comp      | any with a share capital 有股本的公司                                                  |
|            |    | 1    | 口<br>OR 或 | There have been no changes since the Annual Return for<br>由进交年度周年申報农以來,成员並無任何變動。 |
|            |    |      |           | A full list of members is enclosed (use Schedule 1).<br>随附成员的詳細名單(便用附表一) ◆       |
|            |    | For  | compa     | nny without a share capital 無股本的公司                                               |
|            |    | з [  |           | The number of members at the date of this Return is 於电影发日期的成员数目母 人。              |

# **Annual Return**

周年申報表

| •          | Date of Re   | turn 本中報表                        | 日切                      |                                                                    |                    | Company Number                       | 公司捐號         |
|------------|--------------|----------------------------------|-------------------------|--------------------------------------------------------------------|--------------------|--------------------------------------|--------------|
|            | 15           | July 1                           | 997                     |                                                                    |                    | 435844                               |              |
|            | DD B         | MM 月 Y                           | YYY 年                   |                                                                    |                    |                                      |              |
| (Note 註 7) | 9 Secre      | tary 秘督                          | (Use Continuation S     | theet A If joint secretaries                                       |                    |                                      | 'age 3 第三]   |
|            | Name         | 姓名                               | Hon                     | l                                                                  | Kwok Pir           | ig, Lawrence                         |              |
|            |              |                                  | Surname }               | 住氏                                                                 | Other names        | 名字                                   |              |
|            |              |                                  | Alies (if an            | y) 别名(如有的話)                                                        |                    | Previous Names 前用的                   | 生名           |
|            | Addre        | es 收址                            | Flat 1A,<br>H.K.        | Block 4, Yar Ch                                                    | ee Villas,         | Chi Fu Rd., Pokf                     | ulam,        |
|            |              | ication 身份數                      |                         |                                                                    |                    |                                      |              |
|            |              | ng Kong Identity<br>Company Numb |                         | A808154(                                                           | 1)                 |                                      |              |
|            | <b>ਹ</b> ੋ : | 港多份胜财明邓                          | 7公司捐號                   | I.D. Card Number                                                   | 身份證款碼              | Company Number 2                     | 2可約 %        |
|            |              | erseas Passport<br>外战照           | 1                       |                                                                    |                    |                                      |              |
|            | ing :        | F AR M                           |                         | Number                                                             | St G               | Issuing Country 资                    | 数值家          |
|            | Nation       | ality 原育                         |                         | British                                                            |                    | }                                    |              |
| (Note 註 7) |              | (0                               | Complete Continuati     | eet B if more than 3 direction Sheet C for ether di<br>在香港聯合交易所上市。 | rectorships if the | company is listed on Hong<br>(他董學戰局) | g Kong Stock |
|            |              |                                  | Surname #               | Œ                                                                  | Other names        |                                      |              |
|            |              | i                                | Germanie (E             |                                                                    | Culoi fiames       |                                      | MS-17        |
|            |              |                                  | Alias (if any)          | 別名(如有的話)                                                           |                    | Previous Names 前用姓                   | 名            |
|            | Add          | iress 地址                         | Block 11,<br>Garden, Kl |                                                                    | at A, Cherry       | y Mansion, Whampo                    | oa .         |
|            |              | កម្មាលនេះពី ក្រុ                 |                         |                                                                    |                    |                                      |              |
|            |              | Hong Kong Ider<br>or Company Nu  |                         | E459151(1)                                                         |                    |                                      |              |
|            |              | 香港身份證號                           |                         | I.D. Card Number                                                   | 身份證果四              | Company Number 公                     | 可開號          |
|            |              | Overseas Passp<br>海外110 照        | port                    |                                                                    |                    |                                      |              |
|            |              | 1-4 (1 E4 (II)                   |                         | Number §                                                           | र छ                | Issuing Country 😤                    | B 图 本        |
|            | Nati         | onality 取務                       |                         | Chinese                                                            |                    |                                      |              |

Alternate Director to 替代董事

Director 董事

Capacity ♪ ☆ ·

<sup>\*</sup>Please tick the relevant box(es) 标在有脚空格内如 / 號

# Annual Return

周年申報表

| Date of Return 本中報表日期                          |                              | Company Number 公司捐號    |
|------------------------------------------------|------------------------------|------------------------|
| 15 July 1997                                   |                              | 435844                 |
| DD 日 MM 月 YYYY 年                               |                              |                        |
| 10 Directors 蓝斑 (cont'd 模上頁)                   |                              | Page 4   双四页           |
| 2 Name 姓名 Poon                                 | Kai Kit                      | :                      |
| Surname                                        | 姓氏 Other names               | 名字                     |
|                                                |                              |                        |
| Alias (if                                      | eny) 別名(如有的話)                | Previous Names 前用姓名    |
| Address 地址 8th Floo                            | or, 91 Hennessy Road, Hong K | ong.                   |
| identification 身份證明                            |                              |                        |
| a Hong Kong Identity Card<br>or Company Number | н328031(6)                   |                        |
| 否准身份监管研媒公司模號                                   | I.D. Card Number 身份超號形       | Company Number 公司福號    |
| b Overseas Passport<br>海外設照                    |                              |                        |
| , 22                                           | Number 號 既                   | Issuing Country 簽發國家   |
| Nationality                                    | British                      |                        |
| Capacity 身份* 区 Director 董平                     | Alternate Director to 野代董承   |                        |
| 3 Name 姓名 Chan                                 | Wai Ling                     |                        |
| Surname                                        | 姓氏 Other names:              | 87                     |
|                                                |                              |                        |
| Alias (if al                                   | ny) 別名(如有的話)                 | Previous Names 前用连名    |
| Address 地址 Flat F, 3                           | 3/F., Block 37, Laguna City, | Cha Kwo Ling, Kowloon. |
| Identification 身份證明                            |                              |                        |
| a Hong Kong Identity Card<br>or Company Number | E814778(0)                   |                        |
| 香港身份證號碼或公司組號                                   | I.D. Card Number 身份證號碼       | Company Number 公司模號    |
| b Overseas Passport                            |                              |                        |
| 海外護照                                           | Number \$2 E5                | Issuing Country 海径回来   |
| Nationality 網絡                                 | Chinese                      |                        |
| Capacity 身份* 区 Director 董明                     | Alternate Director to 對代董事   |                        |

<sup>\*</sup>Please tick the relevant box(es) 精在有獨空格內如 / 號

## **Annual Return** 周年申報表

|                   | Date of R | eturn 本中的             | B 数日期                                             | •                                |                                       |                                      | Compa           | any Number                    | 公司和                  | đ          |
|-------------------|-----------|-----------------------|---------------------------------------------------|----------------------------------|---------------------------------------|--------------------------------------|-----------------|-------------------------------|----------------------|------------|
|                   | 15        | July                  | 1997                                              |                                  |                                       |                                      |                 | 435844                        |                      |            |
|                   | B 00      | MM 月                  | YYYY #                                            | ,                                |                                       |                                      | <u> </u>        |                               | <del></del>          |            |
|                   |           |                       |                                                   |                                  |                                       |                                      |                 | Pa                            | ge 5 第王              | īN         |
| (Note <u>#</u> 8) | 11 Regi   | sters Add             | ress where t                                      | he company'                      | s registers are                       | kept (if not the sa                  | ame address as  | in Section 4)                 |                      |            |
|                   | 12 ac     |                       |                                                   |                                  |                                       | 第 4 项的註冊辦理                           |                 | ·                             |                      |            |
|                   | Reg       | ister 😗 🛭 🖂           | FIG                                               | Addres                           | s 地址                                  |                                      | <del></del>     |                               |                      |            |
|                   |           |                       |                                                   |                                  |                                       |                                      |                 |                               |                      |            |
|                   | }         | N/A                   |                                                   | }                                |                                       | N/A                                  |                 |                               |                      | ł          |
|                   | }         | •                     |                                                   | }                                |                                       |                                      |                 |                               |                      | 1          |
|                   | <u> </u>  |                       |                                                   |                                  |                                       |                                      |                 | ····                          | <del></del>          | لــ        |
| (Note 2 9)        |           |                       |                                                   |                                  |                                       | 所涵蓋的會計<br>g份有限公司與                    |                 | P                             | •                    |            |
|                   | (EXC      | pt for Private        | Companies                                         | ciniled by S                     |                                       | Z (7 F) (N L2 P) (A                  | r 7F /          | ,                             | 7                    |            |
|                   |           |                       |                                                   |                                  |                                       |                                      |                 |                               | j                    |            |
|                   |           | DD B                  | мм Я                                              | YYYY #                           | 至                                     | DO 8                                 | MM 月            | YYYY #                        |                      |            |
| (Note 註 10)       |           |                       |                                                   |                                  |                                       |                                      |                 |                               |                      |            |
|                   | (a)       | We certify th         | at the informages of Sch                          | nation given i<br>edules) is tru | n this Return (in<br>e to the best of | ncluding <u>1</u><br>our knowledge a | pages of Co     | ontinuation Sh                | eets and             |            |
|                   |           |                       |                                                   |                                  |                                       | 的資料(包括。                              |                 | [及                            | 、張附安                 | )          |
|                   |           |                       |                                                   |                                  |                                       | e of the last An                     |                 |                               |                      |            |
|                   | -         | excess of 60          | al-the-date-                                      | of this Return                   | -the excess ar                        | the company a persons who u          | nder Section 2  | 9 <del>(1)(b) of the </del> 1 | noers is<br>Companie | 9 <b>5</b> |
|                   | :         | 我們證明公                 | 可由上一份                                             | 7周年中報                            | <del>e calculation of</del><br>农日期以來・ | 並無裂出任何                               | 文件・邀請公          | - 眾人士認購                       | 公司任何                 | ग          |
|                   |           | 股份或價值的成員不包            |                                                   |                                  |                                       | 超過五十・則位                              | <b>見據公司條例</b> 9 | 我 29(1)(b)條                   | - 所超                 | Ħ          |
|                   | •         | Only relevan<br>低與私人么 | nt to private<br>公司有隔。                            | companies.<br>如不適用・              | Delete if not a<br>請嗣去・               | pplicable.                           |                 |                               |                      |            |
|                   | Direct    | or man                |                                                   |                                  |                                       | Secreta                              | ary 秘哲          |                               |                      |            |
|                   |           |                       |                                                   | 2                                |                                       | _                                    | <u> </u>        |                               |                      |            |
|                   |           | Xal                   | -76                                               | Z                                |                                       |                                      | W/>             |                               |                      |            |
|                   |           |                       |                                                   | Signed 3                         | <b>新名</b>                             | _                                    | <i>)</i>        | Sig                           | ned 簽                | 客          |
|                   | Char      | . Wai Ling            | <b>a</b>                                          |                                  |                                       | Hon K                                | wok Ping,       | Lawrence                      |                      |            |
|                   |           | <del></del>           | <del>, , , , , , , , , , , , , , , , , , , </del> | Name &                           | 1.名                                   |                                      |                 | Na                            | me 姓                 | 客          |
|                   |           |                       |                                                   | 4007                             |                                       |                                      |                 |                               |                      |            |
|                   | Date      | 日期:                   | 4 AUG                                             | 1997                             | - <del></del>                         |                                      |                 |                               |                      |            |



### **Companies Registry**

公司註冊處

Form AR1 表格

# **Annual Return**

周年申報表 (Schedule 1 附設一)

| te of Re | lurn 本申 | <b>和</b> 表日期 | Company Number | 公司捐號 |
|----------|---------|--------------|----------------|------|
| 15       | July    | 1997         | 435844         |      |
| DD EI    | MM 月    | YYYY 年       | 433644         |      |

Details of Members 成段群惰

(See Section 7 of the main form for details of any change to the structure of the Company's Share Capital since the date of the last Re(urn)

(關於由上一份申報表日期以來公司股本結構的任何變動詳情,請參閱表格第7項)

| Share Class | 股份 | 類別 |
|-------------|----|----|
|-------------|----|----|

Ordinary

|                                   |                                                                                  | Shai                        | res 股份       |                   |                                       |
|-----------------------------------|----------------------------------------------------------------------------------|-----------------------------|--------------|-------------------|---------------------------------------|
| Name<br>姓名                        | Address<br>地址                                                                    | Current Holding<br>(Note 1) | (Note        | rred 特換<br>2 註 2) | Remarks<br>術註                         |
|                                   |                                                                                  | 現時持有业<br>(註1)               | Number<br>数目 | Date<br>日期        |                                       |
| ADS Capital<br>Limited            | Room 2408 Sun Hung Kai<br>Centre, 30 Harbour Road,<br>Wanchai, Hong Kong.        |                             | 3,000        | 10/3/97           | T/T Sino-Wood<br>Partners,<br>Limited |
| Poon Kai Kit                      | 8/F., 91 Hennessy Road,<br>Wanchai, Hong Kong.                                   | ~~~                         | 3,000        | 10/3/97           | T/T Sino-Wood<br>Partners, Ltd        |
| Wu Wai Leung<br>Danny             | Suite 24, Block B, Luso<br>Apartments, 5 Warwick Road,<br>Kowloon Tong, Kowloon. |                             | 2,999        | 10/3/97           | T/T Sino-Wood<br>Partners,<br>Limited |
| ,                                 | 3,                                                                               |                             | 1            | 10/3/97           | T/T Chan Wai Lin                      |
| Sino-Wood<br>Partners,<br>Limited | 1409 Great Eagle Centre,<br>23 Harbour Road, Wanchai,<br>Hong Kong.              | 8,999                       |              |                   |                                       |
| Chan Wai<br>Ling                  | Flat F, 3/F., Block 37,<br>Laguna City, Cha Kwo Ling,<br>Kowloon.                | 1                           |              |                   |                                       |
|                                   |                                                                                  | }                           |              |                   |                                       |
|                                   |                                                                                  |                             |              |                   |                                       |
|                                   | Total                                                                            |                             |              |                   |                                       |

#### Notes 註:

The total shares in the 'Current Holding' for each class of share must agree with the total for that class in Section 7 of the 1.

9,000

每類別股份的「現時持有量」總數必須與申報表第7項所填該類別的總數相符。

總數

The number of shares transferred since the last Return should be shown for each existing or ex-member. 2. 愿說明每名現任成員或前任成員由上次申報以來所轉讓的股份數目。



# **Companies Registry**

\*Please tick the relevant box(es) 用在有期空格內加 / st

公司註冊處

Form 表格 AR1

# **Annual Return**

周年申報表

(Continuation Sheet B 模頁 B)

| Date of Return 本申報表日                          |                     |                  |                                        | Company Number 公司相號                    |
|-----------------------------------------------|---------------------|------------------|----------------------------------------|----------------------------------------|
| 15 July 19                                    | 997 <u> </u><br>Y 年 |                  |                                        | 435844                                 |
| Details of Directors (Se                      | ection 10 of m      | ain form) 旅班群    | 胄(安格第 10 項                             | 可)                                     |
| 1 Name 姓名                                     | Hon                 |                  |                                        | ing, Lawrence                          |
|                                               | Surname &           | <b></b>          | Other names                            |                                        |
|                                               |                     |                  |                                        |                                        |
|                                               | Alias (if an        | )) 別名(如有的話)      |                                        | Previous Names 前用姓名                    |
| Address 地址                                    |                     |                  |                                        | Chi Fu Rd., Pokfulam,                  |
| Identification 身份知识                           | <u></u>             |                  |                                        |                                        |
| a Hong Kong Identity or Company Numbe         | Card                | A808154(         | 1)                                     |                                        |
| 香港身份血號碼取                                      |                     | I.D. Card Number | 身份證號碼                                  | Company Number 公司與號                    |
| b Overseas Passport                           |                     |                  |                                        |                                        |
| 海外護照                                          |                     | Number           | M CS                                   | Issuing Country 簽發國家                   |
| Nationality 固箱                                |                     | British          | ······································ | 7                                      |
| /h====th== #1/2 #                             | Disastes            | Alternate Direc  |                                        |                                        |
| Capacity 身份。                                  | x Director          | 替代董事             | tor to                                 |                                        |
| 2 Name 姓名 「                                   |                     | <del></del>      |                                        | ······································ |
| L                                             | Surname 姓           | 氏                | Other names                            | 名字                                     |
| Γ                                             | <u></u>             |                  |                                        |                                        |
| L                                             | Alias (if any)      | 别名(如有的話)         |                                        | Previous Names 前用姓名                    |
| Address 地址                                    |                     |                  |                                        |                                        |
| Ĺ                                             |                     |                  |                                        |                                        |
| Identification 身份實明<br>a Hong Kong Identity C |                     |                  |                                        |                                        |
| or Company Number<br>容施身份塑號碼或公                |                     | I.D. Card Number | 身份證號碼                                  | Company Number 公司與號                    |
| b Overseas Passport                           |                     |                  |                                        |                                        |
| 海外提照                                          |                     | Number 3         | h 64                                   | Issuing Country 安县國家                   |
| Nationality 阿福                                | !                   |                  |                                        | ]                                      |
| Capacity 身份 *                                 | Director            | Alternate Direct | or to                                  | -                                      |



## **Companies Registry** 公司註冊處

FILED

for Registrar of Companies 公司拉册及成长代行人

Form 炎格 **Annual Retur** 

周年申報表

Company Number 公司編號

435844 Company Name 公司名称 SONIC JITA ENGINEERING LIMITED (Note the 2) 2 Business Name 商桑名称 3 Type of Company 公司的類別 Please tick appropriate box 副在通貨空格內加 / 聲 区 Private 私人 □ Others 其他 (Note 11:3) 4 Address of Registered Office 註冊辦事處地址 Flat B, 5/F., Crawford Tower, 99-101 Jervois Street, Central, Hong Kong Date of Return 本申報表日期 Date of AGM 周年大會日期 which is 15 07 1998 Anniversary Date of Incorporation 成立爲法圈用年日期。 Please tick appropriate box 湖在通道空格内加 / 聲 6 Mortgages and Charges 校拟及押記 Total Amount outstanding at the date of this Return on all mortgages and charges which should be registered with the Registrar of Companies 截至本申報表日期,一切須向公司註冊處處長登記的按揭及押記的未價溫總額 Presentor's Name and Address For Official Use 投交人的姓名及池址 請勿填寫本檔 COMMON VOTE NOMINEES LIMITED 29/07/1998 AA097335 FLAT B. 5TH FLOOR CRAWFORD TONIES Sh. Form: 90-101 JERNOIS STREET, CENTRAL HONG KONG. \$105.00 07 CHQ \$105.00

## Annual Return 周年中報表

| Date of Ret | urn 本印制 |         |
|-------------|---------|---------|
| .15         | 07      | 1998    |
| ממ ממ       | MM Ji   | YYYY IE |

| Comp | any N | lumbe | 「 公 | 可料 | 2 |
|------|-------|-------|-----|----|---|
|      | 4     | 35844 |     |    |   |

Page 2 第二页

(Note LE 5) 7 Share Capital 股本 (As at the date of this Return 数至本中報表日期)

|                         | Authorised<br>Share Capital<br>法定股本 | issued Share Capital<br>已發行股本   |                                                             |                                                             |  |
|-------------------------|-------------------------------------|---------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--|
| Class of Shares<br>股份知知 | Total<br>Nominal Value<br>總面位       | No. of Shares Issued<br>已發行股份數目 | Total Nominal<br>Value<br>of Shares Issued<br>已發行股份的<br>總面值 | Total Paid up Value<br>of Shares Issued<br>已發行股份的<br>已數股款總值 |  |
| ORDINARY                | HK\$10,000.00                       | 10,000                          | HK\$10,000.00                                               | HK\$10,000.00                                               |  |
|                         |                                     |                                 |                                                             |                                                             |  |
|                         |                                     |                                 |                                                             |                                                             |  |
|                         |                                     |                                 |                                                             |                                                             |  |
| Total<br>接位             | HK\$10,000.00                       | 10,000                          | нк\$10,000.00                                               | HK\$10,000.00                                               |  |

Enter below any changes to the structure of the company's share capital since the date of the last Return. 如公司股本的結構由上一份中報表日期以來曾經變動,請在下面填寫群情。

| Class of Shares 股份類別 | Change 變動情況 |
|----------------------|-------------|
| N/A                  |             |
|                      |             |
|                      |             |

|             | st and Present Members 過去及现在的成員。Please tick appropriate box。 <i>調在過當空信內加了</i> 數 |
|-------------|---------------------------------------------------------------------------------|
|             | or company with a share capital 有股本的公司                                          |
|             | There have been no changes since the Annual Return for                          |
|             | 由现交 年度周年申報表以来,成員並無任何變動。OR或                                                      |
| 2           | A full list of members is enclosed (use Schedule 1).                            |
|             | 随附成員的詳細名單(使用附設一)。                                                               |
|             | ir company without a share capital 無股本的公司                                       |
| 3.<br>Santa | 上 The number of members at the date of this Return is 公中和农日期的成月数目及              |

# Annual Return 周年中報袋

Date of Return 本中郵表日期 07

1998

Please tick the relevant box(es) 新在打爬空路内如 / 號

Company Number 公司相號

435844

|             | D E MM II YY                                                  | YY if:                   |                                                   |                                                       |
|-------------|---------------------------------------------------------------|--------------------------|---------------------------------------------------|-------------------------------------------------------|
| • 1E 7) 9 5 | Secretary 化部 (                                                | Use Continuation She     | et Alf joint secretaries  如誠縣名紀冉                  | Page 3 <u>\$13</u><br>• <b>10/11/16</b> [17 A (\$150) |
|             | Name 姓名                                                       | LI                       | HAI BA                                            | 0                                                     |
|             |                                                               | Surname (1               |                                                   |                                                       |
|             |                                                               |                          |                                                   |                                                       |
|             |                                                               | Alias (if any)           | 別名(如有的話)                                          | Previous Names 前用性名                                   |
|             | Address 地址                                                    | Flat B, 5/<br>Central, H | F., Crawford Tower, 99-<br>ong Kong               | 101 Jervois Street,                                   |
|             | ldoublilloobling on 10 m                                      | L                        |                                                   | · · · · · · · · · · · · · · · · · · ·                 |
|             | identification 身份額<br>a Hong Kong Identity<br>or Company Numb | Card                     |                                                   |                                                       |
|             | 否准身份散败四乘                                                      | 公司捐號                     | I.D. Card Number 身份取外型                            | Company Number 公司編號                                   |
|             | b Overseas Passport<br>初外難照                                   |                          | P2330872                                          | CHINA                                                 |
|             |                                                               |                          | Number 號程                                         | Issuing Country 策發協家                                  |
| 1           | Nationality 協和                                                |                          | CHINESE                                           |                                                       |
|             | 1 Name 姓名                                                     | JIN                      | 表現所上市・湖川橋区 場別以他董卓<br>JUEMIN                       |                                                       |
|             |                                                               | Surname #1               |                                                   |                                                       |
|             |                                                               |                          |                                                   |                                                       |
|             |                                                               | Allas (if any)           | 別名(如有的話)                                          | Previous Names 前用姓名                                   |
|             | Address 地址                                                    | Rm. 1506,<br>East Road,  | Huiya Business Building<br>Chaoyang District, Bei | , No. 12 North Sanhuan<br>jing, China                 |
|             | Identification A                                              | 份證明                      |                                                   |                                                       |
|             | a Hong Kong Ide<br>or Company Ni                              |                          |                                                   |                                                       |
|             | 香港身份數號                                                        | 碼或公司指號                   | 1.D. Card Number 身份對數學                            | Company Number 公司職號                                   |
|             | b Overseas Pass<br>海外護照                                       | port                     | P143828922                                        | CHINA                                                 |
|             |                                                               |                          | Number 號程                                         | Issuing Country 筹發到文                                  |
|             | . 61 41 . 114                                                 |                          |                                                   |                                                       |
|             | Nationality 版 ta                                              |                          | CHINESE                                           |                                                       |

Company Number 公司組號

435644

### Annual Return 周年中報表

Date of Return 本中和农日期

07

15

| DD B        | YY EL MM                | <b>以</b> 排           |                                        |               |                      |                                        |
|-------------|-------------------------|----------------------|----------------------------------------|---------------|----------------------|----------------------------------------|
| 10 Dire     | ectors 並非 (c            | ont'd 格上以)           |                                        |               |                      | Page 4 执四日                             |
| 2           | Name 姓名                 | LI                   |                                        | HAI BAO       |                      | ·                                      |
|             | • 1                     | Surname to           |                                        | Other names   | 名子                   | <del></del>                            |
|             |                         |                      | <del></del>                            | 7             | <del></del>          |                                        |
|             |                         | Alias (if any)       | 别名(如打的猛)                               |               | Previous Names (III) | iii ht D.                              |
|             | Address 地址              |                      |                                        | ·<br>         |                      | ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~ |
|             | , 18 VE                 | 5/F., Gu<br>Nan Chan | omao Building, 18<br>g, Jiangxi, China | Plaza So      | outh Road,           | · · ·                                  |
|             | Identification B        | (2 10 V)             |                                        |               |                      |                                        |
| ing were to | a Hong Kong Ide         | ntity Card           |                                        |               |                      |                                        |
|             | 香港自分的數                  |                      | 1.D, Card Number # #                   | D 数 数 选       | Company Number       | 7 公司和號                                 |
| in the same | b Overseas Pass         | port                 | P2330872                               |               | <del> </del>         |                                        |
|             | 海外護照                    | •                    | Number 18 8                            | <u> </u>      | Issuing Country      | 策發國家                                   |
|             | Nationality 版都          | . •                  | CHINESE                                | ·             |                      |                                        |
|             | Capacity 身份*            | ✓ Director           | Alternate Director t                   | •             |                      |                                        |
|             |                         | 東東                   | 替代董事 :                                 | L             | <del></del>          |                                        |
| 3           | Name 姓名                 |                      | ·                                      | ·             | ·                    | ·                                      |
|             |                         | Surname #            | F. (                                   | Other names & | . 32                 | <del></del>                            |
|             |                         |                      |                                        |               | · ·                  |                                        |
|             |                         |                      |                                        |               |                      |                                        |
|             |                         | Alias (if eny)       | 別名(如存的話)                               |               | Previous Names 前     | <b>用姓名</b>                             |
|             | Address 地址              |                      |                                        |               |                      |                                        |
|             | Identification B        | (2) 1879 EUE         |                                        |               |                      |                                        |
|             | a Hong Kong Idea        | ntity Card           |                                        |               |                      |                                        |
|             | or Company Nu<br>香港身份證號 |                      | I.D. Card Number # 6                   | EME           | Company Numbe        | 公司與號                                   |
|             | b Overseas Pass         | port                 |                                        | <del></del> 1 |                      |                                        |
|             | 海外護順                    |                      | Number 號霞                              | 1             | Issuing Country      | TOUR                                   |
|             | Nationality 城郡          |                      |                                        |               |                      |                                        |
|             |                         |                      | L                                      |               |                      |                                        |
|             | Capacity 身份*            | Director<br>五本       | Alternate Director to 符代董事             | ° [           |                      |                                        |
| •           |                         |                      |                                        |               |                      |                                        |

# Annual Return 周年申報表

| ٠, | Date of Return |   | 本中朝教目期。 |          |  |
|----|----------------|---|---------|----------|--|
| 1  | 15             |   | 07      | 1998     |  |
|    | E) QQ          | M | M JA    | YYYY II. |  |

| Company | Number | 公司 | 和姚 |
|---------|--------|----|----|
| ·       | 435844 | :  |    |
|         | *      |    |    |

|                | DE WW H AAAA 41:                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Page 5 邓五贝                                                                          |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| (Note RE 8) 11 | Registers Address where the 公司條存登起冊                                                                                                                                                                                        | company's registers are<br>的地址(如並非關存於)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | kept (if not the sar<br>及4项的註酬辦項)                                                                               | ne address as<br>民內)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | in Section 4)                                                                       |
|                | Register X: 12 10                                                                                                                                                                                                          | Address 地址                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ·                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                     |
|                |                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                     |
| (Note IE 9) 12 | Period Covered by Accounts (Except for Private Companies L                                                                                                                                                                 | imited by Shares 私人                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>0</b> 1                                                                          |
|                |                                                                                                                                                                                                                            | То                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                     |
|                | E MM E DO                                                                                                                                                                                                                  | <b>从从</b> 址 <u>乘</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | DD E                                                                                                            | MM A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | YYYY 年                                                                              |
|                | (a) We certify that the informa pages of Sched 拟我們所知及至誠相信以確無點。  (b) We certify that the compan public to subscribe for any excess of 50 at the date of Ordinance are not to be incuted by 便能明公司由上一份,股份或值模距,同時如底的成員不包括在所計算的 | luies) is true to the best on the best of the best on the best of the best on the best of the best on | four knowledge all<br>的資料(包括<br>te of the last Anni<br>the company an<br>re persons who un<br>if 50.<br>並無發出任何3 | Melief.  - 投模互  Melief.  - 投模互  Melief.  We will be a common of the com | ued any invitation to the umber of members is in i(1)(b) of the Companies 聚人士認購公司任何 |
|                | Only relevant to private of 值與私人公司發開。如                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | applicable.<br>Secreta                                                                                          | ny Res                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1</b>                                                                            |
|                | JIN JUEMIN 3 3                                                                                                                                                                                                             | Signed 簽名                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | LI HA                                                                                                           | I BAO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Signed 変名                                                                           |
|                | Date 日期: 29 JUL 19                                                                                                                                                                                                         | Name 姓名<br>98                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                 | 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | V Name 姓名                                                                           |



### Companies Registry

公司註冊處

Form AR1

# **Annual Return**

周年申報表 (Schedule 1 附表一)

Company Number 公司組號

Date of Return 本中郭敦日期 15 07 1998 DD 日 MM 月 YYYY 年

Details of Members 成员詳情

(See Section 7 of the main form for details of any change to the structure of the Company's Share Capital since the dato of the last Return)

(關於由上一份中報表日期以來公司股本結構的任何變勵詳價,請多閱表格第7項)

Share Class 股份類別 .

**ORDINARY** 

| PARTNERS, LIMITED CORPORATION  CHAN WAI LING MERCHANT  LI HAI BAO MERCHANT  B PLAZA SOUTH RD., NAN CHANG JIANGXI, CHINA  SINO-WOOD (GUANGDONG) LI HONG KONG  23 HARBOUR ROAD, WANCHAI, HONG KONG  24,900  4,900  5,100  5,100  1409, GREAT EAGLE CENTRE, 23 HARBOUR ROAD, WANCHAI, HONG KONG                                                                                         | 註2)<br>Date<br>日期<br>28/7/98 | Remarks (MIII  F/T LI HAI BAC  F/T SINO-WOOD  (GUANGDONG  LIMITED  F/T LI HAI BAC |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------------------------------------------------|
| SINO-WOOD 1409, GREAT EAGLE CENTRE, 23 HARBOUR ROAD, WANCHAI, LIMITED HONG KONG CORPORATION  CHAN WAI FLAT F, 3/F., BLOCK 37, 1 LING KOWLOON  LI HAI BAO 5/F., GUOMAO BUILDING, KOWLOON  LI HAI BAO 15/F., GUOMAO BUILDING, 4,900  MERCHANT 18 PLAZA SOUTH RD., NAN CHANC JIANGXI, CHINA  SINO-WOOD 1409, GREAT EAGLE CENTRE, 5,100  (GUANGDONG) 23 HARBOUR ROAD, WANCHAI, HONG KONG | 28/7/98                      | T/T SINO-WOOD<br>(GUANGDONG<br>LIMITED                                            |
| PARTNERS, 23 HARBOUR ROAD, WANCHAI, LIMITED HONG KONG CORPORATION  CHAN WAI FLAT F, 3/F., BLOCK 37, LING LUGUNA CITY, CHA KWO LING, MERCHANT KOWLOON  LI HAI BAO 5/F., GUOMAO BUILDING, 4,900 MERCHANT 18 PLAZA SOUTH RD., NAN CHANC JIANGXI, CHINA  SINO-WOOD 1409, GREAT EAGLE CENTRE, (GUANGDONG) 23 HARBOUR ROAD, WANCHAI, LIMITED HONG KONG                                     |                              | T/T SINO-WOOD<br>(GUANGDONG<br>LIMITED                                            |
| LING LUGUNA CITY, CHA KWO LING, MERCHANT KOWLOON  LI HAI BAO 5/F., GUOMAO BUILDING, 4,900  MERCHANT 18 PLAZA SOUTH RD., NAN CHANG JIANGXI, CHINA  SINO-WOOD 1409, GREAT EAGLE CENTRE, (GUANGDONG) 23 HARBOUR ROAD, WANCHAI, LIMITED HONG KONG                                                                                                                                        | 28/7/98                      | T/T LI HAI BAO                                                                    |
| MERCHANT 18 PLAZA SOUTH RD., NAN CHANG JIANGXI, CHINA SINO-WOOD 1409, GREAT EAGLE CENTRE, (GUANGDONG) 23 HARBOUR ROAD, WANCHAI, LIMITED HONG KONG                                                                                                                                                                                                                                    |                              |                                                                                   |
| (GUANGDONG) 23 HARBOUR ROAD, WANCHAI,<br>LIMITED HONG KONG                                                                                                                                                                                                                                                                                                                           |                              |                                                                                   |
| CORPORATION                                                                                                                                                                                                                                                                                                                                                                          | 28/7/98                      | T/T JIN JUEMIN                                                                    |
| JIN JUEMIN RM. 1506, HUIYA BUSINESS 5,100 MERCHANT BUILDING, NO. 12 NORTH SANHUAN EAST ROAD, CHAOYANG DISTRICT, BEIJING, CHINA                                                                                                                                                                                                                                                       |                              |                                                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                      |                              |                                                                                   |

Notes #

The total shares in the 'Current Holding' for each class of share must agree with the total for that class in Section 7 of the

每规则股份的「现時持有量」總數必須與申報表第7項所填該類別的總數相符。

2. The number of shares transferred since the last Return should be shown for each existing or ex-member 遮縠明每名现任成员或前任成员由上次申報以來所輕讓的股份數目。

This is Exhibit "P" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

A Commissioner, etc.



Ontario Securities Commission Commission des valeurs mobilières de l'Ontario

P.O. Box 55, 19<sup>th</sup> Floor 20 Queen Street West Toronto ON M5H 3S8 CP 55, 19e étage 20, rue queen ouest Toronto ON M5H 3S8

# IN THE MATTER OF THE SECURITIES ACT R.S.O. 1990, c.S.5, as amended

- and -

#### IN THE MATTER OF SINO-FOREST CORPORATION, ALLEN CHAN, ALBERT IP, ALFRED C.T. HUNG, GEORGE HO AND SIMON YEUNG

#### TEMPORARY ORDER

(Section 127(1) & (5))

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

- 1. Sino-Forest Corporation ("Sino-Forest") is a publicly traded Canadian company and a "reporting issuer" in Ontario and other provinces, as that term is defined in section 1(1) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act");
- 2. Allen Chan ("Chan") is Chairman and Chief Executive Officer ("CEO") of Sino-Forest;
- 3. Albert Ip ("Ip") is the Senior Vice President Development and Operations North-East and South-West China of Sino-Forest;
- 4. Alfred C.T. Hung ("Hung") is Vice-President Corporate Planning and Banking of Sino-Forest;
- 5. George Ho ("Ho") is Vice-President Finance of Sino-Forest;
- 6. Simon Yeung ("Yeung") is Vice President Operation within the Operation / Project Management group of Sino-Panel (Asia) Inc., a subsidiary of Sino-Forest ("Yeung");
- 7. Since 2003, Sino-Forest has raised approximately \$2.986 billion from public investment and/or debt securities issues including four public offerings between 2004 and 2009 which approximately raised \$1.05 billion;
- 8. Sino-Forest has over 150 subsidiaries, the majority of which are registered in the British Virgin Islands and Peoples Republic of China ("PRC");

- 9. Sino-Forest's operations are predominately in the PRC and its management has offices in Hong Kong primarily and also in the PRC and Ontario;
- 10. Staff of the Commission is conducting an investigation into the activities and business of Sino-Forest and its subsidiaries and their management;
- 11. The Independent Committee of Sino-Forest has also been conducting an investigation into the activities and business of Sino-Forest and its subsidiaries and their management. As a result, Sino-Forest has recently suspended Ho, Hung, and Yeung temporarily and curtailed Ip's duties and responsibilities.
- 12. Sino-Forest, through its subsidiaries, appears to have engaged in significant non-arm's length transactions which may have been contrary to Ontario securities laws and the public interest;
- 13. Sino-Forest and certain of its officers and directors appear to have misrepresented some of its revenue and/or exaggerated some of its timber holdings by providing information to the public in documents required to be filed or furnished under Ontario securities laws which may have been false or misleading in a material respect contrary to section 122 or 126.2 of the Act and contrary to the public interest;
- 14. Sino-Forest and certain of its officers and directors including Chan appear to be engaging or participating in acts, practices or a course of conduct related to its securities which it and/or they know or reasonably ought to know perpetuate a fraud on any person or company contrary to section 126.1 of the Act and contrary to the public interest;

**AND WHEREAS**, the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in section 127(5) of the Act;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

AND WHEREAS by Authorization Order made July 14, 2011, pursuant to subsection 3.5(3) of the Act, each of Howard I. Wetston, James E. A. Turner, Kevin J. Kelly, James D. Carnwath, Mary G. Condon, Paulette L. Kennedy, Vern Krishna, Christopher Portner and Edward P. Kerwin, acting alone, is authorized, to exercise the powers of the Commission under the Act, subject to subsection 3.5(4) of the Act, to make orders under section 17 of the Act.

IT IS HEREBY ORDERED that, pursuant to clause 2 of section 127(1) of the Act that all trading in the securities of Sino-Forest shall cease;

IT IS FURTHER ORDERED that pursuant to clauses 7 and 8 of section 127(1) of the Act that Chan, Ip, Hung, Ho and Yeung resign any and all positions that they hold as a director or officer of Sino-Forest or any other registrant and that they are prohibited from becoming or acting as director or officer of an issuer;

IT IS FURTHER ORDERED that pursuant to clause 2 of section 127(1) of the Act that all trading by Chan, Ip, Hung, Ho and Yeung in securities shall cease;

IT IS FURTHER ORDERED that, pursuant to section 127(6) of the Act that this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

**DATED** at Toronto this 26th day of August, 2011.

| "Howard Wetston"      |
|-----------------------|
| Howard Wetston, Chair |

This is Exhibit "Q" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

A Commissioner, etc.



# Sino-Forest Provides Update Regarding Note Holder Default Notices and Comments on the Status of its Historic Financial Statements

TORONTO, CANADA – January 10, 2012 - Sino-Forest Corporation ("Sino-Forest" or the "Company") (TSX:TRE) today provided an update concerning the status of the Company's efforts to obtain waivers of its default from its note holders in respect of its Senior Notes due 2014 and its Senior Notes due 2017, and commented on the status of its historic financial statements.

As disclosed in the Company's December 18, 2011 press release, Sino-Forest received written notices of default dated December 16, 2011 in respect of its Senior Notes due 2014 and its Senior Notes due 2017. The notices reference the Company's previously disclosed failure to release its 2011 third quarter financial results (the "Q3 Results") on a timely basis. An "Event of Default" under the Senior Note Indentures will have occurred if Sino-Forest fails to cure or otherwise fails to address the breach of indenture giving rise to the notices of default within 30 days following receipt of the notices. The Company will not be able to file the Q3 Results and cure the default within the 30 day cure period.

The Company's breach of the Senior Note Indentures relating to the Q3 Results can be waived for a series of Senior Notes by the holders of at least a majority in principal amount of that series.

The Company has been in discussions with an ad hoc committee of note holders that hold a substantial portion of the Company's four series of senior and convertible notes. The Company and the ad hoc committee have negotiated the terms under which the defaults under the Senior Notes will be waived. While there is no assurance that waivers will be obtained, the Company is optimistic that holders of a majority in principal amount of its Senior Notes due 2014 and its Senior Notes due 2017 will agree to waive the breach within the 30 day cure period.

On November 15, 2011, Sino-Forest announced, among other things, that it was deferring the release of the Q3 Results until certain issues could be resolved to the satisfaction of the Board of Directors. The issues included (a) determining the nature and scope of the relationships between Sino-Forest and certain of its authorized intermediaries and suppliers and among certain authorized intermediaries and suppliers, as discussed in the Second Interim Report of the Independent Committee of the Board of Directors publicly released on November 15, 2011, and (b) the satisfactory explanation and resolution of issues raised by certain documents identified by the advisors to the Independent Committee, by counsel to the Company, by the Company's auditor Ernst & Young and by staff of the Ontario Securities Commission.

The Company has worked diligently since November 15, 2011 and believes it has made progress in resolving outstanding issues. As disclosed in the Company's December 12, 2011 press release, there is no assurance that the Company will be able to release the Q3 Results or, if able, as to when such release will occur. For the same reasons, there is also no assurance that the Company will be able to release audited financial statements for its 2011 fiscal year.

As was indicated in the Company's December 12, 2011 press release, the circumstances that could cause the Company to be unable to release the Q3 Results could impact the Company's historic financial statements. For this reason, the Company cautions that the Company's historic financial statements and related audit reports should not be relied upon. The Company continues its efforts to resolve the outstanding issues described above. The Company believes that if it is successful in releasing its Q3 Results and in obtaining an audit opinion for its 2011 fiscal year, those efforts will resolve any issues associated with the reliability of the Company's historic financial statements.

#### **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", "consider", "may", and similar expressions are intended to identify forwardlooking statements, although not all forward-looking statements contain such words. These forwardlooking statements are based on current expectations. The results or events predicted in these statements may differ materially from actual results or events and are no guarantees of future performance of Sino-Forest. Factors which could cause results or events to differ from current expectations include, among other things: our ability to cure our default under our notes, actions taken by note holders, other lenders, other creditors, shareholders, regulators, governmental agencies and other stakeholders to enforce their rights, the outcome of examinations currently underway by the Independent Committee, securities regulatory authorities and the Company's auditors, the outcome of class action proceedings initiated against the Company as a result of allegations made in the 'report' issued by Muddy Waters LLC, our reliance on key employees, 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 China, the Republic of Suriname and New Zealand, and stock market volatility, 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 Corporation with applicable Canadian securities administrators. Sino-Forest Corporation 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.

| FOR FURTHER INFORMATION PLEASE CONTACT: BRUNSWICK GROUP LIMITED |                     |  |  |
|-----------------------------------------------------------------|---------------------|--|--|
| Email: sinoforest@brunswickgroup.c                              | :om                 |  |  |
| New York                                                        | Hong Kong           |  |  |
| Stan Neve                                                       | Tim Payne           |  |  |
| Tel: +1 212 333 3810                                            | Cindy Leggett-Flynn |  |  |
|                                                                 | Tel: +852 3512 5000 |  |  |

This is Exhibit "R" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.



#### Sino-Forest Announces Resignation of Auditor

TORONTO, CANADA – April 5, 2012 - Sino-Forest Corporation ("Sino-Forest" or the "Company") (TSX:TRE) announced today that Ernst & Young LLP ("E&Y") has notified the Company that it has resigned as the Company's auditor effective April 4, 2012. In its resignation letter to the Company, E&Y noted that the Company had not prepared December 31, 2011 consolidated financial statements for audit and that, in the Company's March 30, 2012 filing under the Companies' Creditors Arrangement Act, Sino-Forest said that it remained unable to satisfactorily address outstanding issues in relation to its 2011 annual financial statements.

Sino-Forest intends to issue a press release containing the information required by National Instrument 51-102 ("NI-51-102") with respect to E&Ys resignation. Such press release will be issued within the time period prescribed by NI-51-102. Additional information with respect to the resignation of E&Y also will be available under the Company's profile on SEDAR at www.sedar.com in the form of reporting package required to be filed by the Company pursuant to NI -51-102.

#### **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.

No stock exchange or regulatory authority has approved or disapproved of information contained herein. This news release contains forward-looking information within the meaning of applicable securities laws. The forward looking statements expressed or implied by this news release are subject to important risks and uncertainties. When used in this news release, the words "intends", "expects", and "will" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances. 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: actions taken by noteholders, other lenders, other creditors, shareholders, regulators, governmental agencies and other stakeholders to enforce their rights; the outcome of examinations currently underway by law enforcement and securities regulatory authorities; the outcome of class action or other proceedings which have been

or may in future be initiated against the Company; the accuracy and outcome of the results of tree ass et testing undertaken by the Company; our reliance on key employees; 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 China, the Republic of Suriname and New Zealand, and stock market volatility; 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 Corporation with applicable Canadian securities administrators. Sino-Forest Corporation 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.

FOR INVESTOR INQUIRIES PLEASE CONTACT:

BRUNSWICK GROUP LIMITED

Tel: + 1 646 625 7452

FOR MEDIA INQUIRIES PLEASE CONTACT:

BRUNSWICK GROUP LIMITED

Email: sinoforest@brunswickgroup.com

New York Hong Kong Stan Neve Tim Payne

Tel: +1 212 333 3810 Cindy Leggett-Flynn Tel: +852 3512 5000

This is Exhibit "S" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

A Commissioner, etc.



#### Sino-Forest Common Shares to be Delisted from Toronto Stock Exchange

**TORONTO, CANADA – April 5, 2012** - Sino-Forest Corporation ("Sino-Forest" or the "Company") (TSX:TRE) announced today that the Continued Listings Committee of the Toronto Stock Exchange ("TSX") has determined to delist the Company's common shares effective at the close of market on May 9, 2012.

The delisting was imposed due to Sino-Forest's failure to meet the continued listing requirements of the TSX as a result of the commencement of proceedings under the *Companies' Creditors Arrangement Act* on March 30, 2012 (the "CCAA Proceedings") and for failure to file on a timely basis its interim financial statements for the three and nine months ended September 30, 2011 and its audited annual financial statements for the year ended December 31, 2011. Sino-Forest continues to be subject to a cease trade order of the Ontario Securities Commission which prohibits trading in the Company's securities.

All inquiries regarding the CCAA Proceedings should be directed to the Monitor, FTI Consulting Canada Inc. via email at: 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://cfcanada.fticonsulting.com/sfc.

#### **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. Until the delisting on May 9, 2012, Sino-Forest's common shares will be listed on the Toronto Stock Exchange under the symbol TRE. Learn more at www.sinoforest.com.

FOR INVESTOR INQUIRIES PLEASE CONTACT:

**BRUNSWICK GROUP LIMITED** 

Tel: + 1 646 625 7452

FOR MEDIA INQUIRIES PLEASE CONTACT:

| BRUNSWICK GROUP LIMITED              |                     |
|--------------------------------------|---------------------|
| Email: sinoforest@brunswickgroup.com | <u>m</u>            |
| New York                             | Hong Kong           |
| Stan Neve                            | Tim Payne           |
| Tel: +1 212 333 3810                 | Cindy Leggett-Flynn |
|                                      | Tel: +852 3512 5000 |

This is Exhibit "T" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

### Court File No. CV-11-43582600CP

# ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN

NORTHWEST & ETHICAL INVESTMENTS L.P.; COMITÉ SYNDICAL NATIONAL DE RETRAITE BÂTIRENTE INC.

**Plaintiffs** 

and

#### SINO-FOREST CORPORATION;

ALLEN T.Y. CHAN; W. JUDSON MARTIN; KAI KIT POON; DAVID J. HORSLEY; HUA CHEN; WEI MAO ZHAO; ALFRED C.T. HUNG; ALBERT IP; GEORGE HO; THOMAS M. MARADIN; WILLIAM E. ARDELL; JAMES M.E. HYDE; SIMON MURRAY; GARRY J. WEST; JAMES P. BOWLAND; EDMUND MAK; PETER WANG; KEE Y. WONG; THE ESTATE OF JOHN LAWRENCE; SIMON YEUNG;

ERNST & YOUNG LLP;

#### BDO LIMITED;

PÖYRY FOREST INDUSTRY PTE LIMITED; PÖYRY (BEUING) CONSULTING COMPANY LIMITED; JP MANAGEMENT CONSULTING (ASIA-PACIFIC) PTE LTD.;

DUNDEE SECURITIES CORPORATION; UBS SECURITIES CANADA INC.;
HAYWOOD SECURITIES INC.; CREDIT SUISSE SECURITIES (CANADA) INC.;
TD SECURITIES INC.; RBC DOMINION SECURITIES INC.; SCOTIA CAPITAL INC.;
CIBC WORLD MARKETS INC.; MERRILL LYNCH CANADA, INC.;
CANACCORD FINANCIAL LTD.; MAISON PLACEMENTS CANADA INC.;
MORGAN STANLEY & CO. INCORPORATED;
CREDIT SUISSE SECURITIES (USA), LLC; BANK OF AMERICA MERRILL LYNCH;
MERRILL LYNCH, PIERCE, FENNER, & SMITH, INC.

Defendants

Proceeding under the Class Proceedings Act, 1992

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFFS' CLAIM, and \$5000.00 for costs, within the time for serving and filing your statement of defence you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiffs' claim and \$500.00 for costs and have the costs assessed by the court.

Date

September 26, 2011

F. Youssef Registrar

Local registrar

Address of Court Office:

393 University Avenue 10<sup>th</sup> Floor Toronto, ON M5G 1E6

TO:

SINO-FOREST CORPORATION 90 Burnhamthorpe Road West, Suite 1208 Mississauga, Ontario L5B 3C3 AND TO: ALLEN T.Y. CHAN

39 FA PO Street Village Garden

Kowloon Tong, Kowloon

Hong Kong China

AND TO: W. JUDSON MARTIN

77 Avenue Road, PH 6 Toronto, Ontario M5R 3R8

AND TO: KAI KIT POON

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B 3C3

AND TO: DAVID J. HORSLEY

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B 3C3

AND TO: HUA CHEN

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B3C3

AND TO: WEI MAO ZHAO

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B3C3

AND TO: ALFRED C.T. HUNG

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B3C3

AND TO: ALBERT IP

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B3C3

AND TO: GEORGE HO

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B3C3

AND TO: THOMAS M. MARADIN

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B3C3

AND TO: WILLIAM E. ARDELL

32 Brookfield Road

Oakville, Ontario L6K 2Y5

AND TO: JAMES M.E. HYDE

1166 Beechgrove Crescent Oakville, Ontario L6M 2B2

AND TO: SIMON MURRAY

39 Tung Tao Wan Road

Ground Floor Block B

Hong Kong China

AND TO: GARRY J. WEST

159 Burbank Drive

Toronto, Ontario M2K 1N9

AND TO: JAMES P. BOWLAND

199 Alexandra Blvd.

Toronto, Ontario M4R 1M3

AND TO: EDMUND MAK

5805 Balsam Street

Suite 801

Vancouver, British Columbia V6M 4B8

AND TO: PETER WANG

149 Hong Lok Road East

Hong Lok Yuen

Tai Po, NT

Hong Kong China

AND TO: KEE Y. WONG

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B3C3

AND TO: THE ESTATE OF JOHN LAWRENCE

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B3C3

AND TO: SIMON YEUNG

90 Burnhamthorpe Road West, Suite 1208

Mississauga, Ontario L5B3C3

AND TO: ERNST & YOUNG LLP

Ernst & Young Tower

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**BDO LIMITED** 

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Hong Kong

AND TO:

PÖYRY FOREST INDUSTRY PTE LIMITED

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#21-01 Maybank Tower Singapore, 049907

AND TO:

PÖYRY (BELING) CONSULTING COMPANY LIMITED

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AND TO:

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AND TO:

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AND TO:

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AND TO:

HAYWOOD SECURITIES INC.

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AND TO:

CREDIT SUISSE SECURITIES (CANADA) INC.

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AND TO:

TD SECURITIES INC.

66 Wellington Street West

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AND TO: RBC DOMINION SECURITIES INC.

155 Wellington Street West - 17th Floor

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AND TO: SCOTIA CAPITAL INC.

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AND TO: CIBC WORLD MARKETS INC.

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Toronto, Ontario M5J 2S8

AND TO: MERRILL LYNCH CANADA, INC.

BCE Place, Wellington Tower 181 Bay Street, 4th & 5th Floors Toronto, Ontario M5J 2V8

AND TO: CANACCORD FINANCIAL LTD.

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P.O. Box 516

Toronto, Ontario M5J 2S1

AND TO: MAISON PLACEMENTS CANADA INC.

130 Adelaide Street West, Suite 906

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AND TO: MORGAN STANLEY & CO. INCORPORATED

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AND TO: CREDIT SUISSE SECURITIES (USA), LLC

Eleven Madison Avenue New York, NY 10010-3629 United States of America

AND TO: BANK OF AMERICA MERRILL LYNCH

Corporate Headquarters
Bank of America

Corporate Center

100 North Tryon Street Charlotte, North Carolina 28255 United States of America

AND TO:

MERRILL LYNCH, PIERCE, FENNER, & SMITH, INC. 4 World Financial Center

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#### **DEFINITIONS**

The following definitions apply for the purpose of this Statement of Claim:

- (a) "Annual Report" means a Sino-Forest annual report prepared in accordance with the Securities Act and includes the Annual Information Form, Annual Audited Financial Statements and Annual MD&A as defined within the Securities Act.
- (b) "Audit Report" means an audit report prepared by an Auditor Defendant concerning Sino-Forest.
- (c) "Auditor Defendants" means the Defendants Ernst & Young and BDO.
- (d) "Class" and "Class Members" means purchasers of shares or notes of Sino-Forest during the period from August 17, 2004 through June 2, 2011, except Excluded Persons as defined herein.
- (e) "Class Period" means August 17, 2004 through June 2, 2011.
- (f) "company" and "Sino-Forest" means the Defendant Sino-Forest Corporation.
- (g) "Core Documents" has the same meaning as defined in s. 138.1 of the Securities

  Act.
- (h) "Excluded Persons" means the Defendants; Sino-Forest's past and present subsidiaries and affiliates; the past and present officers and directors of Sino-Forest and its subsidiaries and affiliates; members of the immediate family of any excluded person; the legal representatives, heirs, successors, and assigns of any excluded person or entity; and any entity in which any excluded person or entity has or had a controlling interest.

- (i) "Independent Committee" means the board committee established on June 6,2011 by Sino-Forest to investigate the allegations made in the Muddy WatersReport.
- (j) "Individual Defendants" means the Defendants Chan, Martin, Poon, Horsley, Chen, Zhao, Hung, Ip, Ho, Maradin, Ardell, Hyde, Murray, West, Bowland, Mak, Wang, Wong, Lawrence, and Yeung.
- (k) "Integrity Representation" means the representation in substance that Sino-Forest's overall reporting of its business operations and financial statements was fair, complete, accurate, and in conformity with international standards and the requirements of the Securities Act and National Instrument 51-102, and that its accounts of its growth and success could be trusted.
- (I) "MD&A" means Sino-Forest's Management Discussion and Analysis published on SEDAR.
- (m) "Misrepresentations" means the false, misleading, or deceptive statements and omissions made by the Defendants as particularized herein. The Misrepresentations include the Integrity Representation; the Audit Reports, including representations that the company's financial statements were presented in accordance with GAAP and had been audited in accordance with GAAS; the Pōyry Valuation Reports; the imprimaturs and representations of the Underwriter Defendants and the Note Distributor Defendants in connection with share and note offerings; Sino-Forest's financial statements, including figures and descriptions concerning the company's assets, revenues, cash flows, equity, and net income, disclosures of related-party transactions, and other reported financial

metrics derived from company financial data. The Misrepresentations all had the common import of describing Sino-Forest as a successful and growing company whose descriptions of operations and financial reporting could be trusted as substantially accurate, fair, and complete.

- (n) "Non-Core Documents" has the same meaning as defined in s. 138.1 of the Securities Act.
- (o) "Note Distributor Defendants" means the Defendants Morgan Stanley, Credit Suisse USA, TD Securities, Bank of America ML, and Merrill Lynch.
- (p) "Note Offerings" means the note offerings by the company in August 2004, July 2008, July 2009, December 2009, February 2010, and October 2010.
- (q) "Offering Memorandum" means an offering memorandum issued by the company in relation to a Note Offering as defined in s. 1 of the Securities Act.
- (r) "OSC" means the Ontario Securities Commission.
- (s) "Pöyry Defendants" means the Defendants JP Management, Pöyry Forest, and Pöyry Beijing.
- (t) "Prospectus" means a prospectus issued by the company in relation to a Share

  Offering as defined in Part XXIII of the Securities Act.
- (u) "Securities" means shares and notes issued by Sino-Forest.
- (v) "Securities Act" means the Securities Act, R.S.O. 1990, c. S.5, as amended.
- (w) "securities legislation in other provinces and territories in Canada" means the Securities Act, RSA 2000, c S-4, as amended; the Securities Act, RSBC 1996, c 418, as amended; the Securities Act, CCSM c S50, as amended; the Securities Act, SNB 2004, c S-5.5, as amended; the Securities Act, RSNL 1990, c S-13, as

amended; the Securities Act, SNWT 2008, c 10, as amended; the Securities Act, RSNS 1989, c 418, as amended; the Securities Act, S Nu 2008, c 12, as amended; the Securities Act, RSPEI 1988, c S-3.1, as amended; the Securities Act, RSQ c V01.1, as amended; the Securities Act, 1988, SS 1988-89, c S-42.2, as amended; and the Securities Act, SY 2007, c 16, as amended.

- (x) "SEDAR" means the System for Electronic Document Analysis and Retrieval.
- (y) "Share Offering" means the share offerings by the company in June 2007, June 2009, and December 2009.
- (z) "TSX" means the Toronto Stock Exchange (formerly TSE).
- (aa) "Underwriter Defendants" means the Defendants Dundee Securities, UBS, Haywood, Credit Suisse, TD Securities, RBC, Scotia Capital, CIBC, Merrill Lynch Canada, Canaccord, and Maison Placements.
- (bb) "Valuation Report" means a report prepared by a Pöyry Defendant on Sino-Forest.

#### **CLAIM FOR RELIEF**

- 1. The Plaintiffs claim the following relief on their own behalf and on behalf of the other Class Members:
  - (a) an order pursuant to the Class Proceedings Act, 1992, S.O. 1992 ("CPA")
     certifying this action as a class proceeding and appointing the Plaintiffs as
     representative plaintiffs;
  - (b) a declaration that the Defendants are liable for the Misrepresentations made and on the claims as asserted herein;
  - (c) a declaration, as may apply to a claim requiring a state of mind, that the
     Misrepresentations were made by a Defendant with knowledge, fraudulently,
     recklessly, or negligently;
  - (d) a declaration that each Defendant that is an entity is vicariously liable for the acts and omissions of its agents, employees, directors, officers, or managers, including Sino-Forest's vicarious liability for the acts and omissions of the Individual Defendants;
  - (e) an order granting leave to the Plaintiffs to amend this Statement of Claim to commence the claim provided for in Part XXIII.1 of the Securities Act, and if necessary under the comparable provisions of securities legislation in other provinces and territories in Canada;
  - (f) an award of damages in the amount of \$5,300,000,000 or such other amount or on such other basis as this Court finds appropriate at the trial of the common issues or at a reference or references;
  - (g) an award of punitive damages in the amount of \$500,000;000;

- (h) an order directing a reference or giving such other directions as may be necessary to determine issues not determined in the trial of the common issues;
- (i) an order appointing a receiver or granting an injunction preventing Sino-Forest,
  the Individual Defendants, or any other person with notice, from dissipating or
  removing its assets in such a way that might impair the ability of the Plaintiffs and
  the other Class Members to recover damages in this proceeding;
- (j) an award of pre-judgment interest and post-judgment interest, compounded or pursuant to ss. 128 and 129 of the Courts of Justice Act, R.S.O.1990, c. 43;
- (k) an award for costs of the action on a full indemnity basis or in an amount that provides substantial indemnity;
- (1) an award of costs of notice and of administering the plan to distribute the recovery in this action, pursuant to s. 26(9) of the CPA, plus applicable taxes; and
- (m) such further and other relief as this Honourable Court deems just.

#### INTRODUCTION

2. Sino-Forest was incorporated in Ontario in 1994 and obtained a listing on the Toronto Stock Exchange (TSX) in 1995 using a "reverse merger" (merging its operations and identity into a defunct company that already had securities listed on the exchange). Since 1995 Sino-Forest has been traded on the TSX under the symbol "TRE". Sino-Forest reports itself to be a "leading commercial forest plantation operator" in the People's Republic of China. It describes its business as manufacturing, cultivating, harvesting, and selling timber and timber products. It claims to hold the "plantation rights" to certain forests, meaning the right to harvest existing trees standing on the land and then to replant and cultivate new trees on the same land.

It also claims to hold rights to standing timber, meaning mature trees that are ready for harvesting. Sino-Forest's timber holdings consist primarily of plantation rights and standing timber in China. Its company website states that its registered office and "corporate head office" is in Mississauga, Ontario, and its "executive head office" is in Hong Kong.

- 3. During the first ten years of its operations, the company reported quick expansion of its activities and assets, principally through reported joint venture operations and reinvestment of earnings. It started public equity financing in 1996 and public debt financing in 2004. In its 2003 Annual Report, dated May 20, 2004, the company reported that it had achieved a 33% compound average annual growth rate since 1994, giving it net income of \$30.2 million and assets of \$418.9 million in 2003. The company was headed by co-founders Allen T.Y. Chan, an entrepreneur, who was chairman and chief executive officer, and Kai Kit Poon, an engineer and former forestry bureau official in Guangdong province in China, who was president. Its auditors were Ernst & Young LLP, who consistently issued "clean" (unqualified) audit reports stating its opinion that Sino-Forest's consolidated financial statements "present fairly, in all material respects, the financial position of the company as at [the relevant period end-dates] and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles."
- 4. Starting in 2004, Sino-Forest began a program of substantial equity and debt financing. Since August 2004, it has brought three common stock offerings to market, raising about \$906 million in equity. The company also raised over \$2.1 billion in note offerings since 2004. Sino-Forest was represented by leading Bay Street firms for these financings. Those firms acted as underwriters for the equity offerings and as managers and initial purchasers for the note offerings and accordingly performed due diligence on the company. Equity and credit analysts employed

by some of the firms (particularly Richard Kelertas of Dundee and Paul Quinn of RBC) provided generally very favorable coverage to Sino-Forest. Without the imprimatur of these leading financial firms, Sino-Forest could not have brought its share and note offerings to market.

In August 2005, Sino-Forest adopted a series of policies designed to assure public investors of the company's supposed commitment to good corporate governance, transparency, and adherence to international standards of corporate conduct. The policies were written, occasionally updated, and posted on the company's website; they are still in force. In addition to formalizing its board structure and functions, Sino-Forest adopted a Code of Business Conduct dealing with "responsibility and accountability toward employees, business partners, shareholders, competitors, governments, conflicts of interest, reporting violations and other matters." The code provides that company senior managers "are expected to lead according to high standards of ethical conduct in both words and actions. . . . Managers must be diligent in looking for indications that unethical or illegal conduct has occurred." "Honest and accurate recording and reporting of information is essential in order to make responsible business decisions. All financial books, records and accounts of the Corporation must accurately reflect transactions and events, and conform both to the applicable accounting principles as well as to the internal controls of the Corporation." The code states that company officers, directors, and employees must act in the best interests of all shareholders; must not use corporate opportunities for personal gain; must use assets for approved company business purposes and never for illegal purposes; must not trade in company securities based on non-public information; must ensure that all business records and communications are truthful and accurate; must avoid conflicts of interest; must comply with all applicable laws and regulations; and must report any violations of the code, including concerns regarding "accounting, financial statement disclosure, internal

accounting or disclosure controls or auditing matters. . . ." At the same time, the company adopted a Disclosure Policy of commitment to "full, true and plain public disclosure of all 'material' information in a timely manner, in order to keep shareholders and all members of the investing public equally informed about the corporation's operations. . . ." The company has also adopted an extensive Corporate Governance Committee Charter concerning implementation of "superior standards of corporate governance practices" and oversight over adherence to corporate policies and board activities; and an Audit Committee Charter governing the composition and activities of the Audit Committee of the board of directors.

- 6. The company brought on BDO McCabe Lo Limited (now known by its successor name, BDO Limited), the Hong Kong member of BDO International Limited, the world's fifth-largest network of public accounting and auditing firms, for its 2005 and 2006 audits; and then reverted to Ernst & Young. BDO issued unqualified Audit Reports for Sino-Forest. The company also made extensive use of reports attesting to the company's valuations of its timber assets, prepared by units of the leading Finnish forestry consultant Pöyry PLC and its Jaakko Pöyry Consulting business. Ernst & Young, BDO, and Pöyry specifically authorized Sino-Forest to use their reports in its public reports and offering documents.
- 7. By 2010, as reported in the 2010 Annual Report issued on May 10, 2011, Sino-Forest had net income of \$395.4 million and assets of \$5.729 billion. Its year-end market capitalization was approximately \$5.7 billion, with approximately 246 million common shares outstanding. It reported a 41% compound average annual growth rate in revenues for the period 1994-2010. In addition to Mr. Chan, who remained as chairman and CEO, the company reported that William (Bill) Ardell had taken over as "Lead Director" from W. Judson Martin; and David J. Horsley

served as senior vice president and chief financial officer. Ernst & Young remained as auditor and continued to issue unqualified Audit Reports on the company.

- 8. To outward public appearance, therefore, Sino-Forest was a thriving, growing company operating in the world's hottest economy, with financials that had been blessed by a Big Four auditor and a Hong Kong-based international audit firm, with forestry asset valuations attested to by a leading international consulting firm, with an express commitment to integrity and transparent reporting, and with the support of the Bay Street banking and finance community. Its per-share market price hit a high of \$25.30 on March 31, 2011. Reflecting the company's reported success, and based on its reported assets and earnings, its Canadian incorporation, and its TSX listing, Sino-Forest was widely viewed by the investing public as Canada's leading forestry company.
- 9. On Thursday, June 2, 2011, a small Hong Kong investment firm, Muddy Waters LLC, "initiated overage" on Sino-Forest and disseminated a 39-page "research report" containing shocking allegations that the company was vastly overstating its assets and revenues and amounted to a "Ponzi scheme" in operation since its TSX listing in 1995. Sino-Forest's CEO, Mr. Chan, immediately and vehemently denied the accusations, but the market was merciless. On Wednesday, June 1, 2011, the shares had closed at \$18.21 on the TSX; by midday Thursday, the price fell to \$14.46, at which point trading was halted. When trading resumed on Friday, the share price fell to \$5.23 at close, a decline of 71.3% from two days before, representing vanished market capitalization of about \$3.2 billion. Market prices of the notes, which were listed on the Singapore Exchange or on TRACE (a system for reporting over-the-counter transactions in fixed-income securities in the U.S.), also fell precipitously.

- 10. The Muddy Waters report provided enough credible content to sustain the devastating effect. For the ten days starting with June 3, the mean closing price of TRE on the TSX was \$4.49. The share price had not been that low since before December 1, 2005. Note prices also remained severely depressed.
- 11. The Muddy Waters report's assertions, which caused the meltdown in share and note market prices, included the following:
  - (a) In support of its assertion that Sino-Forest's reported revenue figures were fabricated, the report focused on the company's use of "authorized intermediaries" ("AIs") to effectuate its purchase and sale transactions indirectly, which the company described as necessary in order to process tax payments that could not be handled by a foreign company. The report asserted: "The sole purpose of this structure is to fabricate sales transactions while having an excuse for not having the VAT invoices that are the mainstay of China audit work." The report noted that Sino-Forest refused "for competitive reasons" to disclose the identities of all but one of its AIs, and alleged that the one disclosed AI was in fact a related party to Sino-Forest. The report asserted that a company-reported sale of \$231.1 million in timber in Yunnan Province was largely fabricated since the amount exceeded Sino-Forest's actual timber holdings in the province and exceeded harvesting quotas sixfold.
  - (b) On the asset side, the report declared that Muddy Waters had "smoking gun evidence" that Sino-Forest had overstated its standing timber purchases in Yunnan Province since 2006 by over \$800 million (out of \$2.891 billion reported).
  - (c) The report also noted that Sino-Forest had engaged in substantial transactions with undisclosed related parties, including Jiangxi Zhonggan Industrial Development Company Ltd ("Zhonggan"), which was incorporated just months before Sino-Forest entered into an approximately \$700 million contract with it in June 2009. According to Muddy Waters, Zhonggan's 2008 and 2009 audit report "shows numerous large transactions" among it, Sino-Forest, and other parties,

- none of which is forestry-related. Muddy Waters also identified Huaihua Yuda Wood Company Ltd. as "an undisclosed TRE subsidiary that has been receiving massive amounts of money from TRE's subsidiaries."
- (d) The Muddy Waters report noted the crucial role of expert firms in confirming Sino-Forest's financial and business reporting, particularly Pöyry's Valuation Reports and Ernst & Young's Audit Reports.
- 12. The effect of the Muddy Waters report was to destroy investors' trust in the integrity of Sino-Forest's reports of its business operations and its financial statements. contradicted the fundamental representation made by the company and its directors and officers during the Class Period that Sino-Forest's overall reporting of its business operations and financial statements was fair, complete, accurate, and in conformity with international standards and the requirements of the Securities Act and National Instrument 51-102, and that its accounts of its growth and success could be trusted (herein referred to as the "Integrity Representation"). The effect of participation in Sino-Forest's financings and business and financial reporting by the company's auditors, forestry experts, and financial firms handling the share and note offerings amounted to those parties' confirmation of, or at least their failure to disclose the material falsity of, the Integrity Representation. The Muddy Waters report also contradicted representations during the Class Period that Sino-Forest's financial reporting - including its reported assets, revenues, cash flows, equity, net income, and disclosures of related-party transactions -- was true, fair, accurate, and presented without material overstatement, and that the company's financial statements conformed to GAAP and its outside audits had been performed in accordance with GAAS.
- 13. To try to substantiate CEO Chan's denials of the Muddy Waters allegations, Sino-Forest promised to disclose exculpatory information, including signed copies of contracts and master

framework agreements evidencing its timber holdings. However, the company has disclosed documents concerning only Yunnan Province (although it claims to have timber holdings in nine provinces in China), and the Muddy Waters allegations have not been viewed as significantly refuted by the documents.

- 14. On June 6, 2011, Sino-Forest announced the appointment of an "Independent Committee" of directors to investigate the Muddy Waters allegations. The Independent Committee in turn retained legal counsel, and then retained the international accounting firm PricewaterhouseCoopers (PwC) to assist, with an interim report by the Committee expected within six to eight weeks. Also on June 6, the company invited analysts to tour its operations in China in the near future as a means of establishing that its timber holdings were in accordance with its representations.
- 15. On June 18 and 20, 2011, the Globe and Mail published articles based on a two-week investigative trip its East Asia correspondent had taken to visit Sino-Forest offices, properties, and partners in southeast China. The articles reported, among other things, statements by Yunnan Province forestry officials that the company's claim that it controls almost 200,000 hectares there did not match their records.
- 16. On the evening of June 20, 2011, the large New York hedge fund Paulson & Co., whose affiliates had comprised Sino-Forest's largest shareholder, revealed that it had liquidated its positions; analysts estimated that Paulson's mark-to-market losses exceeded US \$560 million.
- 17. On July 6, 2011, Sino-Forest canceled the proposed tour for analysts, supposedly because many analysts had "been precluded from resuming coverage" of the company. On August 15, Sino-Forest announced that the results of the Independent Committee and PricewaterhouseCoopers investigation would be delayed and could be expected only "prior to the

Company's year end" due to the lengthy time "required for gathering and commencing analysis of vast amounts" of data and documents.

- 18. On August 26, 2011, the Ontario Securities Commission (OSC) suspended trading in Sino-Forest's securities and issued an order stating in pertinent part:
  - 11. The Independent Committee of Sino-Forest has also been conducting an investigation into the activities and business of Sino-Forest and its subsidiaries and their management. As a result, Sino-Forest has recently suspended Ho, Hung and Yeung temporarily and curtailed Ip's duties.
  - 12. Sino-Forest, through its subsidiaries, appears to have engaged in significant nonarm's length transactions which may have been contrary to Ontario securities laws and public interest;
  - 13. Sino-Forest and certain of its officers and directors appear to have misrepresented some of its revenue and/or exaggerated some of its timber holdings by providing information to the public in documents required to be filed or furnished under Ontario securities laws which may have been false or misleading in a material respect contrary to section 122 or 126.2 of the Act and contrary to the public interest;
  - 14. Sino-Forest and certain of its officers and directors including Chan appear to be engaging or participating in acts, practices or a course of conduct related to its securities which it and/or they know or reasonably ought to know perpetuate a fraud on any person or company contrary to section 126.1 of the Act and contrary to the public interest. . . .

The OSC also ordered that Messrs. Chan, Ip, Hung, Ho, and Yeung cease all trading in securities.

19. Regulatory documents filed by the company that day revealed that company insiders had sold \$83 million of company stock since 2006. On Sunday, August 28, 2011, Mr. Chan resigned and three other employees took leaves after "certain information was uncovered" by the Independent Committee. Following previous downgrades, Standard & Poor's withdrew its credit rating on Sino-Forest entirely, and Moody's reduced its rating to a junk level indicating "very high credit risk."

- 20. On September 3, 2011, the Globe and Mail published a follow-up to its earlier investigative articles, based on further visits and interviews by its correspondents in China. The September 3 article reported: (a) Sino-Forest reported more than \$60 million in sales of fibre board in 1994-1997 from a joint venture with Leizhou Forestry Bureau, but a former company executive insisted that the sales never occurred, stating: "We didn't produce a log. There was no warehouse or factory" - before asking to retract his statements a week later after receiving irate calls from company officials; (b) Mandra Forestry Holdings Limited, a company acquired by Sino-Forest in February 2010 for \$9 million for stock and assumption of \$187 million of debt, was losing money and had missed an interest payment on its bonds in May 2009; and (c) Homix Limited, which was acquired by Sino-Forest in January 2010 for \$7.1 million, reportedly due to the value of its research and development capabilities and patent rights, was losing money; its patents appeared to be of marginal value; and Hua Chen, Sino-Forest's senior vice president of administration and finance, was an officer and had a 30 percent ownership interest in a major Homix subsidiary, but that relationship had not been disclosed despite Sino-Forest's policy against related-party transactions. Mr. Chan refused to be interviewed for the article despite repeated requests.
- 21. On September 8, 2011, after a hearing, the OSC continued its cease-trading order until January 25, 2012. The OSC order issued that day observed that OSC staff had "presented evidence of conduct that may be harmful to investors and the public interest."
- 22. As of mid-September 2011, the full truth about Sino-Forest remains shrouded. No one has yet been able to reliably verify or refute the substance of the Muddy Waters allegations. At this juncture, however, there exists ample basis to allege that the Defendants named in this lawsuit have, at least since 2004, made material Misrepresentations concerning Sino-Forest,

including the Integrity Representation; reports of the company's financial position and results, including its assets, revenues, cash flows, equity, net income, and related-party transactions; and the information reflected in the expert forestry reports, securities offering due diligence, and audit reports about the company.

- 23. The Plaintiffs' basis for their claims herein includes the following facts:
  - (a) Sino-Forest's inability to produce credible evidence refuting major portions of the Muddy Waters report, even though the report was issued months ago;
  - (b) Discrepancies in Sino-Forest's reported business and operations as disclosed in the Globe and Mail articles in June 2011 and the follow-up article in September 2011, and Sino-Forest's inability to produce credible evidence refuting those allegations.;
  - (c) The dramatic adverse effect of the disclosures in the Muddy Waters report on the market prices of Sino-Forest's shares and notes.;
  - (d) Sino-Forest's largest shareholder's liquidation of its entire equity position within one month after the Muddy Waters report was issued;
  - (e) Conclusions reached by the OSC, including the cease-trade order and the statements concerning fraud at the company, apparently based on preliminary disclosures to the OSC by the Sino-Forest board's Independent Committee and other investigations by OSC staff.;
  - (f) The Independent Committee's delay in reporting, and its apparent inability immediately to refute the Muddy Waters allegations;
  - (g) Reported insider sales by Sino-Forest senior managers and officers;
  - (h) The resignation by CEO Chan and leaves taken by the three other executives;
  - (i) Withdrawal of ratings or downgrades by credit rating agencies;
  - (j) Inconsistencies in the company's business and financial reporting concerning its use of Authorized Intermediaries for a large part of its business operations, and the prevalence of undisclosed related-party transactions at the company, as further described herein; and

- (k) The company's acknowledgement in its 2010 Annual Report that the design and effectiveness of its disclosure controls and procedures and its internal controls over financial reporting were "ineffective" due to specified weaknesses, as further described below.
- 24. The Plaintiffs have instituted this class proceeding on behalf of purchasers of shares or notes of Sino-Forest during the period from August 17, 2004, through June 2, 2011 (the Class Period), except Excluded Persons. The starting date of the Class Period is the date Sino-Forest closed on its offering of US\$300,000,000 guaranteed senior notes, pursuant to an Offering Memorandum dated August 10, 2004. Those were the earliest Sino-Forest notes outstanding when the Muddy Waters report was issued on June 2, 2011 (the notes matured and were paid on August 17, 2011). Any holder of those notes as of June 2, 2011 who sold them prior to maturity suffered a loss on the sale. Holders of later-issued notes as of June 2, 2011 have suffered losses as well, putting aside any value that may be realized from the notes at maturity or default.
- 25. This Statement of Claim asserts claims under Part XXIII of the Securities Act, and if necessary under comparable provisions of the securities legislation in other provinces and territories in Canada; and claims for common law fraud, negligence (simpliciter), and negligent misrepresentation. The Plaintiffs intend to seek leave to commence a claim under Part XXIII.1 of the Securities Act, and if necessary under comparable provisions of the securities legislation in other provinces and territories in Canada.

#### THE PLAINTIFFS

26. The Plaintiff Northwest & Ethical Investments L.P. ("NEI Investments") is an Ontario limited partnership registered with the OSC and the British Columbia Securities Commission as a portfolio manager and with the OSC as an investment funds manager.

- 27. NEI Investments, through the funds it manages and on behalf of the funds' beneficiaries, purchased shares of Sino-Forest during the Class Period and is a member of the Class. Some of those purchases were made during the period of distribution of an offering.
- 28. The Plaintiff Comité Syndical National de Retraite Bâtirente Inc. ("Bâtirente") is a non-profit organization entrusted by the Confederation of National Trade Unions to set up and promote a workplace retirement system for its affiliated unions. Bâtirente is registered as a financial services firm with the Financial Services Authority.
- 29. Bâtirente, through the funds it manages and on behalf of the funds' beneficiaries, purchased shares of Sino-Forest during the Class Period and is a member of the Class.

### THE DEFENDANTS

#### SINO-FOREST

- 30. The Defendant Sino-Forest was formed in 1994 under the Ontario Business Corporations Act upon the amalgamation of Mt. Kearsarge Minerals, Inc. and 1028412 Ontario, Inc. The amalgamation, commonly referred to as a "reverse merger," gave Sino-Forest a listing on the Alberta Stock Exchange, which it then converted to a listing on the TSX, which has allowed it to list and actively trade shares on the TSX under the symbol TRE since 1995. In 2002, the company filed articles to continue under the Canada Business Corporations Act. The company's registered office is in Mississauga, Ontario. As of July 29, 2011, Sino-Forest had over 246 million shares and over \$2 billion in face value of long-term notes outstanding. Its shares were listed and traded on the TSX and also are listed and/or traded on other markets worldwide, and its notes are traded on markets worldwide.
- 31. Sino-Forest is a reporting issuer in Ontario and, as such, pursuant to the Securities Act, Sino-Forest is:

- (a) required to file on SEDAR and deliver to the company's security holders:
  - (i) Annual financial statements and MD&A within 90 days from the end of its last financial year, pursuant to ss. 78 and 79 of the Securities Act and ss. 4.1-4.2 and 5.1 of National Instrument 51-102, as the case may be; and
  - (ii) quarterly interim financial statements and MD&A within 45 days of the end of each interim period pursuant to ss. 4.3-4.4 and 5.1 of National Instrument 51-102; and
- (b) subject to the continuous disclosure provisions of Part XVIII of the Securities Act in accordance with s. 1(1) of the Securities Act.
- 32. Sino-Forest is also a "responsible issuer" in accordance with s. 138.1(1) of the Securities Act and is therefore subject to civil liability provisions for secondary market disclosure under Part XXIII.1 of the Securities Act.
- 33. Sino-Forest has over 150 subsidiaries, the majority of which are registered in the BVI and China (the "Sino-Forest Subsidiaries").
- 34. Sino-Forest is vicariously liable for the acts and omissions of its directors, officers, and employees.

#### THE INDIVIDUAL DEFENDANTS

- 35. The Defendant Allen T.Y. Chan, also known as Tak Yuen Chan, is a co-founder of the company, and was the Chairman and Chief Executive Officer from 1994 until his resignation on August 28, 2011. He has been a director since 1994.
- 36. The Defendant W. Judson Martin has been Vice Chairman of Sino-Forest since June 23, 2010 and has been a director since February 1, 2006. On August 29, 2011, the Defendant Martin succeeded the Defendant Chan as Chief Executive Officer.
- 37. The Defendant Kai Kit (K.K.) Poon, also a co-founder of the company, has been the President of Sino-Forest since 1994. He was a director from 1994 to May 25, 2009.

- 38. The Defendant David J. Horsley has been Senior Vice President and Chief Financial Officer of Sino-Forest since October 10, 2005. He was a director from 2004 until January 31, 2006.
- 39. The Defendant Hua Chen is the Senior Vice President of Administration and Finance of Sino-Forest. She joined the company in 2002.
- 40. The Defendant Wei Mao Zhao is the Senior Vice President of Development and Operations (South and East China) of Sino-Forest. He joined the company in 2002.
- 41. The Defendant Alfred C.T. Hung has been Senior Vice President of Planning and Banking of Sino-Forest. He joined the company in 1999. As a result of the investigation by the Independent Committee, Sino-Forest has temporarily suspended the Defendant Hung.
- 42. The Defendant Alfred Ip's title is Senior Vice President of Development and Operations (North East and South West China) of Sino-Forest. He joined the company in 1997. As a result of the investigation undertaken by the Independent Committee, Sino-Forest has curtailed the Defendant Ip's duties and responsibilities.
- 43. The Defendant George Ho has been Vice President of Finance (China) of Sino-Forest. He joined the company in October 2007. As a result of the investigation by the Independent Committee, Sino-Forest has temporarily suspended the Defendant Ho.
- 44. The Defendant Thomas M. Maradin is Vice President of Finance (Corporate) of Sino-Forest. He joined the company on September 1, 2005. The Defendant Maradin is a former partner of Ernst & Young.
- 45. The Defendant William (Bill) E. Ardell has been a director of Sino-Forest since January 18, 2010, and is designated the company's "Lead Director." On August 29, 2011, the Defendant Ardell succeeded Chan as Chairman of the company.

- 46. The Defendant James M.E. Hyde has been a director of Sino-Forest since 2004 and is chair of the Audit Committee. The Defendant Hyde is a former partner of Ernst & Young.
- 47. The Defendant Simon Murray has been a director of Sino-Forest since 1999.
- 48. The Defendant Garry J. West has been a director of Sino-Forest since February 23, 2011.

  The Defendant West is a former partner of Ernst & Young.
- 49. The Defendant James P. Bowland has been a director of Sino-Forest since February 23, 2011.
- 50. The Defendant Edmund Mak, also known as Woon Wah Mak, has been a director of Sino-Forest since 1994.
- 51. The Defendant Peter Wang, also known as Dong Hong Wang, has been a director of Sino-Forest since August 21, 2007.
- 52. The Defendant Kee Y. Wong was the Chief Financial Officer of Sino-Forest from 1999 until October 5, 2005.
- 53. The Defendant John Lawrence was a director of Sino-Forest from 1997 until June 5, 2006.
- 54. The Defendant Simon Yeung has been Vice President Operations of Sino-Panel (Asia) Inc., a Sino-Forest Subsidiary. As a result of the investigation by the Independent Committee, Sino-Forest has temporarily suspended the Defendant Yeung.
- 55. By virtue of their positions as senior executive officers and directors, the Individual Defendants had actual, implied or apparent authority to act and speak on Sino-Forest's behalf. The Individual Defendants, also by virtue of their high-level positions with the company, directly participated in the management of the company, were directly involved in the day-to-day operations of the company at the highest levels, and were privy to confidential proprietary

information concerning the company. As stated above, Sino-Forest is vicariously liable for the acts and omissions of each Individual Defendant.

### THE AUDITOR DEFENDANTS

- 56. The Defendant Ernst & Young LLP ("Ernst & Young") is a public accounting and auditing firm with offices in Toronto, Ontario, and elsewhere. Ernst & Young served as the company's external auditor, and issued unqualified reports on the company, since the company was formed, except for the years 1998 and 1999, when Arthur Andersen LLP was auditor, and 2005 and 2006, when BDO Limited was auditor. During the Class Period, Ernst & Young issued unqualified audit reports on Sino-Forest for the years 2004, 2007, 2008, 2009, and 2010. It received substantial fees for its audit, audit-related, and tax-related services, for example amounting to about \$2.5 million in 2010. During the Class Period, it issued its Audit Reports for 2004 and 2010 from Toronto, and for 2007, 2008, and 2009 from Vancouver.
- 57. Ernst & Young is vicariously liable for the acts and omissions of its partners, officers, managers, employees, and agents.
- 58. The Defendant BDO Limited ("BDO"), successor to and/or formerly known as BDO McCabe Lo Limited, is the Hong Kong member of BDO International Limited, the world's fifth-largest network of public accounting and auditing firms. During the Class Period, BDO issued unqualified audit reports on Sino-Forest for the years 2005 and 2006. It also received substantial fees for its services.
- 59. BDO is vicariously liable for the acts and omissions of its partners, officers, managers, employees, and agents.
- 60. Ernst & Young and BDO knew that Sino-Forest would include their respective Audit Reports in the company's public disclosure documents and offering materials, and consented



thereto. The Audit Reports are documents that would reasonably be expected to affect the value of Sino-Forest Securities.

61. Ernst & Young and BDO are experts within the meaning of the s. 138.1 of the Securities

Act.

# THE PÖYRY DEFENDANTS

- 62. The Defendant Pöyry Forest Industry Pte Ltd. ("Pöyry Forest"), the Defendant Pöyry (Beijing) Consulting Company Limited ("Pöyry Beijing"), and the Defendant JP Management Consulting (Asia-Pacific) Pte. Ltd ("JP Management") are wholly owned subsidiaries of Pöyry PLC, a publicly listed consulting firm based in Helsinki, Finland. They also do business under the name Jaakko Pöyry Consulting.
- 63. Each of the Pöyry Defendants is a management consultancy business focused on corporate, product, and marketing strategies, corporate finance, due diligence, business intelligence services, and performance management. For substantial fees, each of the Pöyry Defendants provided asset valuation and other management consultancy services to Sino-Forest during the Class Period.
- 64. Among other things, since 2003, the Pöyry Defendants have provided annual Valuation Reports to Sino-Forest concerning its timber assets. With the Pöyry Defendants' knowledge and consent, Sino-Forest referred to and utilized the Valuation Reports in various public documents, regulatory filings, and offering materials. The Valuation Reports are documents that would reasonably be expected to affect the value of Sino-Forest Securities.
- 65. Each Pöyry Defendant is an expert as defined in s. 138.1 of the Securities Act.

  Each Pöyry Defendant is vicariously liable for the acts and omissions of its directors, managers, officers, employees, and agents.

## THE UNDERWRITER AND NOTE DISTRIBUTOR DEFENDANTS

- 66. The Defendant Dundee Securities Corporation ("Dundee Securities") was an underwriter, as defined in s. 1.(1) of the Securities Act, in relation to the June 2007, June 2009, and December 2009 Share Offerings.
- 67. The Defendant UBS Securities Canada Inc. ("UBS") was an underwriter in relation to the June 2007 Share Offering.
- 68. The Defendant Haywood Securities Inc. ("Haywood") was an underwriter in relation to the June 2007 Share Offering.
- 69. The Defendant Credit Suisse Securities (Canada), Inc. ("Credit Suisse") was an underwriter in relation to the June 2007, June 2009, and December 2009 Share Offerings.
- 70. The Defendant TD Securities, Inc. ("TD Securities") was an underwriter in relation to the June 2009 and December 2009 Share Offerings.
- 71. The Defendant RBC Dominion Securities Inc. ("RBC") was an underwriter in relation to the December 2009 Share Offering.
- 72. The Defendant Scotia Capital Inc. ("Scotia Capital") was an underwriter in relation to the June 2009 and December 2009 Share Offerings.
- 73. The Defendant CIBC World Markets Inc. ("CIBC") was an underwriter in relation to the June 2007 and December 2009 Share Offerings.
- 74. The Defendant Merrill Lynch Canada, Inc. ("Merrill Lynch Canada") was an underwriter in relation to the June 2007, June 2009, and December 2009 Share Offerings.
- 75. The Defendant Canaccord Financial Ltd. ("Canaccord") was an underwriter in relation to the December 2009 Share Offering.

- 76. The Defendant Maison Placements Canada Inc. ("Maison Placements") was an underwriter in relation to the December 2009 Share Offering.
- 77. During the Class Period, the Underwriter Defendants sold approximately \$906 million of Sino-Forest equity Securities to public investors pursuant to various Prospectuses. In doing so, the Underwriter Defendants certified that each Prospectus "constitutes full, true and plain disclosure of all material facts relating to the securities offered . . . as required by the securities legislation" of all the provinces. The certifications, the representations, and the imprimature of the Underwriter Defendants in the Prospectuses and on the share offerings were false and misleading.
- 78. The Underwriter Defendants received in total approximately \$35 million in commissions for the underwritings.
- 79. The Defendant Morgan Stanley & Co. Incorporated ("Morgan Stanley") was a Note Distributor in the August 2004 Note Offering. "Note Distributor" means a manager of the note offering and/or an initial purchaser who resold the notes.
- 80. The Defendant Credit Suisse Securities (USA), LLC ("Credit Suisse USA") was a Note Distributor in the 2008 Note Offering, 2009 Exchange Offering, and the 2009 Note Offering.
- 81. TD Securities was a Note Distributor in the 2009 Note Offering.
- 82. The Defendant Bank of America Merrill Lynch ("Bank of America ML") was a Note Distributor in the 2009 Note Offering.
- 83. The Defendant Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") was a Note Distributor in the 2008 Note Offering and the 2009 Note Offering.
- 84. The Note Distributor Defendants performed due diligence on their respective note offerings. The Note Distributor Defendants omitted to disclose the Misrepresentations contained

in the Offering Memorandums, and their imprimaturs on the note offerings were false and misleading.

85. Each of the Underwriter Defendants and the Note Distributor Defendants has an office in Toronto, Ontario.

### **CLASS ALLEGATIONS**

- 86. The Plaintiffs bring this action on its own behalf and as a class action on behalf of a Class consisting of purchasers of shares or notes of Sino-Forest during the period from August 17, 2004 through June 2, 2011 inclusive (the "Class Period"). Excluded from the Class are: the Defendants; Sino-Forest's past and present subsidiaries and affiliates; the past and present officers and directors of Sino-Forest and its subsidiaries and affiliates; members of the immediate family of any excluded person; the legal representatives, heirs, successors, and assigns of any excluded person or entity; and any entity in which any excluded person or entity has or had a controlling interest (the "Excluded Persons").
- 87. Throughout the Class Period, Sino-Forest's outstanding shares were actively traded on the TSX. The average daily trading volume of shares during the Class Period was over 910,332 shares. Throughout the Class Period, Sino-Forest's outstanding notes were listed on the Singapore Exchange and on TRACE.

## STATEMENT OF FACTS

88. Sino-Forest describes itself as "a leading commercial forest plantation operator in China."

According to the company's 2010 Annual Report, its "principal businesses include the ownership and management of plantation forests, the sale of standing timber and wood logs and the complementary manufacturing of downstream engineered-wood products." In selling and acquiring timber assets (both timber plantation rights and standing timber), Sino-Forest claimed,

beginning in 2003, to utilize a number of "authorized intermediaries" (AIs) to act on its behalf, purportedly because these authorized intermediaries were licensed by the appropriate Chinese authorities to purchase trees and timber assets in China. Sino-Forest has disclosed the identity of only one AI.

- 89. Sino-Forest claims that between 2004 and the present, acting on its behalf, the AIs have purchased plantation rights and standing timber from the company and then subsequently sold those timber assets to the ultimate customers. According to Sino-Forest, the AIs then owe the company the balance of the sale proceeds after deducting all expenses and fees (including the costs of the raw material, processing and management fees, and applicable taxes). Instead of remitting the sale proceeds to Sino-Forest, the AIs, at Sino-Forest's direction, purportedly provide the proceeds to a third-party "purchasing agent" to buy additional timber assets for the company.
- 90. The use of AIs in the manner described by the company, if true, would have the effect of camouflaging both the cash flows associated with the alleged operations of the company (revenues and expenses resulting from the purchase and sale of timber assets) and the timber assets allegedly acquired (which were held by purchasing agents, not the company). Sino-Forest also reported that it used AIs for payment of all taxes due to Chinese authorities in connection with its operations, thus removing company tax records as a means for auditing, confirming, or measuring its activities.
- 91. Therefore, Sino-Forest's assertions that it used AIs in the manner described gave it virtually free rein to claim that it engaged in substantial business activity, without requiring it to show on its own books and in its own accounts the cash flows associated with that activity. This meant that only company insiders, and those auditors, experts, and due diligence examiners who

were required and in a position to insist on obtaining access to records sufficient to verify Sino-Forest's claimed activities, operations, and financial results, were able to review and (if appropriate) confirm the integrity and accuracy of the company's reports.

92. In the 2011 First Quarter Earnings Release Conference Call on June 14, 2011, the Defendant Chan explained the use of AIs in some detail, including the following steps:

Fourth, the AI pay the proceeds from the timber sales to the end users to a Sino-Forest designated purchasing agent rather than direct back to the BVI company [a Sino-Forest Subsidiary]. The AI pays under the terms of the contract, but since the BVI Subsidiary cannot hold a bank account in China, cash is not exchanged.

In the fifth step, the purchasing agent utilizing the money from the AI, purchases more parcels whose ownership is transferred to the BVI company. Sino-Forest directs the AI to use the proceeds from the sales, which is receivable to Sino-Forest, to purchase new plantation assets through an agent on behalf of Sino-Forest that had already been identified by Sino-Forest.

- 93. According to that account, Sino-Forest does not itself recognize *any* cash flow from these transactions, because all transactions occur at the AI level. Nevertheless, according to its financial statements, Sino-Forest generated \$4.3 billion in revenues from its standing timber business during the period 2003-2010, and it reported approximately \$4 billion in corresponding operating cash flows. Based on the Defendant Chan's description of the company's use of AIs, the majority of those cash flows never occurred, or at least were materially overstated.
- 94. Sino-Forest claimed it was required to use the AIs because Chinese laws and regulations prohibited non-Chinese entities from holding Chinese currency bank accounts and conducting certain wood business in connection with Sino-Forest's activities. However, belying those claims, for the (at least) six years prior to Sino-Forest's reported use of AIs, one of its subsidiaries did obtain the requisite licensing and approval from Chinese regulators to produce and sell wood products. For reasons the company did not explain, in 1993 it stopped using the

subsidiary (which ceased operations) in favor of its extensive reported reliance on AIs for all phases of its business.

- 95. The Defendant Chan, in the 2011 First Quarter Earnings Release Conference Call, also claimed the AIs are necessary because "the BVI Subsidiary cannot hold [a bank account] in China" (brackets in original). That statement is false: since 2003 Chinese regulations have enabled foreign companies, like the Sino-Forest BVI Subsidiaries, to maintain bank accounts in China.
- 96. The only AI whose identity Sino-Forest has disclosed to the public is Shenzhen Hongji Enterprises (Holdings) Ltd. ("Shenzhen"). Sino-Forest introduced Shenzen's President, Lei Guangyu, to analysts in April 2011. Shenzen is a related entity to Sino-Forest (the 2007 audit report for a Sino-Forest Subsidiary stated that Shenzen is also a subsidiary of Sino-Forest). Lei Guangyu has been a counter-party to numerous transactions with Sino-Forest that did not involve Shenzhen (Lei Guangyu has acted as a signatory for two Sino-Forest Subsidiaries, Fortune Universe Ltd. and Spirit Land Ltd).
- 97. Even in the face of the recent widespread allegations of fraud involving its use of Als, Sino-Forest has not disclosed the identity of any other Al.
- 98. Sino-Forest's claim that it used AIs purportedly to comply with Chinese tax laws is also suspect. Under both the pre-2008 and 2008 income tax regimes in China, foreign companies could pay required income tax by registering with tax authorities or by withholding by clients of the foreign companies. According to Sino-Forest's financial statements, during 2003-2010, the company's standing timber business generated \$4.316 billion in revenues and approximately \$1.930 billion in net income, resulting in corresponding income tax liabilities (using the lowest

possible tax rates) of \$426 million, plus \$85 million in interest and penalties ranging from \$136 million to over \$1 billion if the taxes had not been paid.

- 99. The response of the Defendant Horsley to an analyst inquiry concerning income taxes during the June 14, 2011 First Quarter Earnings Release Conference Call made clear that the company did not have appropriate controls in place to assure compliance with Chinese tax obligations, and was unclear as to the status of those obligations:
  - <Q Richard Kelertas>: Final question, then, is, Dave, on the tax liabilities and the provisions that you've made in your annual report, can you discuss how that works with the AI's and how that is recorded?
  - <A David J. Horsley>: Sure. As Allen said in the previous section of the conference call, under the agreement, the AI's are responsible for paying all of the tax income back and other taxes. From an accounting point of view, Sino-Forest provides a contingency in the event that those taxes have not been paid. Since we can't confirm one way or another, we take a conservative approach and we provide for income tax contingency in our balance sheet. Currently we have a liability of about \$190 million accrued on our financial statements in the event that those taxes were[n't] paid and Sino-Forest has to pay them.
  - <Q Richard Kelertas>: And that would amount to, on a percentage basis for these AIs, approximately what per year?
  - <A David J. Horsley>: Well, we provide for 100% of the income taxes that are earned by Sino-Forest, but should have been paid tax by the AI for three years plus the current year.
- 100. Moreover, in its 2010 Annual Report, Sino-Forest offered this admission that its internal controls were *ineffective*:

[T]he design and effectiveness of internal controls over financial reporting was assessed as of December 31, 2010. Based on that evaluation, the company concluded that the design and effectiveness of the company's DC&P [Disclosure Controls and Procedures] and ICFR [Internal Controls over Financial Reporting] were ineffective due to the weakness discussed below with respect to ICFR.

The success of the company's vision and strategy of acquiring and selling forestry plantations and access to a long-term supply of wood fibre in the PRC is dependent on senior management. As such, senior management plays a significant role in maintaining customer relationships, negotiating and finalizing the purchase and sale of plantations fibre contracts and the settlement of accounts receivable and accounts payable associated

- with plantations fibre contracts. This concentration of authority, or lack of segregation of duties, creates risk in terms of measurement and completeness of transactions as well as the possibility of non-compliance with existing controls, either of which may lead to the possibility of inaccurate financial reporting. (Emphasis added.)
- 101. This supports the allegations in the Muddy Waters report that Sino-Forest's reporting of its assets and revenues is unreliable, and that its Integrity Representation is false.
- 102. In its 2010 annual information form, Sino-Forest claimed to own at least 190,000 hectares of plantation rights through agreements with Gengma Dai and Wa Tribes Autonomous Region Forestry Co Ltd. ("Gengma Forestry"), in Yunnan Province. However, in its investigative article on Sino-Forest published on June 20, 2011, the Globe and Mail reported: "Senior forestry officials in the province ... said their records showed Sino-Forest manages far less than that..." Xie Hongting, the Chairman of Gengma Forestry, told the Globe and Mail correspondent that the "transactions carried out so far by Sino-Forest amounted to less than 14,000 hectares." According to Gengma Forestry, Sino-Forest's registered forestry area in Gengma Dai Autonomous Region is just 13,333 hectares only about 7% of the holdings Sino-Forest claims to have.
- 103. Sino-Forest also has claimed in its public documents that it has purchased \$2.891 billion in timber assets since 2006, supposedly through 230 individual purchases made under six master framework agreements. The details of only one of the master framework agreements have been publicly disclosed. As to that agreement, the Muddy Waters report alleged that the value of the asset purchases was overstated by \$800 million; and Sino-Forest has not offered any refutation of that assertion.
- 104. Sino-Forest has also consistently claimed that its master agreements for the acquisition of plantation rights give it the right to replant, cultivate, and harvest timber on the plantation land after it harvests existing standing trees. Land use regulations require Sino-Forest to register any

acquisitions of plantation rights with the forest transfer centre of each Chinese county forestry bureau. Sino-Forest has not produced any records of its claimed acquisitions of plantation rights owned by its BVI Subsidiaries that have sold standing timber through AIs and bought plantations through purchase agents. These disparities call into question all of Sino-Forest's plantation right valuations.

- 105. Sino-Forest has also claimed that it did not enter into undisclosed related-party transactions as part of its business. However:
  - (a) In June 2009, Sino-Forest entered into a \$700 million agreement purportedly to purchase forestry plantations from Jiangxi Zhonggan Industrial Development Company ("Jiangxi Zhonggan"), which had been incorporated just a few months earlier in January 2009. The President of Jiangxi Zhonggan, Lam Hon Chiu, was also a senior executive officer of the Sino-Forest subsidiary Sino-Wood (Asia) Limited. Jiangxi Zhonggan is a related party to Sino-Forest. Sino-Forest did not disclose that the acquisition agreement was a related-party transaction.
  - (b) In January 2010, Sino-Forest acquired Homix Limited ("Homix"), a purported wood-products research and development and engineering company, for \$7.1 million. The Defendant Chen, a senior executive officer of Sino-Forest, had an indirect 30 per cent shareholding in Homix. Accordingly, the acquisition was also a related-party transaction. At no time did Sino-Forest disclose that the acquisition of Homix was a related-party transaction.
  - (c) Another undisclosed Sino-Forest subsidiary, Huaihua Yuda Wood Company

    Ltd., has received substantial amounts of money from other Sino-Forest subsidiaries. In 2007, Huaihua Yuda received a prepayment of RMB 92.0 million

from Sino Panel (Hezhou) and another payment of RMB 81.0 million from Sino Panel (Gengma).

106. Based upon the irregularities and discrepancies stated above, the Plaintiffs allege that all figures reporting and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions during the Class Period were unreliable and were materially overstated.

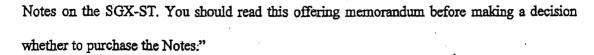
# PARTICULARIZATION OF THE MISREPRESENTATIONS IN COMPANY REPORTS, EXPERT REPORTS, AND SECURITIES OFFERING DOCUMENTS

#### OFFERING DOCUMENTS

107. Each of the Prospectuses and Offering Memorandums is a document that would reasonably be expected to affect the value of Sino-Forest Securities (both the Securities covered by the Prospectus or Offering Memorandum and the other Securities being traded at the time).

### The August 2004 Note Offering

- 108. On August 17, 2004, Sino-Forest closed an offering (the "2004 Note Offering") of US\$300,000,000 9.125% guaranteed senior notes maturing on August 17, 2011 (the "2011 Notes"). The 2004 Note Offering was made pursuant to a confidential Offering Memorandum dated August 10, 2004 (the "2004 Note Offering Memorandum"). The 2004 Note Offering Memorandum was filed with SEDAR as a Material Change Report on August 19, 2004. The notes matured and were paid on or about August 17, 2011. The 2011 Notes were listed on the Singapore Exchange and TRACE.
- 109. All statements in the 2004 Note Offering Memorandum were representations by Sino-Forest. Sino-Forest told prospective purchasers of the 2011 Notes: "We are providing it solely for the purpose of enabling you to consider a purchase of the Notes and for the listing of the



- 110. The 2004 Note Offering Memorandum contained the Integrity Representation, which was materially false.
- 111. The 2004 Note Offering Memorandum contained Sino-Forest financial statements for the years ended 2000, 2001, 2002, and 2003. The financial statements contained figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions, among other things. It also stated:

As of October 31, 2003, our purchased tree plantations and planted tree plantations consisted of approximately 113,000 hectares and 34,000 hectares, respectively. We have rights under our agreements with our joint venture partners and other parties to increase our plantations to a maximum of approximately 616,000 hectares of planted tree plantations.

The figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

112. The 2004 Note Offering Memorandum incorporated a Valuation Report issued by JP Management (one of the Pöyry Defendants) entitled "Review of Sino-Wood Partners Limited & Sino-Panel Holdings Limited," dated June 30, 2004 (the "2004 Pöyry Valuation Report"). The 2004 Pöyry Valuation Report stated:

Jaakko Pöyry Consulting has completed a valuation of the Sino-Wood forest assets as at October 31, 2003 and determined the value of the resources to be USD 344.5 million using a 13% discount rate applied to real, pre-tax cash flows. Jaakko Pöyry Consulting has not valued the 7,400 hectares of Sino-Panel forest assets.

Jaakko Pöyry Consulting has also prepared a forest valuation that includes the revenues and costs of re-establishing and maintaining the total existing plantation forest area of 152,917 hectares for a 50-year period (perpetual valuation). Jaakko Pöyry Consulting has determined the valuation of the Sino-Wood forest assets based on a perpetual rotation to be USD 436.0 million using a real pre-tax discount rate of 13%.

Those statements were materially false.

- 113. Pöyry Forest knew the 2004 Pöyry Valuation Report would be used in Sino-Forest's 2004 Note Offering Memorandum. The 2004 Note Offering Memorandum states the 2004 Valuation Report "has been included herein with the consent of and in reliance of the authority of the firm [JP Management] as experts in valuing forest assets."
- 114. The 2004 Note Offering Memorandum contained Ernst & Young's unqualified Audit Reports on the 2000, 2001, 2002, and 2003 financial statements. The Audit Reports stated that Ernst & Young had performed its audit in accordance with GAAS, and that Sino-Forest's consolidated balance sheets and consolidated statements of income and retained earnings and cash flows (financial statements), in Ernst & Young's opinion, "present fairly, in all material respects, the financial position of the Company" at year-end of those years "and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles." The reports were materially false in that Ernst & Young's audits were not performed in accordance with GAAS, the financial statements were not presented in accordance with GAAP, and the figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.
- 115. Ernst & Young consented to the inclusion of its Audit Reports in the 2004 Note Offering Memorandum, and made the following statement therein:

We have read the offering Memorandum of Sino-Forest (the "Company") dated August 10, 2004 relating to the issue and sale of 9 1/8% guaranteed senior notes due 2011 of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned offering memorandum of our reports to the directors and shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2003, 2002, 2001 and 2000 and the consolidated statements of income, retained earnings and cash flows for each of the years in the four-years period ended December 31, 2003. Our reports are dated April 8, 2004 for the consolidated

financial statements as at and for the years ended December 31, 2003 and 2002, dated April 30 2003 for the consolidated financial statements as at the and for the years ended December 31, 2002 and 2001 and dated April 5, 2002 for the consolidated financial statements as at and for the years ended December 31, 2001 and 2000, respectively through incorporation by reference in the Prospectus, of our report dated March 13, 2009 to the shareholders of the Company on the following financial statements"

- 116. The Defendant Morgan Stanley was the initial purchaser of the 2011 Notes in the 2004 Note Offering.
- 117. The 2004 Note Offering would not have proceeded, securities regulators likely would not have allowed the offering, and the 2011 Notes would not have been purchased by investors, if the material falsity of the Integrity Representation, the financial statements, the Valuation Report, and the Audit Reports, as described above, had been publicly disclosed.

### The June 2007 Share Offering

- 118. On June 5, 2007, Sino-Forest commenced an offering of 13,900,000 common shares of Sino-Forest at \$12.65 per share (the "June 2007 Share Offering"). The shares were offered for sale pursuant to a short form prospectus (the "June 2007 Prospectus"), which was filed with SEDAR. The June 2007 Share Offering closed on June 12, 2007.
- 119. The June 2007 Prospectus was issued for the specific purpose of guiding individual investors in deciding whether to purchase the shares.
- 120. The June 2007 Prospectus contained the Integrity Representation, which was materially false.
- 121. The June 2007 Prospectus contained Sino-Forest financial statements for the years ended 2003, 2004, 2005, and 2006. The financial statements contained figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions, among other things. It also stated:



As of December 31, 2006, the Corporation had approximately 58,000 hectares of planted tree plantations. As of December 31, 2006, the Corporation also had approximately 294,000 hectares of purchased tree plantations and it expects additional purchased tree plantations in the future. Under the Corporation's agreements for its purchased tree plantations, it has an option to require the transfer of the plantation land use rights through a long term lease for a maximum period of up to 30 to 50 years, subject to negotiation of a price for the transfer of the plantation land use rights and receipt of relevant government approvals, and satisfaction of registration requirements.

The figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

- 122. The Defendant Chan as Chief Executive Officer, the Defendant Horsley as Chief Financial Officer, and the Defendants Hyde and Mak on behalf of the entire Board of Directors signed a certificate required by s. 58(1) of the Securities Act and thereby certified that the June 2007 Prospectus, and the documents incorporated therein, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.
- 123. The Underwriter Defendants Merrill Lynch Canada, UBS, Haywood, Credit Suisse, Dundee Securities, and CIBC also signed a certificate required by s. 59(1) of the Securities Act and thereby certified that, to the best of their knowledge, information and belief, the June 2007 Prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.
- 124. The June 2007 Prospectus incorporated by reference a Valuation Report prepared by Pöyry Forest (one of the Pöyry Defendants), entitled "Valuation of China Forest Assets As at 31 December 2006," and dated March 15, 2007 (the "2006 Pöyry Valuation Report"). The Pöyry 2006 Valuation Report stated:

[Pöyry] has determined the valuation of the Sino-Forest assets as at 31 December 2006 to be \$919.0 million. This is the result of a valuation of the existing planted area and uses an 11.5% discount rate applied to real, pre-tax cash flows.

Pöyry has also prepared an existing forest valuation that includes the revenues and costs of re-establishing and maintaining the plantation forests for a 50 – year period (perpetual valuation). However, to date Sino-Forest only has an option to lease the land under the purchased trees for future rotations, the terms of which have yet to be agreed. Sino-Forest is embarking on a 400 000 ha expansion of its estate in Hunan. Pöyry has determined the valuation of the Sino-Forest forest assets based on a perpetual rotation (including the planned expansion in Hunan) using a real pre-tax discount rate of 11.5% to be \$1,427.6 million as at 31 December 2006.

125. Pöyry Forest knew its 2006 Pöyry Valuation Report would be used in the June 2007 Prospectus. It issued a letter to regulators stating:

We consent to the incorporation by reference in the Prospectus of our report, entitled "Valuation of China Forest Assets as at 31 December 2006" dated March 15, 2007 (the "Report"). We further consent to the use of our name in the Prospectus under the heading "Interest of Experts" and elsewhere in the Prospectus.

We report that we have read the Prospectus and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report which we have prepared or that is within our knowledge as a result of the services we performed in connection with the Report.

126. The 2007 Prospectus contained BDO's unqualified Audit Reports on the 2005 and 2006 financial statements. The Audit Reports stated that BDO had performed its audit in accordance with GAAS, and that Sino-Forest's consolidated balance sheets and consolidated statements of income and retained earnings and cash flows (financial statements), in BDO's opinion, "present fairly, in all material respects, the financial position of the Company" at year-end of those years "and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles." The reports were materially false in that BDO's audit were not performed in accordance with GAAS, the financial statements were not presented in accordance with GAAP, and figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

127. In a letter dated June 5, 2007 to the OSC and other provincial regulators, BDO consented to the inclusion of its Audit Report in the Prospectus and stated:

We report that we have read the short form prospectus and all information specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audits of such financial statements.

128. The June 2007 Share Offering would not have proceeded, securities regulators likely would not have issued a receipt for the 2007 Prospectus, and the shares would not have been purchased by investors, if the material falsity of the Integrity Representation, the financial statements, the Valuation Report, and the Audit Reports, as described above, had been publicly disclosed.

# The July 2008 Note Offering

- 129. On July 23, 2008, Sino-Forest closed an offering (the "2008 Note Offering") of US\$300,000,000 (and an additional \$45,000,000 in over allotments) 5% senior convertible notes maturing on August 1, 2013 (the "2013 Notes"). The 2008 Note Offering was made pursuant to a confidential Offering Memorandum dated July 17, 2008 (the "2008 Note Offering Memorandum"). The 2008 Note Offering Memorandum was filed on SEDAR as part of a Material Change Report dated July 25, 2008. The 2008 Note Offer closed on or about July 23, 2008. The 2013 Notes were listed on TRACE.
- 130. All statements in the 2008 Note Offering Memorandum were representations by Sino-Forest. Sino-Forest told prospective purchasers of the 2013 Notes: "You should rely only on the information contained in this Offering Memorandum" and "We are providing it solely for the purpose of enabling you to consider a purchase of the Notes."

- 131. The 2008 Note Offering Memorandum contained the Integrity Representation, which was materially false.
- 132. The 2008 Note Offering Memorandum contained Sino-Forest financial statements for the years ended 2004, 2005, 2006, and 2007. The financial statements contained figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions, among other things. It also stated:

As of March 31, 2008, we had approximately 328,000 hectares of tree plantations under management located in six provinces of the PRC and we have entered into long-term agreements that give us the right to acquire, subject to contractual conditions and other factors, up to approximately 653,000 additional hectares of plantation trees.

The figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

133. The 2008 Note Offering Memorandum incorporated by reference a Valuation Report prepared by Pöyry Forest, entitled "Sino Forest Corporation Valuation of China Forest Assets as of 31 December 2007," and dated March 14, 2008 (the "2007 Pöyry Valuation Report"). The 2007 Pöyry Valuation Report stated:

Poyry has determined the valuation of the Sino-Forest assets as at 31 December 2007 to be USD 1 245.3 million. This is the result of a valuation of the existing planted area and uses an 11.5% discount rate applied to real, pre-tax cash flows.

Pöyry has also prepared an existing forest valuation that includes the revenues and costs of re-establishing and maintaining the plantation forests for a 60 – year period (perpetual valuation). However, to date Sino-Forest only has an option to lease the land under the purchased trees for future rotations, the terms of which have yet to be agreed. Sino-Forest is embarking on a 750 000 ha expansion of its estate in Hunan, Yunnan and Guangxi Provinces. Pöyry has determined the valuation of the Sino-Forest forest assets based on a perpetual rotation (including the planned expansion in Hunan, Yunnan and Guangxi) using a real pre-tax discount rate of 11.5% to be USD3 205.2 million as at 31 December 2007.

134. Pöyry Forest knew the 2007 Pöyry Valuation Report would be used in Sino-Forest's 2008 Note Offering Memorandum. In a letter to Sino Forest dated March 14, 2008, Pöyry Forest

consented to: "The inclusion of the [2007 Pöyry Valuation] Report and/or a summary thereof (explicitly or by incorporation by reference) in, and/or any reference to the Report at any time by the Corporation or any subsidiaries thereof in, . . . [a]ny document pursuant to which any securities of the Corporation or any subsidiary are offered for sale."

- 135. The 2008 Note Offering Memorandum contained BDO's unqualified Audit Reports on the 2005 and 2006 financial statements and Ernst & Young's unqualified Audit Report on the 2007 financial statements. The Audit Reports stated that the respective Auditor Defendants had performed their audits in accordance with GAAS, and that Sino-Forest's consolidated balance sheets and consolidated statements of income and retained earnings and cash flows (financial statements), in the Auditor Defendants' opinions, "present fairly, in all material respects, the financial position of the Company" at year-end of those years "and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles." The reports were materially false in that the Auditor Defendants' respective audits were not performed in accordance with GAAS, the financial statements were not presented in accordance with GAAP, and figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.
- 136. The 2008 Note Offering Memorandum states the audited financial statements "have been included herein with the consent of and in reliance upon the reports of BDO McCabe Lo Limited and Ernst & Young LLP, as applicable."
- 137. The Defendants Merrill Lynch and Credit Suisse USA were the dealer managers and initial purchasers of the 2013 Notes in the 2008 Note Offering.

138. The 2008 Note Offering would not have proceeded, securities regulators likely would not have allowed the offering, and the 2013 Notes would not have been purchased by investors, if the material falsity of the Integrity Representation, the financial statements, the Valuation Report, and the Audit Reports, as described above, had been publicly disclosed.

## The June 2009 Share Offering

- 139. On June 1, 2009 Sino-Forest commenced an offering of 30,000,000 common shares of Sino-Forest at \$11.00 per share (the "June 2009 Share Offering"). The shares were offered for sale pursuant to a short form prospectus dated June 1, 2009 (the "June 2009 Prospectus"). The June 2009 Prospectus was filed on SEDAR. The offering closed on June 8, 2009.
- 140. The June 2009 Prospectus contained the Integrity Representation, which was materially false.
- 141. The June 2009 Prospectus contained Sino-Forest financial statements for the years ended 2005, 2006, 2007, and 2008. The financial statements contained figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions, among other things. It also stated:

As of March 31, 2008, we had approximately 328,000 hectares of tree plantations under management located in six provinces of the PRC and we have entered into long-term agreements that give us the right to acquire, subject to contractual conditions and other factors, up to approximately 653,000 additional hectares of plantation trees. . . .

The figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

142. The Defendant Chan as Chief Executive Officer, the Defendant Horsley as Chief Financial Officer, and the Defendants Martin and the Defendant Hyde on behalf of the entire Board of Directors signed a certificate required by s. 58(1) of the Securities Act and thereby

certified that the June 2009 Prospectus, and the documents incorporated therein, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.

- 143. Merrill Lynch Canada, Credit Suisse, Dundee Securities, TD Securities, and Scotia Capital also signed a certificate required by s. 59(1) of the Securities Act and thereby certified that, to the best of their knowledge, information and belief, the June 2009 Prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.
- 144. The June 2009 Prospectus incorporated by reference a Valuation Report prepared by Pöyry Forest entitled "Valuation of China Forest Crop Assets As at 31 December 2008," dated April 1, 2009 (the "2008 Pöyry Valuation Report"). The 2008 Valuation Report stated: "Pöyry has estimated the market value of Sino-Forest's tree crop assets, as at 31 December 2008, to be USD 1,644.6 million." That statement was materially false.
- 145. Pöyry Forest knew the 2008 Pöyry Valuation Report would be used in the June 2009 Prospectus. In a letter to regulators it stated:

We consent to the incorporation by reference in the Prospectus of our report, entitled "Valuation of China Forest Crop Assets as at 31 December 2008" dated 01 April 2009 (the "Report"). We further consent to the use of our name in the Prospectus under the heading "Interest of Experts" and elsewhere in the Prospectus.

We report that we have read the Prospectus and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report which we have prepared or that is within our knowledge as a result of the services we performed in connection with the Report.

146. The June 2009 Prospectus contained Ernst & Young's unqualified Audit Reports on the 2007 and 2008 financial statements. The Audit Reports stated that Ernst & Young had performed its audit in accordance with GAAS, and that Sino-Forest's consolidated balance sheets and consolidated statements of income and retained earnings and cash flows (financial

statements), in Ernst & Young's opinion, "present fairly, in all material respects, the financial position of the Company" at year-end of those years "and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles." The reports were materially false in that Ernst & Young's audit were not performed in accordance with GAAS, the financial statements were not presented in accordance with GAAP, and the figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

147. In a letter dated June 1, 2009 to the OSC and other provincial regulators, Ernst & Young consented to the inclusion of its audited financial statements in the Prospectus and stated:

We have read the short form prospectus ('Prospectus') of the Company dated June 1, 2009 relating to the issue and sale of 30,000,000 common Shares of the Company.

We consent to the use through incorporation by reference in the Prospectus, of our report dated March 13, 2009 to the shareholders of the Company on the following financial statements:

Consolidated balance sheets as at December 31, 2008 and 2007;

Consolidated statements of income and retained earnings, comprehensive income and cash flows for the years ended December 31, 2008 and 2007.

We report that we have read the Prospectus and all information specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements.

148. The June 2009 Share Offering would not have proceeded, securities regulators likely would not have issued a receipt for the 2009 Prospectus, and the shares would not have been purchased by investors, if the material falsity of the Integrity Representation, the financial statements, the Valuation Report, and the Audit Reports, as described above, had been publicly disclosed.

## The July 2009 Exchange Note Offering

- 149. On July 27, 2009, Sino-Forest closed an offering (the "2009 Exchange Note Offering") to exchange any and all outstanding 2011 Notes, referred to above in connection with the 2004 Note Offering, for the same principal amount of newly issued Sino-Forest 10.25% guaranteed senior notes maturing on August 1, 2014 (the "2014 Exchange Notes"). The 2009 Exchange Note Offering was made pursuant to a confidential Offering Memorandum dated June 24, 2009, as amended by a supplementary Offering Memorandum dated July 9, 2009 (the "Exchange Offering Memorandum"). The Exchange Offering Memorandum was filed on SEDAR in a material change report dated June 25, 2009. The 2009 Exchange Note Offering closed on July 22, 2009. Sino-Forest issued US\$212,330,000 of 2014 Exchange Notes pursuant to the 2009 Exchange Note Offering. The 2014 Exchange Notes were listed on the Singapore Stock Exchange and TRACE.
- 150. All statements in the Exchange Offering Memorandum were representations by Sino-Forest. Sino-Forest told prospective purchasers of the 2014 Exchange Notes: "In making a decision on whether to participate in the Exchange Offer, eligible holders should rely on the information contained in this Memorandum."
- 151. The Exchange Offering Memorandum contained the Integrity Representation, which was materially false.
- 152. The Exchange Offering Memorandum contained Sino-Forest financial statements for the years ended 2005, 2006, 2007, and 2008. The financial statements contained figures for assets, revenue, and net income, among other figures. It also stated:

As of March 31, 2009, we had approximately 410,000 hectares of tree plantations under management located in eight provinces of the PRC. In addition, we have entered into long-term master agreements in Hunan, Yunnan, Guangxi, Jiangxi and Fujian that give us

the right to acquire, subject to contractual conditions and other factors, up to approximately 855,000 to 1,005,000 hectares. . . .

The figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

- 153. The Exchange Offering Memorandum referred to the 2008 Pöyry Valuation Report prepared by Pöyry Forest. The 2008 Pöyry Valuation Report stated: "Pöyry has estimated the market value of Sino-Forest's tree crop assets, as at 31 December 2008, to be USD 1,644.6 million." That statement was materially false.
- 154. Pöyry Forest knew the 2008 Pöyry Valuation Report would be used in Sino-Forest's Exchange Offering Memorandum. In a letter to Sino Forest dated April 1, 2009, Pöyry Forest consented to: "[T]he inclusion of the [2008 Pöyry Valuation] Report and/or a summary thereof (explicitly or by incorporation by reference) in, and/or any reference to the Report at any time by the Corporation or any subsidiaries thereof in, . . . [a]ny document pursuant to which any securities of the Corporation or any subsidiary are offered for sale."
- 155. The Exchange Offering Memorandum contained the BDO's unqualified Audit Reports on the 2005 and 2006 financial statements and Ernst & Young's unqualified Audit Reports on the 2007 and 2008 financial statements. The Audit Reports stated that the respective Auditor Defendants had performed their audits in accordance with GAAS, and that Sino-Forest's consolidated balance sheets and consolidated statements of income and retained earnings and cash flows (financial statements), in the Auditor Defendants' opinions, "present fairly, in all material respects, the financial position of the Company" at year-end of those years "and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles." The reports were materially false in that the Auditor Defendants' audits were not performed in accordance with GAAS, the financial statements were

not presented in accordance with GAAP, and the figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

156. In an annex to the Exchange Offering Memorandum, dated June 24, 2009, BDO consented to the inclusion of its audited financial statements in the Exchange Memorandum and stated:

We consent to the incorporation by reference in the exchange offer memorandum dated June 24, 2009 relating to the offers to exchange 10.25% Guaranteed Senior Noted due 2014 for any and all outstanding US\$300,000,000 9.125% Guaranteed Senior Notes due 2011 issued by Sino-Forest Corporation (the "Company"), of our report dated March 19, 2007 to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2006 and 2005 and the consolidated statements of income and retained earnings and cash flows for the two years then ended.

157. In an annex to the Exchange Offering Memorandum, dated June 24, 2009, Ernst & Young consented to the inclusion of its audited financial statements in the Exchange Offering Memorandum and stated:

We have read the exchange offer memorandum of Sino-Forest Corporation (the "Company") dated June 24, 2009 relating to the offer to exchange any and all outstanding US\$300,000,000 9.125% Guaranteed Senior Notes Due 2011 issue by the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned exchange offer memorandum of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2008 and 2007 and the consolidated statements of income and retained earnings, comprehensive income and cash flows for the years the ended; our report is dated March 13, 2009. We also consent to the incorporation by reference in the above-mentioned exchange offer memorandum of our report to the directors of the Company on the consolidated balance sheet of the Company as at December 31, 2007; our report is dated March 12, 2008 except as to notes 2, 18 and 23 which are as of July 17, 2008.

158. The Defendant Credit Suisse USA was the "Dealer-Manager" of the 2009 Exchange Note Offering.

159. The 2009 Exchange Note Offering would not have proceeded, securities regulators likely would not have allowed the offering, and the 2014 Exchange Notes would not have been purchased by investors, if the material falsity of the Integrity Representation, the financial statements, the Valuation Report, and the Audit Reports, as described above, had been publicly disclosed.

#### The December 2009 Share Offering

- 160. On December 11, 2009, Sino-Forest commenced an offering of 19,000,000 common shares of Sino-Forest at \$16.80 per share (the "December 2009 Share Offering"). The shares were offered for sale pursuant to a short form prospectus dated December 10, 2009 (the "December 2009 Prospectus"). The December 2009 Prospectus was filed on SEDAR. The 2009 Share Offering closed on December 17, 2009.
- 161. The December 2009 Prospectus was issued for the specific purpose of guiding individual investors in deciding whether to purchase the shares.
- 162. The December 2009 Prospectus contained the Integrity Representation, which was materially false.
- 163. The December 2009 Prospectus contained Sino-Forest financial statements for the years ended 2005, 2006, 2007, and 2008. The financial statements contained figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions, among other things. It also stated:

The Corporation is a leading commercial forest plantation operator in the People's Republic of China ("PRC"), with approximately 474,000 hectares of tree plantations under management located in eight provinces of the PRC as of September 30, 2009. . . . [T]he Corporation has entered into long-term master agreements in the provinces of Human, Yunnan, Guangxi, Jiangxi and Fujian that give the corporation the right to acquire up to approximately 1.1 million hectares to 1.3 million hectares of tree plantations. As of September 30, 2009, the Corporation has acquired approximately 348,000 hectares under these agreements. . . . For the year ended December 31, 2008 and

for the nine month period ended September 30, 2009, the Corporation's total revenue was US\$901.3 million and US\$768.6 million, respectively.

The figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

- 164. The Defendant Chan as Chief Executive Officer, the Defendant Horsley as Chief Financial Officer, and the Defendants Martin and the Defendant Hyde on behalf of the entire Board of Directors signed a certificate required by s. 58(1) of the Securities Act and thereby certified that the June 2009 Prospectus, and the documents incorporated therein, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.
- 165. Credit Suisse, TD Securities, Dundee Securities, RBC, Scotia Capital, CIBC, Merrill Lynch Canada, Canaccord, and Maison Placements also signed a certificate required by s. 59(1) of the Securities Act and thereby certified that, to the best of their knowledge, information and belief, the December 2009 Prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.
- 166. The December 2009 Prospectus incorporated by reference the 2008 Valuation Report prepared by Pöyry Forest. As noted above, the 2008 Valuation report stated: "Pöyry has estimated the market value of Sino-Forest's tree crop assets, as at 31 December 2008, to be USD1 644.6 million." That statement was materially false.
- 167. Pöyry Forest knew the 2008 Pöyry Valuation Report would be used in Sino-Forest's December 2009 Prospectus. In a letter to regulators it stated:

We consent to the incorporation by reference in the Prospectus of our report, entitled "Valuation of China Forest Crop Assets as at 31 December 2008" dated 01 April 2009 (the "Report"). We further consent to the use of our name in the Prospectus under the heading "Interest of Experts" and elsewhere in the Prospectus.

We report that we have read the Prospectus and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report which we have prepared or that is within our knowledge as a result of the services we performed in connection with the Report.

and 2006 financial statements and Ernst & Young's unqualified Audit Reports on the 2007 and 2008 financial statements. The Audit Reports stated that the respective Auditor Defendants had performed their audits in accordance with GAAS, and that Sino-Forest's consolidated balance sheets and consolidated statements of income and retained earnings and cash flows (financial statements), in the Auditor Defendants' opinion, "present fairly, in all material respects, the financial position of the Company" at year-end of those years "and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles." The reports were materially false in that the respective Auditor Defendants' audits were not performed in accordance with GAAS, the financial statements were not presented in accordance with GAAS, the financial statements were not presented in accordance with GAAP, and the figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

169. In a letter dated December 10, 2009 to the OSC and other provincial regulators, Ernst & Young consented to the inclusion of its Audit Report in the Prospectus and stated:

We refer to the short form prospectus ("Prospectus") of the Company dated December 10, 2009 relating to the issue and sale of 19,000,000 common shares of the Company.

We consent to the use through incorporation by reference in the Prospectus, of our report dated March 13, 2009 to the shareholders of the Company on the following financial statements:

Consolidated balance sheets as at December 31, 2008 and 2007;

Consolidated statements of income and retained earnings, comprehensive income and cash flows for the years ended December 31, 2008 and 2007.

We report that we have read the Prospectus and all information specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements.

170. BDO also consented to the incorporation by reference of its Audit Reports for the years 2005 and 2006 and in a letter dated December 10, 2011 to the OSC and other provincial regulators stated:

We report that we have read the Prospectus and all information specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audits of such financial statements.

171. The December 2009 Share Offering would not have proceeded, securities regulators likely would not have issued a receipt for the December 2009 Prospectus, and the shares would not have been purchased by investors, if the material falsity of the Integrity Representation, the financial statements, the Valuation Report, and the Audit Reports, as described above, had been publicly disclosed.

#### · The December 2009 Note Offering

172. On December 17, 2009, Sino-Forest closed an offering (the "2009 Note Offering") of US\$400,000,000 (and an additional \$45,000,000 in over allotments) 5% senior convertible notes maturing on December 15, 2016 (the "2016 Convertible Notes"). The 2009 Note Offer was a private placement made pursuant to a confidential Offering Memorandum dated December 10, 2009 (the "2009 Note Offering Memorandum"). The 2009 Offering Memorandum was filed on SEDAR on December 11, 2009. The 2009 Note Offer closed on or about December 17, 2009. The 2016 Convertible Notes were listed on TRACE.

- 173. All statements in the 2009 Note Offering Memorandum were representations by Sino-Forest. Sino-Forest told prospective purchasers of the 2016 Convertible Notes: "You should rely only on the information contained in this Offering Memorandum" and "We are providing it solely for the purpose of enabling you to consider a purchase of the Notes."
- 174. The 2009 Note Offering Memorandum contained the Integrity Representation, which was materially false.
- 175. The 2009 Note Offering Memorandum contained Sino-Forest financial statements for the years ended 2005, 2006, 2007, and 2008. The financial statements contained figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions, among other things. It also stated:

We are a leading commercial forest plantation operator in the PRC, with approximately 474,000 hectares of tree plantations under management . . . In addition, we have entered into long-term master agreements . . . . that gives us the right to acquire up to approximately 1.1 million to 1.3 million hectares of tree plantations. As of September 30, 2009, we have acquired approximately 348,000 hectares under these agreements.

The figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

Pöyry Valuation Report: "The Pöyry Reports, filed with the provincial securities commissions or similar commissions or similar authorities in Canada, are also specifically incorporated by reference in and form an integral part of this Offering Memorandum." As noted above, the 2008 Pöyry Valuation Report stated: "Pöyry has estimated the market value of Sino-Forest's tree crop assets, as at 31 December 2008, to be USD1 644.6 million." That statement was materially false.

2009 Offering Memorandum. As noted above, in a letter to Sino Forest dated April 1, 2009,

Pöyry Forest consented to: "The inclusion of the [2008 Valuation] Report and/or a summary thereof (explicitly or by incorporation by reference) in, and/or any reference to the Report at any time by the Corporation or any subsidiaries thereof in, . . . [a]ny document pursuant to which any securities of the Corporation or any subsidiary are offered for sale."

178. The 2009 Note Offering Memorandum contained BDO's unqualified Audit Reports on the 2005 and 2006 financial statements and Ernst & Young's unqualified Audit Reports on the 2007 and 2008 financial statements. The Audit Reports stated that the respective Auditor Defendants had performed their audits in accordance with GAAS, and that Sino-Forest's consolidated balance sheets and consolidated statements of income and retained earnings and cash flows (financial statements), in the Auditor Defendants' opinion, "present fairly, in all material respects, the financial position of the Company" at year-end of those years "and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles." The reports were materially false in that the respective Auditor Defendants' audits were not performed in accordance with GAAS, the financial statements were not presented in accordance with GAAP, and the figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

179. In an annex to the 2009 Note Offering Memorandum, dated June 24, 2009, BDO consented to the inclusion of its audited financial statements in the Exchange Memorandum and stated:

We consent to the incorporation by reference in the exchange offer memorandum dated June 24, 2009 relating to the offers to exchange 10.25% Guaranteed Senior Noted due 2014 for any and all outstanding US\$300,000,000 9.125% Guaranteed Senior Notes due 2011 issued by Sino-Forest Corporation (the "Company"), of our report dated March 19, 2007 to the shareholders of the Company on the consolidated balance sheets of the

Company as at December 31, 2006 and 2005 and the consolidated statements of income and retained earnings and cash flows for the two years then ended.

180. In an annex to the 2009 Note Offering Memorandum, dated June 24, 2009, Ernst & Young consented to the inclusion of its audited financial statements in the Exchange Memorandum and stated:

We have read the exchange offer memorandum of Sino-Forest Corporation (the "Company") dated June 24, 2009 relating to the offer to exchange any and all outstanding US\$300,000,000 9:125% Guaranteed Senior Notes Due 2011 issue by the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned exchange offer memorandum of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2008 and 2007 and the consolidated statements of income and retained earnings, comprehensive income and cash flows for the years the ended; our report is dated March 13, 2009. We also consent to the incorporation by reference in the above-mentioned exchange offer memorandum of our report to the directors of the Company on the consolidated balance sheet of the Company as at December 31, 2007; our report is dated March 12, 2008 except as to notes 2, 18 and 23 which are as of July 17, 2008."

- 181. The Defendants Credit Suisse USA, Bank of America ML, and TD Securities were the "joint book-runners" in the 2009 Note Offering and Merrill Lynch, Credit Suisse, and TD Securities were also the "initial purchasers" of the 2016 Convertible Notes.
- 182. The 2009 Note Offering would not have proceeded, securities regulators likely would not have allowed the offering, and the 2016 Convertible Notes would not have been purchased by investors, if the material falsity of the Integrity Representation, the financial statements, the Valuation Report, and the Audit Reports, as described above, had been publicly disclosed.

# The February 2010 Exchange Note Offering (Mandra Forestry)

183. In connection with its purchase of Mandra Forestry Holdings Limited (Mandra Holdings), on February 5, 2010, Sino-Forest completed an exchange with holders of 99.7% of the US \$195 million 12% guaranteed senior notes due 2013 issued by Mandra Forestry Finance



Limited and 96.7% of warrants issued by Mandra Holdings, for new guaranteed Sino-Forest 10.25% senior notes in the aggregate principal amount of US \$187,177,375 maturing July 28, 2014. On February 11, 2010, the holders of the latter notes exchanged all such notes for additional 2014 Notes, referred to above in connection with the 2009 Exchange Note Offering.

184. The disclosure documents referred to above applied to this offering and the same allegations are incorporated here.

## The October 2010 Note Offering

- 185. On October 21, 2010, Sino-Forest closed an offering (the "2010 Note Offering") of US\$600,000,000 6.25% guaranteed senior convertible notes, maturing on October 21, 2017 (the "2017 Notes"). The 2010 Note Offering was a private placement made pursuant to a confidential Offering Memorandum dated October 14, 2010 (the "2010 Note Offering Memorandum"). The 2017 Notes were listed on the Singapore Exchange and TRACE.
- 186. The 2010 Note Offering Memorandum was issued for the specific purpose of guiding individual investors in deciding whether to purchase the 2017 Notes.
- 187. The 2010 Note Offering Memorandum contained the Integrity Representation, which was materially false.
- 188. The 2010 Note Offering Memorandum contained Sino-Forest financial statements for the years ended 2006, 2007, 2008, and 2009. The financial statements contained figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions, among other things. Those figures and descriptions were materially overstated or misstated.
- 189. The 2010 Note Offering Memorandum incorporated by reference a Valuation Report prepared by Pöyry Beijing (one of the Pöyry Defendants), entitled "Sino Forest Corporation

Valuation of China Forest Crop Assets as of 31 December 2009," dated April 23, 2010 (the "2010 Pöyry Valuation Report").

- 190. The 2010 Pöyry Valuation Report stated: "Pöyry has estimated the market value of Sino-Forest's tree crop assets, as at 31 December 2009, to be USD 2,297.5 million." That statement was materially false.
- 191. Pöyry Forest knew the 2010 Pöyry Valuation Report would be used in Sino-Forest's 2010 Note Offering Memorandum. In a letter to Sino Forest dated April 30, 2010, Pöyry Management Consulting (Australia) Pty Ltd., purportedly on behalf of Pöyry Beijing, consented to: "[T]he inclusion of the [2008 Pöyry Valuation] Report and/or a summary thereof (explicitly or by incorporation by reference) in, and/or any reference to the Report at any time by the Corporation or any subsidiaries thereof in, . . . [a]ny document pursuant to which any securities of the Corporation or any subsidiary are offered for sale."
- 192. The 2010 Note Offering Memorandum contained Ernst & Young's unqualified Audit Reports on the 2008 and 2009 financial statements. The Audit Reports stated that Ernst & Young had performed its audit in accordance with GAAS, and that Sino-Forest's consolidated balance sheets and consolidated statements of income and retained earnings and cash flows (financial statements), in Ernst & Young's opinion, "present fairly, in all material respects, the financial position of the Company" at year-end of those years "and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles." The reports were materially false in that Ernst & Young's audits were not performed in accordance with GAAS, the financial statements were not presented in accordance with GAAP, and the figures for and descriptions of Sino-Forest's assets, revenues,

cash flows, equity, net income, and related-party transactions were materially overstated or misstated.

- 193. Ernst & Young consented to the inclusion of its Audit Report in the 2010 Note Offering Memorandum.
- 194. The 2010 Note Offering would not have proceeded, securities regulators likely would not have allowed the offering, and the 2017 Notes would not have been purchased by investors, if the material falsity of the Integrity Representation, the financial statements, the Valuation Report, and the Audit Reports, as described above, had been publicly disclosed.

# OTHER SINO-FOREST DOCUMENTS

195. The following documents were issued and disseminated by Sino-Forest. Some also contained statements by a Pöyry Defendant, an Individual Defendant, and/or an Auditor Defendant as identified in the documents, in which cases such Defendant consented to the dissemination by Sino-Forest. In each document, Sino-Forest's revenues and/or timber assets were materially overstated, as follows:

| Document                                                                 | Date of<br>Filing | Claimed Revenue<br>(in \$000) | Claimed Timber<br>Assets (in \$000) |
|--------------------------------------------------------------------------|-------------------|-------------------------------|-------------------------------------|
| 2003 Year End Results News Release                                       | 04/14/04          | 265,739                       | (not reported)                      |
| 2003 Audited Annual Financial Statements                                 | 04/21/04          | 265,739                       | 232,516                             |
| 2003 MD&A                                                                | 04/21/04          | 265,700                       | (not reported)                      |
| 2004 Q-1 Interim Financial Statements                                    | 05/05/04          | 40,783                        | (not reported)                      |
| 2004 Q-1 MD&A                                                            | 05/05/04          | 40,783                        | (not reported)                      |
| 2004 Q-1 News Release                                                    | 05/05/04          | 40,783                        | (not reported)                      |
| Final Short Form Prospectus (includes 2003 audited financial statements) | 05/07/04          | 265,739                       | 232,516                             |
| Final Short Form Prospectus (includes 10/31/03 Jaakko Pöyry Valuation)   | 05/07/04          | (not applicable)              | 344,500                             |
| 2004 Q-1 Report                                                          | 05/14/04          | 40,783                        | (not reported)                      |
| 2003 Annual Report                                                       | 05/18/04          | 265,739                       | 232,516                             |
| 2003 Annual Information Form                                             | 05/19/04          | 265,739                       | (not reported)                      |
| 2004 Q-2 News Release                                                    | 07/28/04          | 64,818                        | (not reported)                      |
| 2004 Q-2 Interim Financial Statements                                    | 08/13/04          | 64,818                        | (not reported)                      |

| 2004 Q-2 MD&A                                                        | 08/13/04    | 64,818           | (not reported)     |
|----------------------------------------------------------------------|-------------|------------------|--------------------|
| 2004 Q-3 News Release                                                | 11/09/04    | 94,715           |                    |
| 2004 Q-3 Interim Financial Statements                                | 11/15/04    | 94,715           |                    |
| 2004 Q-3 MD&A                                                        | 11/15/04    | 94,715           |                    |
| 2004 Year End Results News Release                                   | 03/22/05    | 330,945          |                    |
| 2004 Asset Valuation News Release                                    | 03/24/05    | (not applicable) | 566,000            |
| 2004 Other - Jaakko Pöyry Valuation Report                           | 03/24/05    | (not applicable) | 565,600            |
| 2004 Annual Information Form                                         | 03/31/05    | 330,900          |                    |
| 2004 MD&A                                                            | 03/31/05    | 330,945          | 359,600            |
| 2004 Audited Annual Financial Statements                             | 03/31/05    | 330,945          | 359,607            |
| 2004 Audited Annual Financial Statements                             | 04/11/05    | 330,945          | 359,607            |
| 2004 Annual Report                                                   | 04/25/05    | 330,945          | 359,607            |
| 2005 Q-1 News Release                                                | 05/06/05    | 75,645           | 422,074            |
| 2005 Q-1 ND&A                                                        | 05/12/05    | 75,645           | (not reported)     |
| 2005 Q-1 Interim Financial Statements                                | 05/12/05    | 75,645           | 422,074            |
| 2005 Q-2 News Release                                                | 08/08/05    | 102,886          | 449,947            |
| 2005 Q-2 Interim Financial Statements                                | 08/09/05    | 102,886          | 449,947            |
| 2005 Q-2 interim r-mancial statements                                | 08/11/05    | 102,886          | (not reported)     |
| 2005 Q-2 Interim Financial Statements                                | 08/11/05    | 102,886          | 449,947            |
| 2005 Q-2 Interim Financial Statements  2005 Q-3 News Release         | 11/07/05    | 144,359          | 478,227            |
| 2005 Q-3 Interim Financial Statements                                | 11/14/05    | 144,359          | 478,227            |
| 2005 Q-3 MD&A                                                        | 11/14/05    | 144,359          | (not reported)     |
| 2005 Q-5 WIDGA  2005 Technical Report - Jaakko Pöyry Valuation       | 03/08/06    | (not applicable) | 728,500            |
| 2005 Asset Valuation News Release                                    | 03/08/06    | (not applicable) | 728,500            |
| 2005 Asset Valuation News Release 2005 Year End Results News Release | 03/31/06    | 493,301          | 513,412            |
| 2005 Year End Results News Release                                   | 03/31/06    | 493,301          | 513,412            |
| 2005 Fear End Results News Release  2005 Annual Information Form     | 03/31/06    | 493,000          | (not reported)     |
| 2005 MD&A                                                            | 03/31/06    | 493,301          | 513,400            |
| 2005 Audited Annual Financial Statements                             | 03/31/06    | 493,301          | 513,412            |
| 2006 Q-1 MD&A                                                        | 05/11/06    | 98,864           | (not reported)     |
| 2006 Q-1 Interim Financial Statements                                | 05/11/06    | 98,864           | 565,806            |
| 2006 Q-1 News Release                                                | 05/11/06    | 98,864           | 565,806            |
| 2006 Q-1 News Release                                                | 05/11/06    | 98,864           | 565,806            |
| 2005 Annual Report                                                   | 05/12/06    | 493,301          | 513,412            |
| 2006 Q-2 News Release                                                | 08/10/06    |                  |                    |
| 2006 Q-2 Interim Financial Statements                                | 08/10/06    | 107,274          | 590,333<br>590,333 |
| 2006 Q-2 MD&A                                                        | 08/10/06    |                  | (not reported)     |
| 2006 Q-2 MD&A<br>2006 Q-3 News Release                               | <del></del> | 107,274          |                    |
| 2006 Q-3 MD&A .                                                      | 11/09/06    | 188,535          | 667,146            |
| 2006 Q-3 Interim Financial Statements                                | 11/13/06    | 188,535          | (not reported)     |
|                                                                      | 11/13/06    | 188,535          | 667,146            |
| 2006 Q-3 Report                                                      | 11/15/06    | 188,535          | 667,146            |
| 2006 Year End Results News Release                                   | 03/19/07    | 644,979          | 752,783            |
| 2006 MD&A                                                            | 03/19/07    | 644,979          | 752,800            |
| 2006 Audited Annual Financial Statements                             | 03/19/07    | 644,979          | 752,783            |

|                                                  |          | ····             |                                       |
|--------------------------------------------------|----------|------------------|---------------------------------------|
| 2006 Other - Poyry Valuation Report              | 03/28/07 | (not applicable) | 919,000                               |
| 2006 Asset Valuation News Release                | 03/28/07 | (not applicable) | 919,000                               |
| 2006 Annual Report                               | 05/04/07 | 644,979          | 752,783                               |
| 2007 Q-1 News Release                            | 05/14/07 | 119,949          | 814,136                               |
| 2007 Q-1 Interim Financial Statements            | 05/14/07 | 119,949          | 814,136                               |
| 2007 Q-1 MD&A                                    | 05/14/07 | 119,949          | (not reported)                        |
| 2007 Q-1 Report                                  | 05/23/07 | 119,949          | 814,136                               |
| Preliminary Short Form Prospectus                | 05/28/07 | 493,301          | 513,412                               |
| (reference to 2005 audited financial statements) | 1 .      |                  | · · · · · · · · · · · · · · · · · · · |
| Preliminary Short Form Prospectus                | 05/28/07 | 644,979          | 752,783                               |
| (reference to 2006 audited financial statements) |          |                  |                                       |
| Final Short Form Prospectus                      | 06/05/07 | 493,301          | 513,412                               |
| (reference to 2005 audited financial statements) | 1        |                  |                                       |
| Final Short Form Prospectus                      | 06/05/07 | 644,979          | 752,783                               |
| (reference to 2006 audited financial statements) | 1        |                  |                                       |
| 2007 Q-2 News Release                            | 08/13/07 | 128,764          | 879,530                               |
| 2007 Q-2 Interim Financial Statements            | 08/13/07 | 128,764          | 879,530                               |
| 2007 Q-2 MD&A                                    | 08/13/07 | 128,764          | (not reported)                        |
| 2007 Q-2 Report                                  | 08/22/07 | 128,764          | 879,530                               |
| 2007 Q-3 News Release                            | 11/12/07 | 161,475          | 1,026,698                             |
| 2007 Q-3 MD&A                                    | 11/12/07 | 161,475          | (not reported)                        |
| 2007 Q-3 Interim Financial Statements            | 11/12/07 | 161,475          | 1,026,698                             |
| 2007 Q-3 Report                                  | 11/27/07 | 161,475          | 1,026,698                             |
| 2007 MD&A                                        | 03/18/08 | 713,866          | (not reported)                        |
| 2007 Audited Annual Financial Statements         | 03/18/08 | 713,866          | 1,174,153                             |
| 2007 Year End Results News Release               | 03/18/08 | 713,866          | 1,174,153                             |
| 2007 Technical Report - Pöyry Valuation Report   | 03/31/08 | (not applicable) | 1,245,284                             |
| 2007 Asset Valuation News Release                | 03/31/08 | (not applicable) | 1,200,000                             |
| 2007 Annual Report                               | 05/06/08 | 713,866          | 1,174,153                             |
| 2008 Q-1 Interim Financial Statements            | 05/13/08 | 136,137          | 1,271,686                             |
| 2008 Q-1 MD&A                                    | 05/13/08 | 136,137          | (not reported)                        |
| 2008 Q-1 News Release                            | 05/13/08 | 136,137          | 1,271,686                             |
| 2008 Q-2 MD&A                                    | 08/12/08 | 187,125          | (not reported)                        |
| 2008 Q-2 Interim Financial Statements            | 08/12/08 | 187,125          | 1,369,700                             |
| 2008 Q-2 News Release                            | 08/12/08 | 187,125          | 1,369,700                             |
| 2008 Q-2 Interim Financial Statements            | 08/12/08 | 187,125          | 1,369,700                             |
| 2008 Q-2 MD&A                                    | 08/12/08 | 187,125          | (not reported)                        |
| 2008 Q-3 Interim Financial Statements            | 11/13/08 | 295,548          | 1,465,336                             |
| 2008 Q-3 News Release                            | 11/13/08 | 295,548          | 1,465,336                             |
| 2008 Q-3 MD&A                                    | 11/13/08 | 295,548          | (not reported)                        |
| 2008 Year End Results News Release               | 03/16/09 | 901,295          | 1,653,306                             |
| 2008 Audited Annual Financial Statements         | 03/16/09 | 901,295          | 1,653,306                             |
| 2008 MD&A                                        | 03/16/09 | 901,295          | (not reported)                        |
| 2008 Other - Pöyry Valuation Report              | 04/02/09 | (not applicable) | 1,644,602                             |
| 2008 Asset Valuation News Release                | 04/02/09 | (not applicable) | 1,640,000                             |
| ZUUO MASSEL VAIHALIUH INEWS KEJEASE              | 04/02/07 | [not applicable] | 1,040,000                             |

| 10000                                                                              | 105/04/00 | T                | 1 (50 00)      |
|------------------------------------------------------------------------------------|-----------|------------------|----------------|
| 2008 Annual Report                                                                 | 05/04/09  | 901,295          | 1,653,306      |
| 2009 Q-1 News Release                                                              | 05/11/09  | 177,234          | 1,839,829      |
| 2009 Q-1 Interim Financial Statements                                              | 05/11/09  | 177,234          | 1,839,829      |
| 2009 Q-1 MD&A                                                                      | 05/11/09  | 177,234          | (not reported) |
| Preliminary Short Form Prospectus                                                  | 05/22/09  | 713,866          | 1,174,153      |
| (reference to 2007 audited financial statements)                                   |           |                  |                |
| Preliminary Short Form Prospectus                                                  | 05/22/09  | 901,295          | 1,653,306      |
| (reference to 2008 audited financial statements)                                   |           |                  |                |
| Final Short Form Prospectus                                                        | 06/01/09  | 713,866          | 1,174,153      |
| (reference to 2007 audited financial statements)                                   | 05/01/00  |                  | 1 652 006      |
| Final Short Form Prospectus                                                        | 06/01/09  | 901,295          | 1,653,306      |
| (reference to 2008 audited financial statements)                                   | 00/10/00  | 204 410          | 1 001 701      |
| 2009 Q-2 News Release                                                              | 08/10/09  | 224,419          | 1,921,781      |
| 2009 Q-2 Interim Financial Statements                                              | 08/10/09  | 224,419          | 1,921,781      |
| 2009 Q-2 MD&A                                                                      | 08/10/09  | 224,419          | (not reported) |
| 2009 Q-3 Interim Financial Statements                                              | 11/12/09  | 366,962          | 2,065,752      |
| 2009 Q-3 News Release                                                              | 11/12/09  | 366,962          | 2,065,752      |
| 2009 Q-3 MD&A                                                                      | 11/12/09  | 366,962          | (not reported) |
| Preliminary Short Form Prospectus                                                  | 12/01/09  | 713,866          | 1,174,153      |
| (reference to 2007 audited financial statements)                                   | 12/01/09  | 901,295          | 1,653,306      |
| Preliminary Short Form Prospectus (reference to 2008 audited financial statements) | 12/01/09  | . 901,295        | 1,033,300      |
| Final Short Form Prospectus                                                        | 12/11/09  | 713,866          | 1,174,153      |
| (reference to 2007 audited financial statements)                                   | 12/11/09  | 713,800          | 1,177,100      |
| Final Short Form Prospectus                                                        | 12/11/09  | 901,295          | 1,653,306      |
| (reference to 2008 audited financial statements)                                   | 12/11/05  | 701,273          | 1,055,500      |
| 2009 MD&A                                                                          | 03/16/10  | 1,238,185        | (not reported) |
| 2009 Audited Annual Financial Statements                                           | 03/16/10  | 1,238,185        | 2,183,489      |
| 2009 Year End Results News Release                                                 | 03/16/10  | 1,238,185        | 2,183,489      |
| 2009 Technical Report - Pöyry Valuation Report                                     | 04/30/10  | (not applicable) | 2,297,474      |
| 2009 Asset Valuation News Release                                                  | 04/30/10  | (not applicable) | 2,300,000      |
| 2009 Annual Report                                                                 | 05/11/10  | 1,238,185        | 2,183,489      |
| 2010 Q-1 MD&A                                                                      | 05/12/10  | 251,015          | (not reported) |
| 2010 Q-1 Interim Financial Statements                                              | 05/12/10  | 251,015          | 2,589,362.     |
| 2010 Q-1 News Release                                                              | 05/12/10  | 251,015          | 2,589,362      |
| 2010 Q-2 MD&A                                                                      | 08/10/10  | 305,758          | (not reported) |
| 2010 Q-2 Interim Financial Statements                                              | 08/10/10  | 305,758          | 2,746,883      |
| 2010 Q-2 News Release                                                              | 08/10/10  | 305,758          | 2,746,883      |
| 2010 Q-3 MD&A                                                                      | 11/10/10  | 599,490          | (not reported) |
| 2010 Q-3 Interim Financial Statements                                              | 11/10/10  | 599,490          | 2,992,447      |
| 2010 Q-3 News Release                                                              | 11/10/10  | 599,490          | 2,992,447      |
| 2010 Audited Annual Financial Statements                                           | 03/15/11  | 1,923,536        | 3,122,517      |
| 2010 MD&A                                                                          | 03/15/11  | 1,923,536        | 3,122,517      |
| 2010 Year End Results News Release                                                 | 03/15/11  | 1,923,536        | 3,122,517      |
| 2010 Annual Report                                                                 | 05/10/11  | 1,923,536        | 3,122,517      |

5.1. 1 1 196. According to each such document issued during or relating to the Class Period, signed by the Defendant Chan as Chief Executive Officer and the Defendant Horsley or the Defendant Mak as Chief Financial Officer:

The consolidated financial statements contained in this Annual Report have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial information contained elsewhere in the Annual Report is consistent with the consolidated financial statements.

Management maintains a system of internal accounting and administrative controls to provide reasonable assurance as to the reliability of the financial records and the safeguarding of the Company's assets.

See, e.g., 2008 Annual Report. In truth, the company's financial statements were not reliable and had not been prepared in accordance with Canadian GAAP, but instead contained material overstatements or misstatements of figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions.

- 197. Each such Sino-Forest document contained the Integrity Representation, which was materially false.
- 198. Each such Sino-Forest document would reasonably be expected to affect the value of Sino-Forest Securities.

# PÖYRY VALUATION REPORTS

199. Sino-Forest engaged JP Management, for substantial fees, to prepare Valuation Reports for the years ended December 31, 2003, 2004, and 2005. The 2003, 2004, and 2005 Valuation Reports included statements of Sino-Forest's timber asset holdings that were material overstatements. The Valuation Reports prepared by JP Management were incorporated by reference in Core Documents relating to the years ended December 31, 2003, 2004, and 2005. The 2003, 2004, and 2005 Valuation Reports also were posted on the company website at

www.sinoforest.com under "Investor Relations, Filings" and also were filed on SEDAR. JP Management knew of and consented to Sino-Forest's use of the 2003, 2004, 2005 Valuation Reports in its Core Documents during the Class Period.

- 200. Sino-Forest engaged Pöyry Forest, for substantial fees, to prepare Valuation Reports for the years ended December 31, 2006, 2007, and 2008. The 2006, 2007, and 2008 Valuation Reports included statements of Sino-Forest's timber asset holdings that were material overstatements. The Valuation Reports prepared by Pöyry Forest were incorporated by reference in Core Documents relating to the years ended December 31, 2006, 2007, and 2008. The 2006, 2007, and 2008 Valuation Reports also were posted on the company website at www.sinoforest.com under "Investor Relations, Filings" and also were filed on SEDAR. Pöyry Forest knew of and consented to Sino-Forest's use of the 2006, 2007, and 2008 Valuation Reports in its Core Documents during the Class Period.
- 201. Sino-Forest engaged Pöyry Beijing, for substantial fees, to prepare Valuation Reports for the years ended December 31, 2009 and 2010. The 2009 and 2010 Valuation Reports included statements of Sino-Forest's timber asset holdings that were material overstatements. The Valuation Reports prepared by Pöyry Beijing were incorporated by reference in Core Documents relating to the years ended December 31, 2009 and 2010. The 2009 and 2010 Valuation Reports also were posted on the company website at www.sinoforest.com under "Investor Relations, Filings" and also were filed on SEDAR. Pöyry Beijing knew of and consented to Sino-Forest's use of the 2009 and 2010 Valuation Reports in its Core Documents during the Class Period.
- 202. The Valuation Reports are also Core Documents and would reasonably be expected to affect the market price of Sino-Forest Securities.

203. In early 2011, recognizing the impact the Pöyry Defendants' flawed Valuation Reports were having on the market, Pöyry belatedly sought to restrict the public disclosure of the Valuation Reports. The 2010 Fourth Quarter Earnings Release dated March 15, 2011 revealed:

Sino-Forest has engaged Pöyry Consulting, an international forestry firm with forestry expertise, to provide an annual independent valuation of our forest plantation assets. Pöyry is currently in the process of completing the 2010 year end valuation report which is expected to be finalized by the end of April 2011.

However, Pöyry has changed its disclosure policy so as to no longer allow its clients to make its detailed valuation reports publicly available.

In correspondence, received from Pöyry, Doug Parsonson, Vice-President, Asia-Pacific Management Consulting said, "An internal risk assessment has been conducted throughout Pöyry's Management Consulting Business Group in 2010. On the basis of this risk assessment, it has inter alia been resolved throughout the business group that Pöyry's valuation reports (and similar) may no longer be made available in the public domain for certain markets. Specific markets identified in the initial assessment include North America (USA and Canada), Australia, and Mainland China. In accordance with this group internal assessment, the reports covering the valuation services performed by Pöyry for Sino-Forest Corporation may no longer be posted on the internet as had been the practice, or in any other manner be made publicly available."

Pöyry and Sino-Forest have separately agreed upon the manner in which parts of Pöyry's valuation report may, on a non-reliance basis, be communicated to Sino-Forest's stakeholders.

(Emphasis added).

204. The Valuation Reports each contained the Integrity Representation, which was materially false.

#### **AUDIT REPORTS**

205. The Core Documents also included, incorporated by reference, or referred to the Audit Reports. During the Class Period, Ernst & Young issued Audit Reports for 2004, 2007, 2008, 2009, and 2010; and BDO issued Audit Reports for 2005 and 2006. The Audit Reports stated that for each year the respective Auditor Defendant had "audited the consolidated balance sheets of Sino-Forest Corporation as at [year-end] . . . and the consolidated statements of income and

retained earnings, comprehensive income and cash flows for the years then ended. . . ." The Auditor Defendants represented:

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion ....

206. Each year the respective Auditor Defendant issued an unqualified Audit Report for Sino-Forest, assuring investors:

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at [year end] . . . and results of its operations and its cash flows for the years ended in accordance with Canadian generally accepted accounting principles.

207. In fact, Sino-Forest's financial statements did not comply with GAAP. The financial statements were not "free of material misstatements," but rather they materially overstated Sino-Forest's assets, revenues, cash flows, equity, and net income, and contained inadequate disclosures of related-party transactions. GAAP deficiencies included (without limitation): incomplete note disclosure of related-party transactions; overstatements of cash flows and revenues from operations; failures to make clear separations among operating activities, investing activities, and financing activities in consolidated statements of cash flows; and misclassifications of assets, particularly with respect to separation of current and non-current assets.

208. In auditing Sino-Forest's financial statements and issuing clean Audit Reports, the Auditor Defendants did not comply with GAAS. The Auditor Defendants failed to exercise due

care and appropriate professional skepticism in their audits of Sino-Forest's financial statements; failed to obtain sufficient and appropriate evidence on which to base their audit opinions; failed to obtain a proper understanding of Sino-Forest and its internal controls; failed to properly identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; and failed to obtain sufficient appropriate audit evidence relating to related-party transactions and ownership of assets. Had the Auditor Defendants exercised due care and complied with the GAAS, they would not have issued unqualified Audit Reports or consented to their use in documents disseminated to the investing public by Sino-Forest.

209. The Audit Reports each contained the Integrity Representation, which was materially false.

# THE RELATIONSHIP BETWEEN THE MISREPRESENTATIONS AND THE PRICE OF SINO-FOREST'S SECURITIES

- 210. Throughout the Class Period, Sino-Forest shares were publicly traded on the TSX, which is a highly efficient and automated market. Any and all public information regarding Sino-Forest was promptly incorporated into and had a direct effect upon the price of the shares. As such, the price of the shares was directly and promptly affected by the Prospectuses, Offering Memorandums, press releases, conference calls, quarterly reports, annual reports, MD&A, the Auditors' Reports, the Valuation Reports, and other public statements and documents discussed herein.
- 211. The documents and statements referenced above, and all the information contained therein, including the Misrepresentations, were promptly disseminated to the investing public, including Class Members, financial analysts, and the financial press. The Defendants knew:
  - (a) the documents were filed with SEDAR and the TSX and were accessible immediately by the public;

- (b) Sino-Forest provided copies of the documents, or links to them, on its public website;
- (c) The Defendants regularly communicated with the investing public and financial analysts, and the media, through press releases on newswire services and other established market communication mechanisms; and
- (d) pursuant to the Securities Act, purchasers of company's shares and notes in the various offerings referred to herein were provided, prior to their purchases, with the respective Prospectus or Offering Memorandum.
- 212. Therefore, the Misrepresentations caused the price of the shares and notes to be artificially inflated during the Class Period.

# CERTAIN INDIVIDUAL DEFENDANTS' PROFITS FROM THE MISREPRESENTATIONS

213. Certain Individual Defendants profited from the Misrepresentations by selling shares during the Class Period at artificially high prices. The Individual Defendants sold shares as follows:

| The Defendant | Number of Shares sold | Value of Shares Sold |
|---------------|-----------------------|----------------------|
| Chan          | 182,000               | \$3,003,200          |
| Chen          | 167,320               | \$2,982,023          |
| Но            | 132,922               | \$3,150,544          |
| Horsley       | 531,431               | \$11,157,963         |
| Hung          | 131,000               | \$2,477,431          |
| Hyde          | 162,222               | \$2,493,148          |
| Ip            | 151,100               | \$2,991,933          |

| Mak                 | 295,000   | \$5,529,285  |
|---------------------|-----------|--------------|
| Maradin             | 60,000    | \$1,048,550  |
| Martin              | 30,000    | \$474,300    |
| Murray              | 576,445   | \$10,807,240 |
| Poon                | 3,037,900 | \$30,054,387 |
| Zhao                | 179,800   | \$3,544,031  |
| Total<br>Defendants | 5,637,140 | \$79,714,035 |

#### **CLAIMS**

#### VIOLATIONS OF PART XXIII OF THE SECURITIES ACT

- 214. With respect to each of the June 2009 Prospectus and the December 2009 Prospectus, on behalf of those Class Members who, during the period of distribution, purchased shares to which the Prospectus related, the Plaintiff asserts the right of action for damages provided for in s. 130 of the Securities Act and, if necessary, the comparable provisions of the securities legislation in other provinces and territories in Canada, against Sino-Forest; each Underwriter Defendant who was required to sign the certificate required by s. 59, as alleged above; every Individual Defendant who was a director of Sino-Forest at the time the Prospectus was filed, as alleged above; every Defendant who consented to the disclosure of information in the Prospectus; and every other Defendant who signed the Prospectus, as alleged above.
- 215. As particularized herein, each of the June 2009 Prospectus and the December 2009 Prospectus contained material Misrepresentations concerning Sino-Forest.
- 216. With respect to each of the offering memorandums issued by Sino-Forest, including the 2008 Note Offering Memorandum, the Exchange Offering Memorandum, the 2009 Note

Offering Memorandum, and the 2010 Note Offering Memorandum, the Plaintiffs assert the right of action for damages provided for in s. 130.1 of the Securities Act and, if necessary, the comparable provisions of the securities legislation in other provinces and territories in Canada, on behalf of those Class Members who, during the period of distribution, purchased Securities to which the Offering Memorandum related, against Sino-Forest.

- 217. As particularized herein, each of the 2008 Note Offering Memorandum, the Exchange Offering Memorandum, the 2009 Note Offering Memorandum, the February 2010 Exchange Offering Memorandum, and the 2010 Note Offering Memorandum contained material Misrepresentations concerning Sino-Forest.
- 218. The Plaintiffs and the other Class Members suffered substantial damages in connection with their purchase of Sino-Forest Securities during the Period as a result of the Defendants' wrongful conduct.

# VIOLATIONS OF PART XXIII.1 OF THE SECURITIES ACT, SUBJECT TO LEAVE OF COURT

- 219. The Plaintiffs intend to deliver a notice of motion seeking, among other things, leave to commence the statutory claim under Part XXIII.1 of the Securities Act and, if necessary, the comparable provisions of the securities legislation in other provinces and territories in Canada, and, if leave is granted, to so amend this Statement of Claim.
- 220. Sino-Forest is the "responsible issuer" within the meaning of s. 138.3 of the Securities Act.
- 221. Each of the Individual Defendants was a director and/or an officer of Sino-Forest at the time one or more material Misrepresentations complained of herein was made. Each of the Individual Defendants authorized, permitted, or acquiesced in the release of some or all of such Misrepresentations.

- 222. Each of the Auditor Defendants and the Pöyry Defendants is an expert within the meaning of s. 138.1 of the Securities Act. Those Defendants consented to the use of their reports, statements, and opinions in documents disseminated to the public during the Class Period, as particularized herein.
- 223. As particularized herein, during the Class Period, Sino-Forest, the Individual Defendants, the Auditor Defendants, and the Pöyry Defendants released and disseminated documents that contained material Misrepresentations.
- 224. With respect to any documents that might be determined to be Non-Core Documents, those Defendants knew, at the time the document was released, that the document contained Misrepresentations; deliberately avoided acquiring knowledge that the document contained Misrepresentations; or were, through action or failure to act, guilty of gross misconduct in connection with the release of the document.
- 225. The Plaintiffs and the other Class Members suffered damages in connection with their purchases of Sino-Forest Securities during the Class Period as a result of those Defendants' Misrepresentations.

# FRAUD

226. Acting knowingly and deliberately or with reckless disregard for the truth, each of the Defendants misrepresented material facts concerning Sino-Forest in documents, statements, financial statements, prospectuses, offering memoranda, and filings they issued and disseminated to the investing public during the Class Period, as particularized herein. Defendants' fraudulent Misrepresentations had the purpose and effect of enabling Sino-Forest and the respective Underwriter and Note Distributor Defendants to sell over \$3 billion of Sino-Forest Securities to the public, allowing certain Individual Defendants to sell almost \$80 million of Sino-Forest

shares from their personal holdings, supporting the secondary market for Sino-Forest Securities, and artificially inflating the trading price of Sino-Forest Securities during the Class Period.

- 227. In purchasing Sino-Forest Securities during the Class Period, the Plaintiffs and the other Class Members relied on such publicly disseminated documents, statements, financial statements, prospectuses, offering memoranda, and filings, directly or indirectly or through the operation of the markets on which the Securities traded.
- 228. The Plaintiffs and the other Class Members suffered substantial damages in connection with their purchase of Sino-Forest Securities during the Class Period as a result of the Defendants' wrongful conduct. But for the Defendants' wrongful conduct, the Plaintiffs and the other Class Members would not have purchased Sino-Forest Securities or paid the artificially inflated prices they paid.

#### **NEGLIGENCE (SIMPLICITER)**

- 229. All the Defendants owed the Plaintiffs and the other Class Members a duty of care to ensure that Sino-Forest implemented and maintained adequate internal controls, procedures, and policies to ensure that the company's assets were protected and its activities conformed to all legal requirements. In addition, the Underwriter and Note Distributor Defendants, the Auditor Defendants, and the Pöyry Defendants owed the purchasers of Sino-Forest shares and notes a duty to perform their professional responsibilities in connection with Sino-Forest with appropriate care and diligence.
- 230. The Auditor Defendants and the Pöyry Defendants owed the purchasers of Sino-Forest shares and notes a duty of care, based in part on their consents to the inclusion of their reports and information provided by them in the share and note offering documents. Sino-Forest, the Individual Defendants, and the Underwriter Defendants owed the purchasers of shares a duty of

care based in part on their issuing and signing the certificates required, respectively, by ss. 58 and 59 of the Securities Act. The Underwriter Defendants and the Note Distributor Defendants owed the purchasers of shares and notes, respectively, a duty of care based in part on their allowing the imprimatur of their association with the offerings and on their due diligence in connection with their underwriting of shares and their distribution and resale of notes.

- 231. The Defendants were negligent and violated the standard of care owed to the Plaintiffs and the other Class Members, including the purchasers of Sino-Forest shares and notes pursuant to the various offerings during the Class Period. It was reasonably foreseeable to the Defendants that their negligence and breach of their duty of care would cause damage to such persons.
- 232. With respect to each offering of Sino-Forest Securities during the Class Period, but for the Defendants' negligent acts and omissions and failures to exercise due care, the offering would not have proceeded, and the Securities would not have been issued and traded in the primary or secondary markets.
- 233. In connection with their purchase of Sino-Forest shares and notes, whether on an offering or on the secondary market, the Plaintiffs and the other Class Members sustained substantial damages caused by the Defendants' negligent acts and omissions and breach of their duty of care.

#### **NEGLIGENT MISREPRESENTATION**

234. It was reasonably foreseeable to the Defendants that the Plaintiffs and the other Class Members would rely on the publicly disseminated documents and statements complained of herein, which contained and reflected the statements and imprimature of the Defendants, in making decisions with respect to the purchase of Sino-Forest Securities, whether through an offering or on the secondary market. The Defendants owed a duty to the Plaintiffs and the other

Class Members to exercise appropriate care and diligence to ensure that the documents and statements disseminated to the public about Sino-Forest were complete, truthful, and accurate.

- 235. The Defendants knew that the Prospectuses and Offering Memorandums referred to herein were prepared and issued for the specific purpose of inducing members of the investing public to purchase Sino-Forest Securities. The Defendants also knew that the information contained in the documents and statements disseminated to the investing public would promptly be incorporated into, and have a direct effect upon, the trading price of Sino-Forest Securities.
- 236. As detailed herein, each of the Prospectuses and Offering Memorandums released during the Class Period contained material Misrepresentations concerning Sino-Forest. As further detailed herein, various other documents and statements the Defendants released during the Class Period contained material Misrepresentations about Sino-Forest.
- 237. All such Prospectuses, Offering Memorandums, and other documents and statements contained substantially the same Misrepresentations concerning Sino-Forest, including the Integrity Representation and the overstatement or misstatement of figures for and descriptions of Sino-Forest's assets, revenues, cash flows, equity, net income, and related-party transactions.
- 238. Such material Misrepresentations were the result of the Defendants' negligence and breach of their duty to exercise due care.
- 239. In connection with their purchase of Sino-Forest Securities during the Class Period, whether through an offering or on the secondary market, the Plaintiffs and the other Class Members reasonably relied on such Misrepresentations, directly or indirectly or through the operation of the markets in which Sino-Forest Securities traded.
- 240. The Plaintiffs and the other Class Members sustained substantial damages caused by the Defendants' negligence and breach of their duty to exercise due care.

#### DAMAGES

- 241. During the Class Period, the Plaintiffs and the other Class Members purchased Sino-Forest Securities (shares and notes) at inflated prices relying upon the Misrepresentations, directly or indirectly or through the operation of the markets in which Sino-Forest traded. They continued to hold the Securities at inflated prices until the correction of the Misrepresentations, at which time the market adjusted the price of the Securities downward to reflect the true value of the Securities.
- 242. As a result of the facts pleaded above, the Plaintiffs and the other Class Members have suffered damages equivalent to the loss in market value that occurred when the truth emerged, correcting the Misrepresentations.
- 243. The Plaintiffs and the other Class Members are also entitled to recover, as damages or costs, in accordance with the Class Proceedings Act, the costs of administering the plan to distribute the recovery in this action.
- 244. The Defendants' misconduct was deliberate, intentional, high-handed, reckless, wanton, and entirely without care, and that the Defendants were motivated by economic self-interest. Such conduct renders the Defendants liable to pay pumitive damages.

#### REAL AND SUBSTANTIAL CONNECTION TO ONTARIO

- 245. This action has a real and substantial connection to Ontario because, among other things:
  - (a) Sino-Forest is a reporting issuer in Ontario and has its registered office in Ontario;
  - (b) the shares of Sino-Forest trade on the TSX, which is located in Toronto;
  - (c) the Misrepresentations were disseminated in Ontario; and
  - (d) the Plaintiff NEI Investments resides in Ontario.

# SERVICE OUTSIDE OF ONTARIO

- 246. This originating process may be served without court order outside Ontario in that the claim is:
  - (a) in respect of a tort committed in Ontario (rule 17.02(g));
  - (b) in respect of damages sustained in Ontario arising from a tort wherever committed (rule 17.02(h));
  - (c) against a person outside Ontario who is a necessary or proper party to a proceeding properly brought against another person served in Ontario (rule 17.02(o)); and
  - (d) against a person carrying on business in Ontario (rule 17.02(p)).

# THE RELEVANT LEGISLATION

247. The Plaintiffs plead and rely upon the Securities Act, the Courts of Justice Act, and the Class Proceedings Act, 1992, all as amended.

The Plaintiffs propose that this action be tried at the City of Toronto.

Date: September 26, 2011

KIM ORR BARRISTERS P.C. 200 Front Street West, 23rd Floor P.O. Box 45 Toronto, ON M5V 3K2

Won J. Kim P.C. (LSUC# 32918H) Michael C. Spencer (LSUC# 59637F) Megan B. McPhee P.C. (LSUC # 48351G)

Tel: (416) 596-1414 Fax: (416) 598-0601

Solicitors for the Plaintiffs

Court File No.: CV-11-43582600CP

NORTHWEST & ETHICAL INVESTMENTS L.P., et al.

- and -

SINO-FOREST CORPORATION, et al.

**Plaintiffs** 

Defendants

**ONTARIO** SUPERIOR COURT OF JUSTICE

Proceeding commenced in Toronto

Proceeding under the Class Proceedings

Act, 1992

COPIE AUTHENTIQUE CERTIFIÉE E CERTIFIED TO BE A CONFORME À L'ACTE HEMOCOUCHF TRUE COPY THE D'INSTANCE BÉLIVRÉ CI-INCENS ORIGINATING PROCESS

ISSUED HEREIN MIED:

STATEMENT OF CLAIM

KIM ORR BARRISTERS P.C. \*

200 Front Street West Suite 2300, P.O. Box 45 Toronto, Ontario M5V 3K2

Won J. Kim P.C. (LSUC# 32918H) Michael C. Spencer (LSUC# 59637F) Megan B. McPhee P.C. (LSUC# 48351G)

Tel: (416) 596-1414 Fax: (416) 598-0601

Lawyers for the Plaintiffs ENTERED AT / INSCRIT À TORONTO ON / BOOK NO:

LE / DANS LE REGISTRE NO .:

AS DOCUMENT NO .: A TITRE OF DOCUMENT NO .: This is Exhibit "U" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.



Court File No. 11-CV-431153CP

# ONTARIO SUPERIOR COURT OF JUSTICE

THE HONOURABLE ) FRIDAY THE 6<sup>th</sup> DAY JUSTICE PERELL ) OF JANUARY, 2012

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA and THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO

Plaintiffs

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD.

and MAISON PLACEMENTS CANADA INC.

Defendants

Proceeding under the Class Proceedings Act, 1992

AND

Court File No. 11-CV-439400CP

BETWEEN:

DAVID C. GRANT and ROBERT WONG

Plaintiffs

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (fka BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC, and BANC OF AMERICA SECURITIES LLC

Defendants

Proceeding under the Class Proceedings Act, 1992

AND

Court File No. 11-CV-435826CP

BETWEEN:

# NORTHWEST & ETHICAL INVESTMENTS L.P.; COMITÉ SYNDICAL NATIONAL DE RETRAITE BÂTIRENTE INC.

**Plaintiffs** 

and

#### SINO-FOREST CORPORATION;

ALLEN T.Y. CHAN; W. JUDSON MARTIN; KAI KIT POON; DAVID J. HORSLEY; HUA CHEN; WEI MAO ZHAO; ALFRED C.T. HUNG; ALBERT IP; GEORGE HO; THOMAS M. MARADIN; WILLIAM E. ARDELL; JAMES M.E. HYDE; SIMON MURRAY; GARRY J. WEST; JAMES P. BOWLAND; EDMUND MAK; PETER WANG;

KEE Y. WONG; THE ESTATE OF JOHN LAWRENCE; SIMON YEUNG;

ERNST & YOUNG LLP;

#### BDO LIMITED;

PÖYRY FOREST INDUSTRY PTE LIMITED; PÖYRY (BEIJING) CONSULTING COMPANY LIMITED; JP MANAGEMENT CONSULTING (ASIA-PACIFIC) PTE LTD.;

DUNDEE SECURITIES CORPORATION; UBS SECURITIES CANADA INC.; HAYWOOD SECURITIES INC.; CREDIT SUISSE SECURITIES (CANADA) INC.; TD SECURITIES INC.; RBC DOMINION SECURITIES INC.; SCOTIA CAPITAL INC.; CIBC WORLD MARKETS INC.; MERRILL LYNCH CANADA, INC.;

# CANACCORD FINANCIAL LTD.; MAISON PLACEMENTS CANADA INC.; MORGAN STANLEY & CO. INCORPORATED; CREDIT SUISSE SECURITIES (USA), LLC; BANK OF AMERICA MERRILL LYNCH; MERRILL LYNCH, PIERCE, FENNER, & SMITH, INC.

Defendants

Proceeding under the Class Proceedings Act, 1992

#### AND

Court File No. 11-CV-428238CP

BETWEEN:

#### DOUGLAS SMITH and ZHONGJUN GOA

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ALLEN T.Y. CHAN, JAMES M.E. HYDE, EDMUND MAK, W. JUDSON MARTIN, SIMON MURRAY, PETER D.H. WANG, DAVID J. HORSLEY, ERNST & YOUNG LLP, BDO LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., and MAISON PLACEMENTS CANADA INC.

Defendants

Proceeding under the Class Proceedings Act. 1992

#### **ORDER**

#### THESE MOTIONS, made:

a) by the plaintiffs in the action commenced by The Trustees Of The Labourers' Pension Fund Of Central and Eastern Canada and The Trustees Of The International Union of Operating Engineers Local 793 Pension Plan For Operating Engineers in Ontario, being Court File No. 11-CV-431153CP, (the "Labourers' Action") for an order staying the action commenced by Douglas Smith and Zhongjun Goa, being Court File No. 11-CV-428238CP (the "Smith Action") and for an order staying the action commenced by Northwest & Ethical Investments L.P. and Comité syndical national de

retraite Bâtirente Inc., being Court File No. 11-CV-435826CP (the "Northwest Action") and a declaration that no other actions may be commenced in Ontario without leave of the court in respect of Sino-Forest Corporation ("Sino-Forest") securities without leave of the court:

- b) by the plaintiffs in the *Smith Action* for an order for carriage of the class action, an order staying the *Labourers' Action*, the action commenced by David C. Grant and Robert Wong, being Court File No. 11-CV-439400CP (the "Grant Action") and the *Northwest Action* as they relate to purchasers of Sino-Forest shares, a declaration that no other proposed class proceeding may be commenced in Ontario on behalf of purchasers of Sino-Forest shares without leave of the court, and an order amending the statement of claim; and.
- c) by the plaintiffs in the *Northwest Action* for an order for carriage of the class action, an order staying the *Smith Action* and the *Labourers' Action*, an order appointing Kim Orr Barristers P.C. as plaintiffs' counsel in the class proceeding in respect of the subject matter of this action, a declaration that no other proposed class proceeding may be commenced within Ontario with respect to the subject matter of this action without leave of the Court, an order removing Bank of America Merrill Lynch as a defendant, an order amending the title of proceedings, and an order amending the statement of claim;

were heard together on December 20 and 21, 2011 at Osgoode Hall, 130 Queen Street West, Toronto, Ontario.

ON HEARING the submissions of counsel for the plaintiffs in each action, and on reading the material filed.

- 1. THIS COURT ORDERS that the motion for carriage made by the plaintiffs in the Labourers' Action be and hereby is granted;
- 2. THIS COURT ORDERS that Koskie Minsky LLP and Siskinds LLP be and hereby are appointed as class counsel in this action;

- 3. THIS COURT ORDERS that the *Smith Action* and the *Northwest Action* be and hereby are stayed;
- 4. THIS COURT ORDERS that no other class actions may be commenced in Ontario in respect of the subject matter of this action without leave of this court:
- 5. THIS COURT ORDERS that Sjunde AP-Fonden, David C. Grant and Robert Wong be and hereby are added as plaintiffs to this action and that the title of proceedings be amended accordingly:
- 6. THIS COURT ORDERS that BDO Limited (formerly known as BDO McCabe Lo Limited), Credit Suisse Securities (USA) LLC and Banc of America Securities LLC be and hereby are added as defendants to this action and that the title of proceedings be amended accordingly:
- 7. THIS COURT ORDERS that the title of proceedings in this action be amended and shall be as follows:

Court File No. 11-CV-431153CP

The Trustees of the Labourers' Pension Fund of Central and Eastern Canada, The Trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario, Sjunde AP-Fonden, David Grant and Robert Wong

v.

Sino-Forest Corporation, Ernst & Young LLP, BDO Limited (formerly known as BDO McCabe Lo Limited), Allen T.Y. Chan, W. Judson Martin, Kai Kit Poon, David J. Horsley, William E. Ardell, James P. Bowland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, Garry J. West, Pöyry (Beijing) Consulting Company Limited, Credit Suisse Securities (Canada), Inc., TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd., Maison Placements Canada Inc., Credit Suisse Securities (USA) LLC and Banc of America Securities LLC

- 8. THIS COURT ORDERS that the plaintiffs be and hereby are granted leave to deliver a Fresh As Amended Statement of Claim, substantially in the form attached as Schedule "A", which may include such additional representative plaintiffs and such amendments to the proposed class definition as they may be advised; and,
- 9. THIS COURT ORDERS that there will be no costs for the motions.

Parel, 5

PERELL J.

This is Exhibit "V" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

A Commissioner, etc.

Court File No.: CV-11-431153-00CP

# ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

Defendants

Proceeding under the Class Proceedings Act, 1992

FRESH AS AMENDED STATEMENT OF CLAIM

(NOTICE OF ACTION ISSUED JULY 20, 2011)

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AMENDED THIS

DATED / FAIT LE

THE ORDER OF 11

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SUPERIOR COURT OF JUSTICE COU

GREFFIER COUR SUPÉRIEURE DE JUSTICE

PURSUANT TO

CONFORMÉMENT À

S. Chandradet Registrar **TO:** Sino-Forest Corporation

1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: David Horsley

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Allen Chan

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: William Ardell

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: James Bowland

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: James Hyde

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Edmund Mak

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: W. Judson Martin

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Simon Murray

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3 AND TO: Kai Kit Poon

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Peter Wang

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Garry West

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Ernst & Young LLP

222 Bay Street Toronto, ON M5K 1J7

AND TO: BDO Limited

25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong, China

AND TO: Pöyry (Beijing) Consulting Company Limited

2208-2210 Cloud 9 Plaza No. 1118 West Yan'an Road Shanghai 200052 PR CHINA

AND TO: Credit Suisse Securities (Canada), Inc.

1 First Canadian Place 100 King Street West, Suite 2900 Toronto, Ontario M5X 1C9

AND TO: TD Securities Inc.

66 Wellington Street West P.O. Box 1, TD Bank Tower Toronto, Ontario M5K 1A2

**AND TO:** Dundee Securities Corporation

1 Adelaide Street East Toronto, ON M5C 2V9 AND TO: RBC Dominion Securities Inc.

155 Wellington Street West, 17<sup>th</sup> Floor

Toronto, Ontario M5V 3K7

AND TO: Scotia Capital Inc.

40 King Street West, Scotia Plaza

P.O. Box 4085, Station A Toronto, Ontario M5W 2X6

AND TO: CIBC World Markets Inc.

161 Bay Street, Brookfield Place

P.O. Box 500

Toronto, Ontario M5J 2S8

AND TO: Merrill Lynch Canada Inc.

BCE Place, Wellington Tower 181 Bay Street, 4<sup>th</sup> and 5<sup>th</sup> Floors Toronto, Ontario M5J 2V8

AND TO: Canaccord Financial Ltd.

161 Bay Street, Suite 2900

P.O. Box 516

Toronto, Ontario M5J 2S1

AND TO: Maison Placements Canada Inc.

130 Adelaide Street West, Suite 906

Toronto, Ontario M5H 3P5

AND TO: Credit Suisse Securities (USA) LLC

Eleven Madison Avenue New York, NY 10010

AND TO: Merrill Lynch, Pierce, Fenner & Smith Incorporated

100 N. Tryon St., Ste. 220 Charlotte, NC 28255

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|       | (a) "AI                                                                                     | " means Authorized Intermediary;                                                     |  |  |  |
|       | (b) "AI                                                                                     | F" means Annual Information Form;                                                    |  |  |  |

- (c) "Ardell" means the defendant William E. Ardell;
- (d) "Banc of America" means the defendant Merrill Lynch, Pierce, Fenner & Smith Incorporated;
- (e) "BDO" means the defendant BDO Limited;
- (f) "Bowland" means the defendant James P. Bowland;
- (g) "BVI" means British Virgin Islands;
- (h) "Canaccord" means the defendant Canaccord Financial Ltd.;
- (i) "CBCA" means the Canada Business Corporations Act, RSC 1985, c. C-44, as amended;
- (j) "Chan" means the defendant Allen T.Y. Chan also known as "Tak Yuen Chan";
- (k) "CIBC" means the defendant CIBC World Markets Inc.;
- (1) "CJA" means the Ontario Courts of Justice Act, RSO 1990, c C-43, as amended;
- (m) "Class" and "Class Members" all persons and entities, wherever they may reside who acquired Sino's Securities during the Class Period by distribution in Canada or on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all persons and entities who acquired Sino's Securities during the Class Period who are resident of Canada or were resident of Canada at the time of acquisition and who acquired Sino's Securities outside of Canada, except the Excluded Persons;
- (n) "Class Period" means the period from and including March 19, 2007 to and including June 2, 2011;
- (o) "Code" means Sino's Code of Business Conduct;
- (p) "CPA" means the Ontario Class Proceedings Act, 1992, SO 1992, c 6, as amended;

- (q) "Credit Suisse" means the defendant Credit Suisse Securities (Canada), Inc.;
- (r) "Credit Suisse USA" means the defendant Credit Suisse Securities (USA) LLC;
- (s) "Defendants" means Sino, the Individual Defendants, Pöyry, BDO, E&Y and the Underwriters;
- (t) "December 2009 Offering Memorandum" means Sino's Final Offering Memorandum, dated December 10, 2009, relating to the distribution of Sino's 4.25% Convertible Senior Notes due 2016 which Sino filed on SEDAR on December 11, 2009;
- (u) "December 2009 Prospectus" means Sino's Final Short Form Prospectus, dated December 10, 2009, which Sino filed on SEDAR on December 11, 2009;
- (v) "Dundee" means the defendant Dundee Securities Corporation;
- (w) "E&Y" means the defendant, Ernst and Young LLP;
- "Excluded Persons" means 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;
- (y) "Final Report" means the report of the IC, as that term is defined in paragraph 10 hereof;
- (z) "GAAP" means Canadian generally accepted accounting principles;
- (aa) "GAAS" means Canadian generally accepted auditing standards;
- (bb) "Horsley" means the defendant David J. Horsley;
- (cc) "Hyde" means the defendant James M.E. Hyde;
- (dd) "Impugned Documents" mean the 2005 Annual Consolidated Financial Statements (filed on SEDAR on March 31, 2006), Q1 2006 Financial Statements

(filed on SEDAR on May 11, 2006), the 2006 Annual Consolidated Financial Statements (filed on SEDAR on March 19, 2007), 2006 AIF (filed on SEDAR on March 30, 2007), 2006 Annual MD&A (filed on SEDAR on March 19, 2007). Management Information Circular dated April 27, 2007 (filed on SEDAR on May 4, 2007), Q1 2007 MD&A (filed on SEDAR on May 14, 2007), Q1 2007 Financial Statements (filed on SEDAR on May 14, 2007), June 2007 Prospectus, Q2 2007 MD&A (filed on SEDAR on August 13, 2007), Q2 2007 Financial Statements (filed on SEDAR on August 13, 2007), Q3 2007 MD&A (filed on SEDAR on November 12, 2007), Q3 2007 Financial Statements (filed on SEDAR on November 12, 2007), 2007 Annual Consolidated Financial Statements (filed on SEDAR on March 18, 2008), 2007 AIF (filed on SEDAR on March 28, 2008), 2007 Annual MD&A (filed on SEDAR on March 18, 2008), Amended 2007 Annual MD&A (filed on SEDAR on March 28, 2008), Management Information Circular dated April 28, 2008 (filed on SEDAR on May 6, 2008), Q1 2008 MD&A (filed on SEDAR on May 13, 2008), Q1 2008 Financial Statements (filed on SEDAR on May 13, 2008), July 2008 Offering Memorandum, Q2 2008 MD&A (filed on SEDAR on August 12, 2008), Q2 2008 Financial Statements (filed on SEDAR on August 12, 2008), Q3 2008 MD&A (filed on SEDAR on November 13, 2008), Q3 2008 Financial Statements (filed on SEDAR on November 13, 2008), 2008 Annual Consolidated Financial Statements (filed on SEDAR on March 16, 2009), 2008 Annual MD&A (filed on SEDAR on March 16, 2009), Amended 2008 Annual MD&A (filed on SEDAR on March 17, 2009), 2008 AIF (filed on SEDAR on March 31, 2009), Management Information Circular dated April 28, 2009 (filed on SEDAR on May 4, 2009), Q1 2009 MD&A (filed on SEDAR on May 11, 2009), Q1 2009 Financial Statements (filed on SEDAR on May 11, 2009), June 2009 Prospectus, June 2009 Offering Memorandum, Q2 2009 MD&A (filed on SEDAR on August 10, 2009), Q2 2009 Financial Statements (filed on SEDAR on August 10, 2009), Q3 2009 MD&A (filed on SEDAR on November 12, 2009), Q3 2009 Financial Statements (filed on SEDAR on November 12, 2009), December 2009 Prospectus, December 2009 Offering Memorandum, 2009

Annual MD&A (filed on SEDAR on March 16, 2010), 2009 Audited Annual Financial Statements (filed on SEDAR on March 16, 2010), 2009 AIF (filed on SEDAR on March 31, 2010), Management Information Circular dated May 4, 2010 (filed on SEDAR on May 11, 2010), Q1 2010 MD&A (filed on SEDAR on May 12, 2010), Q1 2010 Financial Statements (filed on SEDAR on May 12, 2010), Q2 2010 MD&A (filed on SEDAR on August 10, 2010), Q2 2010 Financial Statements (filed on SEDAR on August 10, 2010), October 2010 Offering Memorandum, Q3 2010 MD&A (filed on SEDAR on November 10, 2010), Q3 2010 Financial Statements (filed on SEDAR on November 10, 2010), 2010 Annual MD&A (March 15, 2011), 2010 Audited Annual Financial Statements (filed on SEDAR on March 31, 2011), and Management Information Circular dated May 2, 2011 (filed on SEDAR on May 10, 2011);

- (ee) "Individual Defendants" means Chan, Martin, Poon, Horsley, Ardell, Bowland, Hyde, Mak, Murray, Wang, and West, collectively;
- (ff) "July 2008 Offering Memorandum" means the Final Offering Memorandum dated July 17, 2008, relating to the distribution of Sino's 5% Convertible Senior Notes due 2013 which Sino filed on SEDAR as a schedule to a material change report on July 25, 2008;
- (gg) "June 2007 Prospectus" means Sino's Short Form Prospectus, dated June 5, 2007, which Sino filed on SEDAR on June 5, 2007;
- (hh) "June 2009 Offering Memorandum" means Sino's Exchange Offer Memorandum dated June 24, 2009, relating to an offer to exchange Sino's Guaranteed Senior Notes due 2011 for new 10.25% Guaranteed Senior Notes due 2014 which Sino filed on SEDAR as a schedule to a material change report on June 25, 2009;
- (ii) "June 2009 Prospectus" means Sino's Final Short Form Prospectus, dated June 1, 2009, which Sino filed on SEDAR on June 1, 2009;

- (jj) "Maison" means the defendant Maison Placements Canada Inc.;
- (kk) "Martin" means the defendant W. Judson Martin;
- (ll) "Mak" means the defendant Edmund Mak;
- (mm) "MD&A" means Management's Discussion and Analysis;
- (nn) "Merrill" means the defendant Merrill Lynch Canada Inc.;
- (00) "Muddy Waters" means Muddy Waters LLC;
- (pp) "Murray" means the defendant Simon Murray;
- (qq) "October 2010 Offering Memorandum" means the Final Offering Memorandum dated October 14, 2010, relating to the distribution of Sino's 6.25% Guaranteed Senior Notes due 2017;
- (rr) "Offering" or "Offerings" means the primary distributions in Canada of Sino's Securities that occurred during the Class Period including the public offerings of Sino's common shares pursuant to the June 2007, June 2009 and December 2009 Prospectuses, as well as the offerings of Sino's notes pursuant to the July 2008, June 2009, December 2009, and October 2010 Offering Memoranda, collectively;
- (ss) "OSA" means the Securities Act, RSO 1990 c S.5, as amended;
- (tt) "OSC" means the Ontario Securities Commission;
- (uu) "Plaintiffs" means the plaintiffs, the Trustees of the Labourers' Pension Fund of Central and Eastern Canada ("Labourers"), the Trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario ("Operating Engineers"), Sjunde AP-Fonden ("AP7"), David C. Grant ("Grant"), and Robert Wong ("Wong"), collectively;
- (vv) "Poon" means the defendant Kai Kit Poon;

- (ww) "Pöyry" means the defendant, Pöyry (Beijing) Consulting Company Limited;
- (xx) "PRC" means the People's Republic of China;
- (yy) "Representation" means the statement that Sino's financial statements complied with GAAP;
- (zz) "RBC" means the defendant RBC Dominion Securities Inc.;
- (aaa) "Scotia" means the defendant Scotia Capital Inc.;
- (bbb) "Second Report" means the Second Interim Report of the IC, as that term is defined in paragraph 10 hereof;
- (ccc) "Securities" means Sino's common shares, notes or other securities, as defined in the OSA;
- (ddd) "Securities Legislation" means, collectively, the *OSA*, the *Securities Act*, RSA 2000, c S-4, as amended; the *Securities Act*, RSBC 1996, c 418, as amended; the *Securities Act*, CCSM c S50, as amended; the *Securities Act*, SNB 2004, c S-5.5, as amended; the *Securities Act*, RSNL 1990, c S-13, as amended; the *Securities Act*, SNWT 2008, c 10, as amended; the *Securities Act*, RSNS 1989, c 418, as amended; the *Securities Act*, S Nu 2008, c 12, as amended; the *Securities Act*, RSPEI 1988, c S-3.1, as amended; the *Securities Act*, RSQ c V-1.1, as amended; the *Securities Act*, 1988, SS 1988-89, c S-42.2, as amended; and the *Securities Act*, SY 2007, c 16, as amended;
- (eee) "SEDAR" means the system for electronic document analysis and retrieval of the Canadian Securities Administrators;
- (fff) "Sino" means, as the context requires, either the defendant Sino-Forest Corporation, or Sino-Forest Corporation and its affiliates and subsidiaries, collectively;
- (ggg) "TD" means the defendant TD Securities Inc.;

- (hhh) "TSX" means the Toronto Stock Exchange;
- (iii) "Underwriters" means Banc of America, Canaccord, CIBC, Credit Suisse, Credit Suisse USA, Dundee, Maison, Merrill, RBC, Scotia, and TD, collectively;
- (jjj) "Wang" means the defendant Peter Wang;
- (kkk) "West" means the defendant Garry J. West; and
- (III) "WFOE" means wholly foreign owned enterprise or an enterprise established in China in accordance with the relevant PRC laws, with capital provided solely by foreign investors.

#### II. CLAIM

#### 2. The Plaintiffs claim:

- (a) An order certifying this action as a class proceeding and appointing the Plaintiffs as representative plaintiffs for the Class, or such other class as may be certified by the Court;
- (b) A declaration that the Impugned Documents contained, either explicitly or implicitly, the Representation, and that, when made, the Representation was a misrepresentation, both at law and within the meaning of the Securities Legislation;
- (c) A declaration that the Impugned Documents contained one or more of the other misrepresentations alleged herein, and that, when made, those other misrepresentations constituted misrepresentations, both at law and within the meaning of the Securities Legislation;
- (d) A declaration that Sino is vicariously liable for the acts and/or omissions of the Individual Defendants and of its other officers, directors and employees;
- (e) A declaration that the Underwriters, E&Y, BDO and Pöyry are each vicariously liable for the acts and/or omissions of their respective officers, directors, partners and employees;
- (f) On behalf of all of the Class Members who purchased Sino's Securities in the secondary market during the Class Period, and as against all of the Defendants other than the Underwriters, general damages in the sum of \$6.5 billion;
- (g) On behalf of all of the Class Members who purchased Sino common shares in the distribution to which the June 2007 Prospectus related, and as against Sino, Chan, Poon, Horsley, Martin, Mak, Murray, Hyde, Pöyry, BDO, Dundee, CIBC, Merrill and Credit Suisse general damages in the sum of \$175,835,000;
- (h) On behalf of all of the Class Members who purchased Sino common shares in the distribution to which the June 2009 Prospectus related, and as against Sino, Chan,

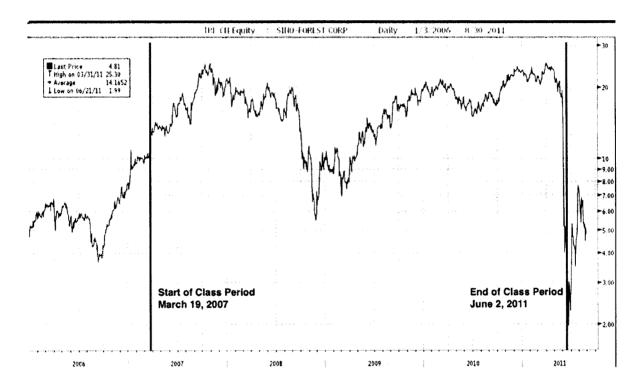
- Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, E&Y, Dundee, Merrill, Credit Suisse, Scotia and TD, general damages in the sum of \$330,000,000;
- (i) On behalf of all of the Class Members who purchased Sino common shares in the distribution to which the December 2009 Prospectus related, and as against Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD, general damages in the sum of \$319,200,000;
- (j) On behalf of all the Class Members who purchased Sino's 5% Convertible Senior Notes due 2013 pursuant to the July 2008 Offering Memorandum, and as against Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y and Credit Suisse USA, general damages in the sum of US\$345 million;
- (k) On behalf of all the Class Members who purchased Sino's 10.25% Guaranteed Senior Notes due 2014 pursuant to the June 2009 Offering Memorandum, and as against Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y and Credit Suisse USA, general damages in the sum of US\$400 million;
- (I) On behalf of all the Class Members who purchased Sino's 4.25% Convertible Senior Notes due 2016 pursuant to the December 2009 Offering Memorandum, and as against Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y, Credit Suisse USA and TD, general damages in the sum of US460 million;
- (m) On behalf of all the Class Members who purchased Sino's 6.25% Guaranteed Senior Notes due 2017 pursuant to the October 2010 Offering Memorandum, and as against Sino, Chan, Poon, Horsley, Wang, Mak, Murray, Hyde, Ardell, Pöyry, E&Y, Credit Suisse USA and Banc of America, general damages in the sum of US\$600 million;

- (n) On behalf of all of the Class Members, and as against Sino, Chan, Poon and Horsley, punitive damages, in respect of the conspiracy pled below, in the sum of \$50 million;
- (o) A declaration that Sino, Chan, Poon, Horsley, Martin, Mak, Murray and the Underwriters were unjustly enriched;
- (p) A constructive trust, accounting or such other equitable remedy as may be available as against Sino, Chan, Poon, Horsley, Martin, Mak, Murray and the Underwriters:
- (q) A declaration that the acts and omissions of Sino have effected a result, the business or affairs of Sino have been carried on or conducted in a manner, or the powers of the directors of Sino have been exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of the Plaintiffs and the Class Members, pursuant to s. 241 of the CBCA;
- (r) An order directing a reference or giving such other directions as may be necessary to determine the issues, if any, not determined at the trial of the common issues;
- (s) Prejudgment and post judgment interest;
- (t) Costs of this action on a substantial indemnity basis or in an amount that provides full indemnity plus, pursuant to s 26(9) of the *CPA*, the costs of notice and of administering the plan of distribution of the recovery in this action plus applicable taxes; and
- (u) Such further and other relief as to this Honourable Court may seem just.

#### III. OVERVIEW

3. From the time of its establishment in 1994, Sino has claimed to be a legitimate business operating in the commercial forestry industry in the PRC and elsewhere. Throughout that period, Sino has also claimed to have experienced breathtaking growth.

4. Beguiled by Sino's reported results, and by Sino's constant refrain that China constituted an extraordinary growth opportunity, investors drove Sino's stock price dramatically higher, as appears from the following chart:



5. The Defendants profited handsomely from the market's appetite for Sino's securities. Certain of the Individual Defendants sold Sino shares at lofty prices, and thereby reaped millions of dollars of gains. Sino's senior management also used Sino's illusory success to justify their lavish salaries, bonuses and other perks. For certain of the Individual Defendants, these outsized gains were not enough. Sino stock options granted to Chan, Horsley and other insiders were backdated or otherwise mispriced, prior to and during the Class Period, in violation of the TSX Rules, GAAP and the Securities Legislation.

- 6. Sino itself raised in excess of \$2.7 billion<sup>1</sup> in the capital markets during this period. Meanwhile, the Underwriters were paid lucrative underwriting commissions, and BDO, E&Y and Pöyry garnered millions of dollars in fees to bless Sino's reported results and assets. To their great detriment, the Class Members relied upon these supposed gatekeepers.
- 7. As a reporting issuer in Ontario and elsewhere, Sino was required at all material times to comply with GAAP. Indeed, Sino, BDO and E&Y, Sino's auditors during the Class Period and previously, repeatedly misrepresented that Sino's financial statements complied with GAAP. This was false.
- 8. On June 2, 2011, Muddy Waters, a short seller and research firm with extensive PRC experience, issued its first research report in relation to Sino, and unveiled the scale of the deception that had been worked upon the Class Members. Muddy Waters' initial report effectively revealed, among other things, that Sino had materially misstated its financial results, had falsely claimed to have acquired trees that it did not own, had reported sales that had not been made, or that had been made in a manner that did not permit Sino to book those sales as revenue under GAAP, and had concealed numerous related party transactions. These revelations had a catastrophic effect on Sino's stock price.
- 9. On June 1, 2011, prior to the publication of Muddy Waters' report, Sino's common shares closed at \$18.21. After the Muddy Waters report became public, Sino shares fell to \$14.46 on the TSX (a decline of 20.6%), at which point trading was halted. When trading resumed the next day, Sino's shares fell to a close of \$5.23 (a decline of 71.3% from June 1).
- 10. On June 3, 2011, Sino announced that, in response to the allegations of Muddy Waters, its board had formed a committee, which Sino then falsely characterized as "independent" (the

<sup>1</sup> Dollar figures are in Canadian dollars (unless otherwise indicated) and are rounded for convenience

"Independent Committee" or "IC"), to examine and review the allegations contained in the Muddy Waters' report of June 2, 2011. The initial members of the IC were the Defendants Ardell, Bowland and Hyde. The IC subsequently retained legal, accounting and other advisers to assist it in the fulfillment of its mandate.

- 11. On August 26, 2011, the OSC issued a cease-trade order in respect of Sino's securities, alleging that Sino appeared to have engaged in significant non-arm's length transactions which may have been contrary to Ontario securities laws and the public interest, that Sino and certain of its officers and directors appeared to have misrepresented some of Sino's revenue and/or exaggerated some of its timber holdings, and that Sino and certain of its officers and directors, including Chan, appeared to be engaging or participating in acts, practices or a course of conduct related to Sino's securities which they (or any of them) knew or ought reasonably know would perpetuate a fraud.
- 12. On November 13, 2011, the IC released the Second Report. Therein, the IC revealed, inter alia, that: (1) Sino's management had failed to cooperate in numerous important respects with the IC's investigation; (2) "there is a risk" that certain of Sino's operations "taken as a whole" were in violation of PRC law; (3) Sino adopted processes that "avoid[] Chinese foreign exchange controls which must be complied with in a normal cross-border sale and purchase transaction, and [which] could present an obstacle to future repatriation of sales proceeds, and could have tax implications as well"; (4) the IC "has not been able to verify that any relevant income taxes and VAT have been paid by or on behalf of the BVIs in China"; (5) Sino lacked proof of title to the vast majority of its purported holdings of standing timber; (6) Sino's "transaction volumes with a number of AI and Suppliers do not match the revenue reported by such Suppliers in their SAIC filing"; (7) "[n]one of the BVI timber purchase contracts have as

attachments either (i) Plantation Rights Certificates from either the Counterparty or original owner or (ii) villager resolutions, both of which are contemplated as attachments by the standard form of BVI timber purchase contract employed by the Company; and (8) "[t]here are indications in emails and in interviews with Suppliers that gifts or cash payments are made to forestry bureaus and forestry bureau officials."

13. On January 31, 2012, the IC released its Final Report. Therein, the IC effectively revealed that, despite having conducted an investigation over nearly eight months, and despite the expenditure of US\$50 million on that investigation, it had failed to refute, or even to provide plausible answers to, key allegations made by Muddy Waters:

This Final Report of the IC sets out the activities undertaken by the IC since mid-November, the findings from such activities and the IC's conclusions regarding its examination and review. The IC's activities during this period have been limited as a result of Canadian and Chinese holidays (Christmas, New Year and Chinese New Year) and the extensive involvement of IC members in the Company's Restructuring and Audit Committees, both of which are advised by different advisors than those retained by the IC. The IC believes that, notwithstanding there remain issues which have not been fully answered, the work of the IC is now at the point of diminishing returns because much of the information which it is seeking lies with non-compellable third parties, may not exist or is apparently not retrievable from the records of the Company.

[...]

Given the circumstances described above, the IC understands that, with the delivery of this Final Report, its review and examination activities are terminated. The IC does not expect to undertake further work other than assisting with responses to regulators and the RCMP as required and engaging in such further specific activities as the IC may deem advisable or the Board may instruct. The IC has asked the IC Advisors to remain available to assist and advise the IC upon its instructions

14. Sino failed to meet the standards required of a public company in Canada. Aided by its auditors and the Underwriters, Sino raised billions of dollars from investors on the false premise that they were investing in a well managed, ethical and GAAP-compliant corporation. They

were not. Accordingly, this action is brought to recover the Class Members' losses from those who caused them: the Defendants.

#### IV. THE PARTIES

### A. The Plaintiffs

- 15. Labourers are the trustees of the Labourers' Pension Fund of Central and Eastern Canada, a multi-employer pension plan providing benefits for employees working in the construction industry. The fund is a union-negotiated, collectively-bargained defined benefit pension plan established on February 23, 1972 and currently has approximately \$2 billion in assets, over 39,000 members and over 13,000 pensioners and beneficiaries and approximately 2,000 participating employers. A board of trustees representing members of the plan governs the fund. The plan is registered under the *Pension Benefits Act*, RSO 1990, c P.8 and the *Income Tax Act*, RSC 1985, 5th Supp, c,1. Labourers purchased Sino's common shares over the TSX during the Class Period and continued to hold shares at the end of the Class Period. In addition, Labourers purchased Sino common shares offered by the December 2009 Prospectus and in the distribution to which that Prospectus related.
- 16. Operating Engineers are the trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario, a multi-employer pension plan providing pension benefits for operating engineers in Ontario. The pension plan is a union-negotiated, collectively-bargained defined benefit pension plan established on November 1, 1973 and currently has approximately \$1.5 billion in assets, over 9,000 members and pensioners and beneficiaries. The fund is governed by a board of trustees representing members of the plan. The plan is registered under the *Pension Benefits Act*, RSO 1990, c P.8 and the *Income Tax Act*, RSC 1985, 5th Supp, c.1. Operating Engineers purchased Sino's common shares over the TSX during the Class Period, and continued to hold shares at the end of the Class Period.

- 17. AP7 is the Swedish National Pension Fund. As of June 30, 2011, AP7 had approximately \$15.3 billion in assets under management. Funds managed by AP7 purchased Sino's common shares over the TSX during the Class Period and continued to hold those common shares at the end of the Class Period.
- 18. Grant is an individual residing in Calgary, Alberta. He purchased 100 of the Sino 6.25% Guaranteed Senior Notes due 2017 that were offered by the October 2010 Offering Memorandum and in the distribution to which that Offering Memorandum related. Grant continued to hold those Notes at the end of the Class Period.
- 19. Wong is an individual residing in Kincardine, Ontario. During the Class Period, Wong purchased Sino's common shares over the TSX and continued to hold some or all of such shares at the end of the Class Period. In addition, Wong purchased Sino common shares offered by the December 2009 Prospectus and in the distribution to which that Prospectus related, and continued to own those shares at the end of the Class Period.

## B. The Defendants

- 20. Sino purports to be a commercial forest plantation operator in the PRC and elsewhere. Sino is a corporation formed under the *CBCA*.
- 21. At the material times, Sino was a reporting issuer in all provinces of Canada, and had its registered office located in Mississauga, Ontario. At the material times, Sino's shares were listed for trading on the TSX under the ticker symbol "TRE," on the Berlin exchange as "SFJ GR," on the over-the-counter market in the United States as "SNOFF" and on the Tradegate market as "SFJ TH." Sino securities are also listed on alternative trading venues in Canada and elsewhere including, without limitation, AlphaToronto and PureTrading. Sino's shares also traded over-

the-counter in the United States. Sino has various debt instruments, derivatives and other securities that are traded in Canada and elsewhere.

- 22. As a reporting issuer in Ontario, Sino was required throughout the Class Period to issue and file with SEDAR:
  - (a) within 45 days of the end of each quarter, quarterly interim financial statements prepared in accordance with GAAP that must include a comparative statement to the end of each of the corresponding periods in the previous financial year;
  - (b) within 90 days of the end of the fiscal year, annual financial statements prepared in accordance with GAAP, including comparative financial statements relating to the period covered by the preceding financial year;
  - (c) contemporaneously with each of the above, a MD&A of each of the above financial statements; and
  - (d) within 90 days of the end of the fiscal year, an AIF, including material information about the company and its business at a point in time in the context of its historical and possible future development.
- 23. MD&As are a narrative explanation of how the company performed during the period covered by the financial statements, and of the company's financial condition and future prospects. The MD&A must discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in future.
- 24. AIFs are an annual disclosure document intended to provide material information about the company and its business at a point in time in the context of its historical and future development. The AIF describes the company, its operations and prospects, risks and other external factors that impact the company specifically.

- 25. Sino controlled the contents of its MD&As, financial statements, AIFs and the other documents particularized herein and the misrepresentations made therein were made by Sino.
- 26. Chan is a co-founder of Sino, and was the Chairman, Chief Executive Officer and a director of the company from 1994 until his resignation from those positions on or about August 25, 2011. As Sino's CEO, Chan signed and certified the company's disclosure documents during the Class Period. Chan, along with Hyde, signed each of the 2006-2010 Audited Annual Financial Statements on behalf of Sino's board. Chan resides in Hong Kong, China.
- 27. Chan certified each of Sino's Class Period annual and quarterly MD&As and financial statements, each of which is an Impugned Document. In so doing, he adopted as his own the false statements such documents contained, as particularized below. Chan signed each of Sino's Class Period annual financial statements, each of which is an Impugned Document. In so doing, he adopted as his own the false statements such documents contained, as particularized below. As a director and officer, he caused Sino to make the misrepresentations particularized below.
- 28. Since Sino was established, Chan has received lavish compensation from Sino. For example, for 2006 to 2010, Chan's total compensation (other than share-based compensation) was, respectively, US\$3.0 million, US\$3.8 million, US\$5.0 million, US\$7.6 million and US\$9.3 million.
- 29. As at May 1, 1995, shortly after Sino became a reporting issuer, Chan held 18.3% of Sino's outstanding common shares and 37.5% of its preference shares. As of April 29, 2011 he held 2.7% of Sino's common shares (the company no longer has preference shares outstanding). Chan has made in excess of \$10 million through the sale of Sino shares.

- 30. Horsley is Sino's Chief Financial Officer, and has held this position since October 2005. In his position as Sino's CFO, Horsley has signed and certified the company's disclosure documents during the Class Period. Horsley resides in Ontario. Horsley has made in excess of \$11 million through the sale of Sino shares.
- 31. Horsley certified each of Sino's Class Period annual and quarterly MD&As and financial statements, each of which is an Impugned Document. In so doing, he adopted as his own the false statements such documents contained, as particularized below. Horsley signed each of Sino's Class Period annual financial statements, each of which is an Impugned Document. In so doing, he adopted as his own the false statements such documents contained, as particularized below. As an officer, he caused Sino to make the misrepresentations particularized below.
- 32. Since becoming Sino's CFO, Horsley has also received lavish compensation from Sino. For 2006 to 2010, Horsley's total compensation (other than share-based compensation) was, respectively, US\$1.1 million, US\$1.4 million, US\$1.7 million, US\$2.5 million, and US\$3.1 million.
- 33. Poon is a co-founder of Sino, and has been the President of the company since 1994. He was a director of Sino from 1994 to May 2009, and he continues to serve as Sino's President. Poon resides in Hong Kong, China. While he was a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when such statements were signed on his behalf. While he was a board member, he caused Sino to make the misrepresentations particularized below.
- 34. As at May 1, 1995, shortly after Sino became a reporting issuer, Poon held 18.3% of Sino's outstanding common shares and 37.5% of its preference shares. As of April 29, 2011 he

held 0.42% of Sino's common shares. Poon has made in excess of \$34.4 million through the sale of Sino shares.

- 35. Poon rarely attended board meetings while he was on Sino's board. From the beginning of 2006 until his resignation from the Board in 2009, he attended 5 of the 39 board meetings, or less than 13% of all board meetings held during that period.
- 36. Wang is a director of Sino, and has held this position since August 2007. Wang resides in Hong Kong, China. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 37. Martin has been a director of Sino since 2006, and was appointed vice-chairman in 2010. On or about August 25, 2011, Martin replaced Chan as Chief Executive Officer of Sino. Martin was a member of Sino's audit committee prior to early 2011. Martin has made in excess of \$474,000 through the sale of Sino shares. He resides in Hong Kong, China. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized herein.
- 38. Mak is a director of Sino, and has held this position since 1994. Mak was a member of Sino's audit committee prior to early 2011. Mak and persons connected with Mak have made in excess of \$6.4 million through sales of Sino shares. Mak resides in British Columbia. As a board member, he adopted as his own the false statements made in each of Sino's annual

financial statements, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.

- 39. Murray is a director of Sino, and has held this position since 1999. Murray has made in excess of \$9.9 million through sales of Sino shares. Murray resides in Hong Kong, China. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 40. Since becoming a director, Murray has rarely attended board and board committee meetings. From the beginning of 2006 to the close of 2010, Murray attended 14 of 64 board meetings, or less than 22% of board meetings held during that period. During that same period, Murray attended 2 out of 13, or 15%, of the meetings held by the Board's Compensation and Nominating Committee, and attended *none* of the 11 meetings of that Committee held from the beginning of 2007 to the close of 2010.
- 41. Hyde is a director of Sino, and has held this position since 2004. Hyde was previously a partner of E&Y. Hyde is the chairman of Sino's Audit Committee. Hyde, along with Chan, signed each of the 2007-2010 Annual Consolidated Financial Statements on behalf of Sino's board. Hyde is also member of the Compensation and Nominating Committee. Hyde has made in excess of \$2.4 million through the sale of Sino shares. Hyde resides in Ontario. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when he signed such statements or when they were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.

- 42. Ardell is a director of Sino, and has held this position since January 2010. Ardell is a member of Sino's audit committee. Ardell resides in Ontario. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements released while he was a board member, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 43. Bowland was a director of Sino from February 2011 until his resignation from the Board of Sino in November 2011. While on Sino's Board, Bowland was a member of Sino's Audit Committee. He was formerly an employee of a predecessor to E&Y. Bowland resides in Ontario. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements released while he was a board member, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 44. West is a director of Sino, and has held this position since February 2011. West was previously a partner at E&Y. West is a member of Sino's Audit Committee. West resides in Ontario. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements released while he was a board member, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 45. As officer and/or directors of Sino, the Individual Defendants were fiduciaries of Sino, and they made the misrepresentations alleged herein, adopted such misrepresentations, and/or caused Sino to make such misrepresentations while they were acting in their capacity as fiduciaries, and in violation of their fiduciary duties. In addition, Chan, Poon, Horsley, Martin,

Mak and Murray were unjustly enriched in the manner and to the extent particularized below while they were acting in their capacity as fiduciaries, and in violation of their fiduciary duties.

- 46. At all material times, Sino maintained the Code, which governed Sino's employees, officers and directors, including the Individual Defendants. The Code stated that the members of senior management "are expected to lead according to high standards of ethical conduct, in both words and actions..." The Code further required that Sino representatives act in the best interests of shareholders, corporate opportunities not be used for personal gain, no one trade in Sino securities based on undisclosed knowledge stemming from their position or employment with Sino, the company's books and records be honest and accurate, conflicts of interest be avoided, and any violations or suspected violations of the Code, and any concerns regarding accounting, financial statement disclosure, internal accounting or disclosure controls or auditing matters, be reported.
- 47. E&Y has been engaged as Sino's auditor since August 13, 2007. E&Y was also engaged as Sino's auditor from Sino's creation through February 19, 1999, when E&Y abruptly resigned during audit season and was replaced by the now-defunct Arthur Andersen LLP. E&Y was also Sino's auditor from 2000 to 2004, when it was replaced by BDO. E&Y is an expert of Sino within the meaning of the Securities Legislation.
- 48. E&Y, in providing what it purported to be "audit" services to Sino, made statements that it knowingly intended to be, and which were, disseminated to Sino's current and prospective security holders. At all material times, E&Y was aware of that class of persons, intended to and did communicate with them, and intended that that class of persons would rely on E&Y's statements relating to Sino, which they did to their detriment.

- 49. E&Y consented to the inclusion in the June 2009 and December 2009 Prospectuses, as well as the July 2008, June 2009, December 2009 and October 2010 Offering Memoranda, of its audit reports on Sino's Annual Financial Statements for various years, as alleged more particularly below.
- 50. BDO is the successor of BDO McCabe Lo Limited, the Hong Kong, China based auditing firm that was engaged as Sino's auditor during the period of March 21, 2005 through August 12, 2007, when they resigned at Sino's request, and were replaced by E&Y. BDO is an expert of Sino within the meaning of the Securities Legislation.
- During the term of its service as Sino's auditor, BDO provided what it purported to be "audit" services to Sino, and in the course thereof made statements that it knowingly intended to be, and which were, disseminated to Sino's current and prospective security holders. At all material times, BDO was aware of that class of persons, intended to and did communicate with them, and intended that that class of persons rely on BDO's statements relating to Sino, which they did to their detriment.
- 52. BDO consented to the inclusion in each of the June 2007 and December 2009 Prospectuses and the July 2008, June 2009 and December 2009 Offering Memoranda, of its audit reports on Sino's Annual Financial Statements for 2005 and 2006.
- 53. E&Y and BDO's annual Auditors' Report was made "to the shareholders of Sino-Forest corporation," which included the Class Members. Indeed, s. 1000.11 of the Handbook of the Canadian Institute of Chartered Accountants states that "the objective of financial statements for profit-oriented enterprises focuses primarily on the information needs *of investors and creditors*" [emphasis added].

- 54. Sino's shareholders, including numerous Class Members, appointed E&Y as auditors of Sino-Forest by shareholder resolutions passed on various dates, including on June 21, 2004, May 26, 2008, May 25, 2009, May 31, 2010 and May 30, 2011.
- 55. Sino's shareholders, including numerous Class Members, appointed BDO as auditors of Sino-Forest by resolutions passed on May 16, 2005, June 5, 2006 and May 28, 2007.
- During the Class Period, with the knowledge and consent of BDO or E&Y (as the case may be), Sino's audited annual financial statements for the years ended December 31, 2006, 2007, 2008, 2009 and 2010, together with the report of BDO or E&Y thereon (as the case may be), were presented to the shareholders of Sino (including numerous Class Members) at annual meetings of such shareholders held in Toronto, Canada on, respectively, May 28, 2007, May 26, 2008, May 25, 2009, May 31, 2010 and May 30, 2011. As alleged elsewhere herein, all such financial statements constituted Impugned Documents.
- 57. Pöyry is an international forestry consulting firm which purported to provide certain forestry consultation services to Sino. Pöyry is an expert of Sino within the meaning of the Securities Legislation.
- 58. Pöyry, in providing what it purported to be "forestry consulting" services to Sino, made statements that it knowingly intended to be, and which were, disseminated to Sino's current and prospective security holders. At all material times, Pöyry was aware of that class of persons, intended to and did communicate with them, and intended that that class of persons would rely on Pöyry's statements relating to Sino, which they did to their detriment.

- 59. Pöyry consented to the inclusion in the June 2007, June 2009 and December 2009 Prospectuses, as well as the July 2008, June 2009, December 2009 and October 2010 Offering Memoranda, of its various reports, as detailed below in paragraph ●.
- 60. The Underwriters are various financial institutions who served as underwriters in one or more of the Offerings.
- In connection with the distributions conducted pursuant to the June 2007, June 2009 and December 2009 Prospectuses, the Underwriters who underwrote those distributions were paid, respectively, an aggregate of approximately \$7.5 million, \$14.0 million and \$14.4 million in underwriting commissions. In connection with the offerings of Sino's notes in July 2008, December 2009, and October 2010, the Underwriters who underwrote those offerings were paid, respectively, an aggregate of approximately US\$2.2 million, US\$8.5 million and \$US6 million. Those commissions were paid in substantial part as consideration for the Underwriters' purported due diligence examination of Sino's business and affairs.
- 62. None of the Underwriters conducted a reasonable investigation into Sino in connection with any of the Offerings. None of the Underwriters had reasonable grounds to believe that there was no misrepresentation in any of the Impugned Documents. In the circumstances of this case, including the facts that Sino operated in an emerging economy, Sino had entered Canada's capital markets by means of a reverse merger, and Sino had reported extraordinary results over an extended period of time that far surpassed those reported by Sino's peers, the Underwriters all ought to have exercised heightened vigilance and caution in the course of discharging their duties to investors, which they did not do. Had they done so, they would have uncovered Sino's true nature, and the Class Members to whom they owed their duties would not have sustained the losses that they sustained on their Sino investments.

#### V. THE OFFERINGS

- 63. Through the Offerings, Sino raised in aggregate in excess of \$2.7 billion from investors during the Class Period. In particular:
  - (a) On June 5, 2007, Sino issued and filed with SEDAR the June 2007 Prospectus pursuant to which Sino distributed to the public 15,900,000 common shares at a price of \$12.65 per share for gross proceeds of \$201,135,000. The June 2007 Prospectus incorporated by reference Sino's: (1) 2006 AIF; (2) 2006 Audited Annual Financial Statements; (3) 2006 Annual MD&A; (4) Management Information Circular dated April 27, 2007; (5) Q1 2007 Financial Statements; and (6) Q1 2007 MD&A;
  - (b) On July 17, 2008, Sino issued the July 2008 Offering Memorandum pursuant to which Sino sold through private placement US\$345 million in aggregate principal amount of convertible senior notes due 2013. The July 2008 Offering Memorandum included: (1) Sino's Consolidated Annual Financial Statements for 2005, 2006 and 2007; (2) Sino's unaudited interim financial statements for the three-month periods ended March 31, 2007 and 2008; (3) the section of the 2007 AIF entitled "Audit Committee" and the charter of the Audit Committee attached as an appendix to the 2007 AIF; and (4) the Pöyry report entitled "Sino-Forest Corporation Valuation of China Forest Assets Report as at 31 December 2007" dated March 14, 2008;
  - (c) On June 1, 2009, Sino issued and filed with SEDAR the June 2009 Prospectus pursuant to which Sino distributed to the public 34,500,000 common shares at a price of \$11.00 per share for gross proceeds of \$379,500,000. The June 2009 Prospectus incorporated by reference Sino's: (1) 2008 AIF; (2) 2007 and 2008 Annual Consolidated Financial Statements; (3) Amended 2008 Annual MD&A; (4) Q1 2009 MD&A; (5) Q1 2008 and 2009 Financial Statements; (6) Q1 2009 MD&A; (7) Management Information Circular dated April 28, 2009; and (8) the Pöyry report titled "Valuation of China Forest Corp Assets As at 31 December 2008" dated April 1, 2009;

- (d) On June 24, 2009, Sino issued the June 2009 Offering Memorandum for exchange of certain of its then outstanding senior notes due 2011 with new notes, pursuant to which Sino issued US\$212,330,000 in aggregate principal amount of 10.25% Guaranteed Senior Notes due 2014. The June 2009 Offering Memorandum incorporated by reference: (1) Sino's 2005, 2006 and 2007 Consolidated Annual Financial Statements; (2) the auditors' report of BDO dated March 19, 2007 with respect to Sino's Consolidated Annual Financial Statements for 2005 and 2006; (3) the auditors' report of E&Y dated March 12, 2008 with respect to Sino's Consolidated Annual Financial Statements for 2007 except as to notes 2, 18 and 23; (4) Sino's Consolidated Annual Financial Statements for 2007 and 2008 and the auditors' report of E&Y dated March 13, 2009; (5) the section entitled "Audit Committee" in the 2008 AIF, and the charter of the Audit Committee attached as an appendix to the 2008 AIF; and (6) the unaudited interim financial statements for the three-month periods ended March 31, 2008 and 2009;
- On December 10, 2009, Sino issued the December 2009 Offering Memorandum (e) pursuant to which Sino sold through private placement US\$460,000,000 in aggregate principal amount of 4.25% convertible senior notes due 2016. This Offering Memorandum incorporated by reference: (1) Sino's Consolidated Annual Financial Statements for 2005, 2006, 2007; (2) the auditors' report of BDO dated March 19, 2007 with respect to Sino's Annual Financial Statements for 2005 and 2006; (3) the auditors' report of E&Y dated March 12, 2008 with respect to Sino's Consolidated Annual Financial Statements for 2007, except as to notes 2, 18 and 23; (4) Sino's Consolidated Annual Financial Statements for 2007 and 2008 and the auditors' report of E&Y dated March 13, 2009; (5) the unaudited interim consolidated financial statements for the nine-month periods ended September 30, 2008 and 2009; (6) the section entitled "Audit Committee" in the 2008 AIF, and the charter of the Audit Committee attached to the 2008 AIF; (7) the Pöyry report entitled "Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2007"; and (8) the Pöyry report entitled "Sino-Forest Corporation Valuation of China Forest Corp Assets as at 31 December 2008" dated April 1, 2009;

- On December 10, 2009, Sino issued and filed with SEDAR the December 2009 Prospectus (together with the June 2007 Prospectus and the June 2009 Prospectus, the "Prospectuses") pursuant to which Sino distributed to the public 21,850,000 common shares at a price of \$16.80 per share for gross proceeds of \$367,080,000. The December 2009 Prospectus incorporated by reference Sino's: (1) 2008 AIF; (2) 2007 and 2008 Annual Consolidated Financial Statements; (3) Amended 2008 Annual MD&A; (4) Q3 2008 and 2009 Financial Statements; (5) Q3 2009 MD&A; (6) Management Information Circular dated April 28, 2009; and (7) the Pöyry report titled "Valuation of China Forest Corp Assets As at 31 December 2008" dated April 1, 2009;
- On February 8, 2010, Sino closed the acquisition of substantially all of the outstanding common shares of Mandra Forestry Holdings Limited. Concurrent with this acquisition, Sino completed an exchange with holders of 99.7% of the USD\$195 million notes issued by Mandra Forestry Finance Limited and 96.7% of the warrants issued by Mandra Forestry Holdings Limited, for new 10.25% guaranteed senior notes issued by Sino in the aggregate principal amount of USD\$187,177,375 with a maturity date of July 28, 2014. On February 11, 2010, Sino exchanged the new 2014 Senior Notes for an additional issue of USD\$187,187,000 in aggregate principal amount of Sino's existing 2014 Senior Notes, issued pursuant to the June 2009 Offering Memorandum; and
- (h) On October 14, 2010, Sino issued the October 2010 Offering Memorandum pursuant to which Sino sold through private placement US\$600,000,000 in aggregate principal amount of 6.25% guaranteed senior notes due 2017. The October 2010 Offering Memorandum incorporated by reference: (1) Sino's Consolidated Annual Financial Statements for 2007, 2008 and 2009; (2) the auditors' report of E&Y dated March 15, 2010 with respect to Sino's Annual Financial Statements for 2008 and 2009; and (3) Sino's unaudited interim financial statements for the six-month periods ended June 30, 2009 and 2010.

- 64. The offering documents referenced in the preceding paragraph included, or incorporated other documents by reference that included, the Representation and the other misrepresentations in such documents that are particularized elsewhere herein. Had the truth in regard to Sino's management, business and affairs been timely disclosed, securities regulators likely would not have receipted the Prospectuses, nor would any of the Offerings have occurred.
- 65. Each of Chan, Horsley, Martin and Hyde signed the June 2007 Prospectus, and therein falsely certified that that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby. Each of Dundee, CIBC, Merrill and Credit Suisse also signed the June 2007 Prospectus, and therein falsely certified that, to the best of its knowledge, information and belief, that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.
- Each of Chan, Horsley, Martin and Hyde signed the June 2009 Prospectus, and therein falsely certified that that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby. Each of Dundee, Merrill, Credit Suisse, Scotia and TD also signed the June 2009 Prospectus, and therein falsely certified that, to the best of its knowledge, information and belief, that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.
- 67. Each of Chan, Horsley, Martin and Hyde signed the December 2009 Prospectus, and therein falsely certified that that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities

offered thereby. Each of Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD also signed the December 2009 Prospectus, and therein falsely certified that, to the best of its knowledge, information and belief, that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.

- E&Y consented to the inclusion in: (1) the June 2009 Prospectus, of its audit reports on Sino's Audited Annual Financial Statements for 2007 and 2008; (2) the December 2009 Prospectus, of its audit reports on Sino's Audited Annual Financial Statements for 2007 and 2008; (3) the July 2008 Offering Memorandum, of its audit reports on Sino's Audited Annual Financial Statements for 2007, and its adjustments to Sino's Audited Annual Financial Statements for 2005 and 2006; (4) the December 2009 Offering Memorandum, of its audit reports on Sino's Audited Annual Financial Statements for 2007 and 2008; and (5) the October 2010 Offering Memoranda, of its audit reports on Sino's Audited Annual Financial Statements for 2008 and 2009.
- 69. BDO consented to the inclusion in each of the June 2007 and December 2009 Prospectuses and the July 2008, June 2009 and December 2009 Offering Memoranda of its audit reports on Sino's Audited Annual Financial Statements for 2006 and 2005.

#### VI. THE MISREPRESENTATIONS

- 70. During the Class Period, Sino made the misrepresentations particularized below. These misrepresentations related to:
  - A. Sino's history and fraudulent origins;
  - B. Sino's forestry assets;
  - C. Sino's related party transactions;

- D. Sino's relationships with forestry bureaus and its purported title to forestry assets in the PRC;
- E. Sino's relationships with its "Authorized Intermediaries;"
- F. Sino's cash flows;
- G. Certain risks to which Sino was exposed; and
- H. Sino's compliance with GAAP and the Auditors' compliance with GAAS.

### A. Misrepresentations relating to Sino's History and Fraudulent Origins

- (i) Sino Overstates the Value of, and the Revenues Generated by, the Leizhou Joint Venture
- 71. At the time of its founding by way of reverse merger in 1994, Sino's business was conducted primarily through an equity joint venture between Sino's Hong Kong subsidiary, Sino-Wood Partners, Limited ("Sino-Wood"), and the Leizhou Forestry Bureau, which was situated in Guangdong Province in the south of the PRC. The name of the venture was Zhanjiang Leizhou Eucalyptus Resources Development Co. Ltd. ("Leizhou"). The stated purpose of Leizhou, established in 1994, was:

Managing forests, wood processing, the production of wood products and wood chemical products, and establishing a production facility with an annual production capacity of  $50,000~\text{m}^3$  of Micro Density Fiber Board (MDF), managing a base of 120,000~mu (8,000~ha) of which the forest annual utilization would be  $8,000~\text{m}^3$ .

72. There are two types of joint ventures in the PRC relevant to Sino: equity joint ventures ("EJV") and cooperating joint ventures ("CJV"). In an EJV, profits and assets are distributed in proportion to the parties' equity holdings upon winding up. In a CJV, the parties may contract to divide profits and assets disproportionately to their equity interests.

- 73. According to a Sino prospectus issued in January 1997, Leizhou, an EJV, was responsible for 20,000 hectares of the 30,000 hectares that Sino claimed to have "phased-in." Leizhou was the key driver of Sino's purported early growth.
- 74. Sino claimed to hold 53% of the equity in Leizhou, which was to total US\$10 million, and Sino further claimed that the Leizhou Forestry Bureau was to contribute 20,000 ha of forestry land. In reality, however, the terms of the EJV required the Leizhou Forestry Bureau to contribute a mere 3,533 ha.
- 75. What was also unknown to investors was that Leizhou did not generate the sales claimed by Sino. More particularly, in 1994, 1995 and 1996, respectively, Sino claimed to have generated US\$11.3 million, US\$23.9 million and US\$23.1 million in sales from Leizhou. In reality, however, these sales did not occur, or were materially overstated.
- 76. Indeed, in an undisclosed letter from Leizhou Forestry Bureau to Zhanjiang City Foreign and Economic Relations and Trade Commission, dated February 27, 1998, the Bureau complained:

To: Zhanjiang Municipal Foreign Economic Relations & Trade Commission

Through mutual consultation between Leizhou Forestry Administration (hereinafter referred to as *our side*) and Sino-Wood Partners Limited (hereinafter referred to as the *foreign party*), and, with the approval document ZJMPZ No.021 [1994] issued by your commission on 28<sup>th</sup> January 1994 for approving the contracts and articles of association entered into by both parties, and, with the approval certificate WJMZHZZZ No.065 [1994] issued by your commission, both parties jointly established Zhanjiang Eucalyptus Resources Development Co. Ltd. (hereinafter referred to as the Joint Venture) whose incorporate number is 162622-0012 and duly registered the same with Zhanjiang Administration for Industry and Commerce and obtained the business license GSQHYZ No.00604 on 29<sup>th</sup> January in the same year. It has been 4 years since the registration and we set out the situation as follows:

I. Information of the investment of both sides

- A. The investment of our side: according to the contract and articles of association signed by both sides and approved by your commission, our side has paid in RMB95,481,503.29 (equivalent to USD11,640,000.00) to the Joint Venture on 20<sup>th</sup> June 1995 through an in-kind contribution. The payment was made in accordance with the prescribed procedures and confirmed by signatures of the legal representatives of both parties. According to the Capital Verification Report from Yuexi (粤西) Accounting Firm, this payment accounts for 99.1% of the agreed capital contribution from our side, which is USD11,750,000, and accounts for 46.56% of the total investment.
- B. The investment of the foreign party: the foreign party has paid in USD1,000,000 on 16<sup>th</sup> March 1994, which was in the starting period of the Joint Venture. According to the Capital Verification Report from Yuexi (粤西) Accounting Firm, this payment only accounts for 7.55% of the contribution from the foreign party totaling USD13,250,000, and accounts for 4% of the total investment. Then, in the prescribed investment period, the foreign party did not further pay capital into the Joint Venture. In view of this, your commission sent a "Notice on Time for Capital Contribution" to the foreign party on 30<sup>th</sup> January 1996. In accordance with the notice, the foreign party then on 10<sup>th</sup> April sent a letter to your commission, requesting for postponing the deadline for capital contribution to 20<sup>th</sup> December the same year. On 14<sup>th</sup> May 1996. your commission replied to Allen Chan (陈德源), the Chairman of the Joint Venture, stating that "postponement of the deadline for capital contribution is subject to the consent of our side and requires amendment of the term on the capital contribution time in the original contract, and both parties shall sign a bilateral supplementary contract; after the application has been approved, the postponed deadline will become effective.". Based on the spirit of the letter dated 14th May from your commission and for the purpose of achieving mutual communication and dealing with the issues of the Joint Venture actively and appropriately, on 11th June 1996, Chan Shixing (陈识兴) and two other Directors from our side sent a joint letter to Allen Chan (陈德源), the Chairman of the Joint Venture, to propose a meeting of the board to be convened before 30<sup>th</sup> June 1996 in Zhanjiang, in order to discuss how to deal with the issues of the Joint Venture in accordance with the relevant State provisions. Unfortunately, the foreign party neither had discussion with our side pursuant to your commission's letter, nor replied to the proposal of our side, and furthermore failed to make payment to the Joint Venture. Now, it has been two years beyond the deadline for capital contribution (29<sup>th</sup> January 1996), and more than one year beyond the date prescribed by the Notice on Time for Capital Contribution issued by your commission (30<sup>th</sup> April 1996). However, the foreign party has been evading the discussion of the capital contribution issue, and moreover has taken no further action.

# II. The Joint Venture is not capable of attaining substantial operation

According to the contract and articles of association, the main purposes of setting up the Joint Venture are, on the one hand, to invest and construct a project producing 50,000 cubic meter Medium Density Fiberboard (MDF) a year; and on the other hand, to create a forest base of 120,000 mu, with which to produce 80,000 cubic meter of timber as raw material for the production of medium density fiberboard. The contract and articles of association also prescribed that the whole funding required for the MDF board project should be paid by the foreign party in cash; our side should pay in-kind the proportion of the fund prescribed by the contract. After contributing capital of USD1,000,000 in the early stage, the foreign party not only failed to make subsequent capital contributions, but also in their own name successively withdrew a total amount of RMB4,141,045.02, from the funds they contributed, of which USD270,000 was paid to Huadu Baixing Wood Products Factory (花都市百兴木制品厂), which has no business relationship with the Joint Venture. This amount of money equals 47.6% of [the foreign party's paid in capital. Although our side has almost paid off the agreed capital contribution (only short 0.9% of the total committed), due to the limited contribution from the foreign party and the fact that they withdrew a huge amount of money from those funds originally contributed by them, it is impossible for the Joint Venture to construct or set up production projects and to commence production operation while the funds have been insufficient and the foreign party did not pay in the majority of the subscribed capital. In fact, the Joint Venture therefore is merely a shell, existing in name only.

Additionally, after the establishment of the Joint Venture, its internal operations have been extremely abnormal, for example, annual board meetings have not been held as scheduled; annual reports on the status and the results of the annual financial audit are missing; the withdrawal of the huge amount of funds by the foreign party was not discussed in the board meetings, etc. It is hard to list all here.

In light of the present state of contributions by both sides and the status of the Joint Venture from its establishment till now, our side now applies to your commission for:

1. The cancellation of the approval certificate for "Zhanjiang Eucalyptus Resources Development Co. Ltd.", i.e. WJMZHZZZ No. 065[1994], based on the relevant provisions of Certain Regulations on the Subscription of Capital by the Parties to Sino-Foreign Joint Equity Enterprises,

- 2. Direct the Joint Venture to complete the deregistration procedures for "Zhanjiang Eucalyptus Resources Development Co. Ltd." at the local Administration for Industry and Commerce, and for the return of its business license.
- 3. Coordination with both parties to resolve the relevant remaining issues.

Please let us have your reply on whether the above is in order.

The Seal of the Leizhou Forestry Bureau

1998, February 27

[Translation; emphasis added.]

77. In its 1996 Annual Financial Statements, Sino stated:

The \$14,992,000 due from the LFB represents cash collected from the sale of wood chips on behalf of the Leizhou EJV. As originally agreed to by Sino-Wood, the cash was being retained by the LFB to fund the ongoing plantation costs of the Leizhou EJV incurred by the LFB. Sino-Wood and LFB have agreed that the amount due to the Leizhou EJV, after reduction for plantation costs incurred, will be settled in 1997 concurrent with the settlement of capital contributions due to the Leizhou EJV by Sino-Wood.

- 78. These statements were false, inasmuch as Leizhou never generated such sales. Leizhou was wound-up in 1998.
- 79. At all material times, Sino's founders, Chan and Poon, were fully aware of the reality relating to Leizhou, and knowingly misrepresented the true status of Leizhou, as well as its true revenues and profits.
  - (ii) Sino's Fictitious Investment in SJXT
- 80. In Sino's audited financial statements for the year ended December 31, 1997, filed on SEDAR on May 20, 1998 (the "1997 Financial Statements"), Sino stated that, in order to establish strategic partnerships with key local wood product suppliers and to build a strong distribution for the wood-based product and contract supply businesses, it had acquired a 20% equity interest in "Shanghai Jin Xiang Timber Ltd." ("SJXT"). Sino then described SJXT as an

EJV that had been formed in 1997 by the Ministry of Forestry in China, and declared that its function was to organize and manage the first and only official market for timber and log trading in Eastern China. It further stated that the investment in SJXT was expected to provide the Company with good accessibility to a large base of potential customers and companies in the timber and log businesses in Eastern China.

- 81. There is, in fact, no entity known as "Shanghai Jin Xiang Timber Ltd." While an entity called "Shanghai Jin Xiang Timber Wholesale Market" does exist, Sino did not have, as claimed in its disclosure documents, an equity stake in that venture.
- 82. According to the 1997 Audited Annual Financial Statements, the total investment of SJXT was estimated to be US\$9.7 million, of which Sino would be required to contribute approximately US\$1.9 million for a 20% equity interest. The 1997 Audited Annual Financial Statements stated that, as at December 31, 1997, Sino had made capital contributions to SJXT in the amount of US\$1.0 million. In Sino's balance sheet as at December 31, 1997, the SXJT investment was shown as an asset of \$1.0 million.
- 83. In October 1998, Sino announced an Agency Agreement with SJXT. At that time, Sino stated that it would provide 130,000 m<sup>3</sup> of various wood products to SJXT over an 18 month period, and that, based on then-current market prices, it expected this contract to generate "significant revenue" for Sino-Forest amounting to approximately \$40 million. The revenues that were purportedly anticipated from the SJXT contract were highly material to Sino. Indeed, Sino's total reported revenues in 1998 were \$92.7 million.
- 84. In Sino's Audited Annual Financial Statements for the year ended December 31, 1998, which statements were filed on SEDAR on May 18, 1999 (the "1998 Financial Statements"), Sino again stated that, in 1997, it had acquired a 20% equity interest in SJXT, that the total

investment in SJXT was estimated to be US\$9.7 million, of which Sino would be required to contribute approximately \$1.9 million, representing 20% of the registered capital, and that, as at December 31, 1997 and 1998, Sino had made contributions in the amount of US\$1.0 million to SJXT. In Sino's balance sheet as at December 31, 1998, the SXJT investment was again shown as an asset of US\$1.0 million.

- 85. Sino also stated in the 1998 Audited Annual Financial Statements that, during 1998, the sale of logs and lumber to SJXT amounted to approximately US\$537,000. These sales were identified in the notes to the 1998 Financial Statements as related party transactions.
- 86. In Sino's Annual Report for 1998, Chan stated that lumber and wood products trading constituted a "promising new opportunity." Chan explained that:

SJXT represents a very significant development for our lumber and wood products trading business. The market is prospering and continues to look very promising. Phase I, consisting of 100 shops, is completed. Phases II and III are expected to be completed by the year 2000. This expansion would triple the size of the Shanghai Timber Market.

The Shanghai Timber Market is important to Sino-Forest as a generator of significant new revenue. In addition to supplying various forest products to the market from our own operations, our direct participation in SJXT increases our activities in sourcing a wide range of other wood products both from inside China and internationally.

The Shanghai Timber Market is also very beneficial to the development of the forest products industry in China because it is the first forest products national sub-market in the eastern region of the country.

[...]

The market also greatly facilitates Sino-Forest's networking activities, enabling us to build new industry relationships and add to our market intelligence, all of which increasingly leverage our ability to act as principal in our dealings.

[Emphasis added.]

- 87. Chan also stated in the 1998 Annual Report that the "Agency Agreement with SJXT [is] expected to generate approximately \$40 million over 18 months."
- 88. In Sino's Annual Report for 1999, Sino stated:

There are also promising growth opportunities as Sino-Forest's investment in Shanghai Jin Xiang Timber Ltd. (SJXT or the Shanghai Timber Market), develops. The Company also continues to explore opportunities to establish and reinforce ties with other international forestry companies and to bring our ecommerce technology into operation.

Sino-Forest's investment in the Shanghai Timber Market — the first national forest products submarket in eastern China — has provided a strong foundation for the Company's lumber and wood products trading business.

[Emphasis added.]

89. In Sino's MD&A for the year ended December 31, 1999, Sino also stated that:

Sales from lumber and wood products trading increased 264% to \$34.2 million compared to \$9.4 million in 1998. The increase in lumber and wood products trading is attributable largely to the increase in new business generated from our investment in Shanghai Jin Xiang Timber Ltd. (SJXT) and a larger sales force in 1999. Lumber and wood products trading on an agency basis has increased 35% from \$2.3 million in 1998 to \$3.1 million in 1999. The increase in commission income on lumber and wood products trading is attributable to approximately \$1.8 million of fees earned from a new customer.

[Emphasis added.]

- 90. That same MD&A, however, also states that "The investment in SJXT has contributed to the significant growth of the lumber and wood products trading business, which has recorded an increase in sales of 219% from \$11.7 million in 1998 to \$37.2 million in 1999" (emphasis added).
- 91. In Sino's Audited Annual Financial Statements for the year ended December 31, 1999, which statements were filed on SEDAR on May 18, 2000 (the "1999 Financial Statements"), Sino stated:

During the year, Shanghai Jin Xiang Timber Ltd. ["SJXT"] applied to increase the original total capital contributions of \$868,000 [Chinese renminbi 7.2 million] to \$1,509,000 [Chinese renminbi 12.5 million]. Sino-Wood is required to make an additional contribution of \$278,000 as a result of the increase in total capital contributions. The additional capital contribution of \$278,000 was made in 1999 increasing its equity interest in SJXT from 27.8% to 34.4%. The principal activity of SJXT is to organize trading of timber and logs in the PRC market.

## [Emphasis added.]

- 92. The statements made in the 1999 Financial Statements contradicted Sino's prior representations in relation to SJXT. Among other things, Sino previously claimed to have made a capital contribution of \$1,037,000 for a 20% equity interest in SJXT.
- 93. In addition, note 2(b) to the 1999 Financial Statements stated that, "[a]s at December 31, 1999, \$796,000...advances to SJXT remained outstanding. The advances to SJXT were unsecured, non-interest bearing and without a fixed repayment date." Thus, assuming that Sino's contributions to SJXT were actually made, then Sino's prior statements in relation to SJXT were materially misleading, and violated GAAP, inasmuch as those statements failed to disclose that Sino had made to SJXT, a related party, a non-interest bearing loan of \$796,000.
- 94. In Sino's Audited Annual Financial Statements for the year ended December 31, 2000, which statements were filed on SEDAR on May 18, 2000 (the "2000 Financial Statements"), Sino stated:

In 1999, Shanghai Jin Xiang Timber Ltd. ("SJXT") applied to increase the original total capital contributions of \$868,000 [Chinese renminbi 7.2 million] to \$1,509,000 [Chinese renminbi 12.5 million]. Sino-Wood is required to make an additional contribution of \$278,000 as a result of the increase in total capital contributions. The additional capital contribution of \$278,000 was made in 1999 increasing its equity interest in SJXT from 27.8% to 34.4%. The principal activity of SJXT is to organize the trading of timber and logs in the PRC market. During the year, advances to SJXT of \$796,000 were repaid.

- 95. In Sino's balance sheet as at December 31, 2000, the SJXT investment was shown as an asset of \$519,000, being the sum of Sino's purported SJXT investment of \$1,315,000 as at December 31, 1999, and the \$796,000 of "advances" purportedly repaid to Sino by SJXT during the year ended December 31, 2000.
- 96. In Sino's Annual Reports (including the audited annual financial statements contained therein) for the years 2001 and beyond, there is no discussion whatsoever of SJXT. Indeed, Sino's "promising" and "very significant" investment in SJXT simply evaporated, without explanation, from Sino's disclosure documents. In fact, and unbeknownst to the public, Sino never invested in a company called "Shanghai Jin Xiang Timber Ltd." Chan and Poon knew, or were reckless in not knowing of, that fact.
- 97. At all material times, Sino's founders, Chan and Poon, were fully aware of the reality relating to SJXT, and knowingly misrepresented the true status of SJXT and Sino's interested therein.
  - (iii) Sino's Materially Deficient and Misleading Class Period Disclosures regarding Sino's History
- 98. During the Class Period, the Sino disclosure documents identified below purported to provide investors with an overview of Sino's history. However, those disclosure documents, and indeed all of the Impugned Documents, failed to disclose the material fact that, from its very founding, Sino was a fraud, inasmuch as its purportedly key investments in Leizhou and SJXT were either grossly inflated or fictitious.
- 99. Accordingly, the statements particularized in paragraphs 100 to 104 below were misrepresentations. The misleading nature of such statements was exacerbated by the fact that, throughout the Class Period, Sino's senior management and Board purported to be governed by

the Code, which touted the "high standards of ethical conduct, in both words and actions", of Sino's senior management and Board.

100. In the Prospectuses, Sino described its history, but did not disclose that the SJXT investment was fictitious, or that the revenues generated by Leizhou were non-existent or grossly overstated.

### 101. In particular, the June 2007 Prospectus stated merely that:

The Corporation was formed under the *Business Corporations Act* (Ontario) upon the amalgamation of Mt. Kearsarge Minerals Inc. and 1028412 Ontario Inc. pursuant to articles of amalgamation dated March 14, 1994. The articles of amalgamation were amended by articles of amendment filed on July 20, 1995 and May 20, 1999 to effect certain changes in the provisions attaching to the Corporation's class A subordinate-voting shares and class B multiple-voting shares. On June 25, 2002, the Corporation filed articles of continuance to continue under the *Canada Business Corporations Act*. On June 22, 2004, the Corporation filed articles of amendment whereby its class A subordinate-voting shares were reclassified as Common Shares and its class B multiple-voting shares were eliminated.

### 102. Similarly, the June 2009 Prospectus stated only that:

The Corporation was formed under the *Business Corporations Act* (Ontario) upon the amalgamation of Mt. Kearsarge Minerals Inc. and 1028412 Ontario Inc. pursuant to articles of amalgamation dated March 14, 1994. The articles of amalgamation were amended by articles of amendment filed on July 20, 1995 and May 20, 1999 to effect certain changes in the provisions attaching to the Corporation's class A subordinate-voting shares and class B multiple-voting shares. On June 25, 2002, the Corporation filed articles of continuance to continue under the *Canada Business Corporations Act*. On June 22, 2004, the Corporation filed articles of amendment whereby its class A subordinate-voting shares were reclassified as Common Shares and its class B multiple-voting shares were eliminated.

### 103. Finally, the December 2009 Prospectus stated only that:

The Corporation was formed under the *Business Corporations Act* (Ontario) upon the amalgamation of Mt. Kearsarge Minerals Inc. and 1028412 Ontario Inc. pursuant to articles of amalgamation dated March 14, 1994. The articles of amalgamation were amended by articles of amendment filed on July 20, 1995 and May 20, 1999 to effect certain changes in the provisions attaching to the

Corporation's class A subordinate-voting shares and class B multiple-voting shares. On June 25, 2002, the Corporation filed articles of continuance to continue under the *Canada Business Corporations Act* (the "CBCA"). On June 22, 2004, the Corporation filed articles of amendment whereby its class A subordinate-voting shares were reclassified as Common Shares and its class B multiple-voting shares were eliminated.

104. The failure to disclose the true nature of, and/or Sino's revenues and profits from, SJXT and Leizhou in the historical narrative in the Prospectuses rendered those Prospectuses materially false and misleading. Those historical facts would have alerted persons who purchased Sino shares under the Prospectuses, and/or in the secondary markets, to the highly elevated risk of investing in a company that continued to be controlled by Chan and Poon, both of whom were founders of Sino, and both of whom had knowingly misrepresented the true nature of Leizhou and SJXT from the time of Sino's creation. Thus, Sino was required to disclose those historical facts to the Class Members during the Class Period, but failed to do so, either in the Prospectuses or in any other Impugned Document.

## B. Misrepresentations relating to Sino's Forestry Assets

- (i) Sino Overstates its Yunnan Forestry Assets
- 105. In a press release issued by Sino and filed on SEDAR on March 23, 2007, Sino announced that it had entered into an agreement to sell 26 million shares to several institutional investors for gross proceeds of US\$200 million, and that the proceeds would be used for the acquisition of standing timber, including pursuant to a new agreement to purchase standing timber in Yunnan Province. It further stated in that press release that Sino-Panel (Asia) Inc. ("Sino-Panel"), a wholly-owned subsidiary of Sino, had entered on that same day into an agreement with Gengma Dai and Wa Tribes Autonomous Region Forestry Company Ltd., ("Gengma Forestry") established in Lincang City, Yunnan Province in the PRC, and that, under that Agreement, Sino-Panel would acquire approximately 200,000 hectares of non-state owned

commercial standing timber in Lincang City and surrounding cities in Yunnan for US\$700 million to US\$1.4 billion over a 10-year period.

- 106. These same terms of Sino's Agreement with Gengma Forestry were disclosed in Sino's Q1 2007 MD&A. Moreover, throughout the Class Period, Sino discussed its purported Yunnan acquisitions in the Impugned Documents, and Pöyry repeatedly made statements regarding said holdings, as particularized below.
- 107. The reported acquisitions did not take place. Sino overstated to a material degree the size and value of its forestry holdings in Yunnan Province. It simply does not own all of the trees it claims to own in Yunnan. Sino's overstatement of the Yunnan forestry assets violated GAAP.
- 108. The misrepresentations about Sino's acquisition and holdings of the Yunnan forestry assets were made in all of the Impugned Documents that were MD&As, financial statements, AIFs, Prospectuses and Offering Memoranda, except for the 2005 Audited Annual Financial Statements, the Q1 2006 interim financial statements, the 2006 Audited Annual Financial Statements, the 2006 Annual MD&A.
  - (ii) Sino Overstates its Suriname Forestry Assets; Alternatively, Sino fails to Disclose the Material Fact that its Suriname Forestry Assets are contrary to the Laws of Suriname
- 109. In mid-2010, Sino became a majority shareholder of Greenheart Group Ltd., a Bermuda corporation having its headquarters in Hong Kong, China and a listing on the Hong Kong Stock Exchange ("Greenheart").
- 110. In August 2010, Greenheart issued an aggregate principal amount of US\$25,000,000 convertible notes for gross proceeds of US\$24,750,000. The sole subscriber of these convertible notes was Greater Sino Holdings Limited, an entity in which Murray has an indirect interest. In

addition, Chan and Murray then became members of Greenheart's Board, Chan became the Board's Chairman, and Martin became the CEO of Greenheart and a member of its Board.

- 111. On August 24, 2010 and December 28, 2010, Greenheart granted to Chan, Martin and Murray options to purchase, respectively, approximately 6.8 million, 6.8 million and 1.1 million Greenheart shares. The options are exercisable for a five-year term.
- 112. As at March 31, 2011, General Enterprise Management Services International Limited, a company in which Murray has an indirect interest, held 7,000,000 shares of Greenheart, being 0.9% of the total issued and outstanding shares of Greenheart.
- 113. As a result of the aforesaid transactions and interests, Sino, Chan, Martin and Murray stood to profit handsomely from any inflation in the market price of Greenheart's shares.
- 114. At all material times, Greenheart purported to have forestry assets in New Zealand and Suriname. On March 1, 2011, Greenheart issued a press release in which it announced that:

Greenheart acquires certain rights to additional 128,000 hectare concession in Suriname

\*\*\*\*

#### 312,000 hectares now under Greenheart management

Hong Kong, March 1, 2011 – Greenheart Group Limited ("Greenheart" or "the Company") (HKSE: 00094), an investment holding company with forestry assets in Suriname and New Zealand (subject to certain closing conditions) today announced that the Company has acquired 60% of Vista Marine Services N.V. ("Vista"), a private company based in Suriname, South America that controls certain harvesting rights to a 128,000 hectares hardwood concession. Vista will be rebranded as part of the Greenheart Group. This transaction will increase Greenheart's concessions under management in Suriname to approximately 312,000 hectares. The cost of this acquisition is not material to the Company as a whole but the Company is optimistic about the prospects of Vista and the positive impact that it will bring. The concession is located in the Sipalawini district of Suriname, South America, bordering Lake Brokopondo and has an estimated annual allowable cut of approximately 100,000 cubic meters.

Mr. Judson Martin, Chief Executive Officer of Greenheart and Vice-Chairman of Sino-Forest Corporation, the Company's controlling shareholder said, "This acquisition is in line with our growth strategy to expand our footprint in Suriname. In addition to increased harvestable area, this acquisition will bring synergies in sales, marketing, administration, financial reporting and control, logistics and overall management. I am pleased to welcome Mr. Ty Wilkinson to Greenheart as our minority partner. Mr. Wilkinson shares our respect for the people of Suriname and the land and will be appointed Chief Executive Officer of this joint venture and be responsible for operating in a sustainable and responsible manner. This acquisition further advances Greenheart's strategy of becoming a global agri-forestry company. We will continue to actively seek well-priced and sustainable concessions in Suriname and neighboring regions in the coming months."

[Emphasis added.]

115. In its 2010 AIF, filed on SEDAR on March 31, 2011, Sino stated:

We hold a majority interest in Greenheart Group which, together with its subsidiaries, owns certain rights and manages approximately 312,000 hectares of hardwood forest concessions in the Republic of Suriname, South America ("Suriname") and 11,000 hectares of a radiata pine plantation on 13,000 hectares of freehold land in New Zealand as at March 31, 2011. We believe that our ownership in Greenheart Group will strengthen our global sourcing network in supplying wood fibre for China in a sustainable and responsible manner.

[Emphasis added.]

- 116. The statements reproduced in the preceding paragraph were false and/or materially misleading when made. Under the Suriname *Forest Management Act*, it is prohibited for one company or a group of companies in which one person or company has a majority interest to control more than 150,000 hectares of land under concession. Therefore, either Greenheart's concessions under management in Suriname did not exceed 150,000 hectares, or Greenheart's concessions under management in Suriname violated the laws of Suriname, which was a material fact not disclosed in any of the Impugned Documents.
- 117. In each of the October 2010 Offering Memorandum, the 2010 Annual MD&A, the 2010 AIF, Sino represented that Greenheart had well in excess of 150,000 hectares of concession

under management in Suriname without however disclosing that Suriname law imposed a limit of 150,000 hectares on Greenheart and its subsidiaries.

- 118. Finally, Vista's forestry concessions are located in a region of Suriname populated by the Saramaka, an indigenous people. Pursuant to the American Convention on Human Rights and a decision of the Inter-American Court of Human Rights, the Saramaka people must have effective control over their land, including the management of their reserves, and must be effectively consulted by the State of Suriname. Sino has not disclosed in any of the Impugned Documents where it has discussed Greenheart and/or Suriname assets that Vista's purported concessions in Suriname, if they exist at all, are impaired due to the unfulfilled rights of the indigenous people of Suriname, in violation of GAAP. The Impugned Documents that omitted that disclosure were the 2010 Annual MD&A, the 2010 Audited Annual Financial Statements, and the 2010 AIF.
  - (iii) Sino overstates its Jiangxi Forestry Assets
- 119. On June 11, 2009, Sino issued a press release in which it stated:

Sino-Forest Corporation (TSX: TRE), a leading commercial forest plantation operator in China, announced today that its wholly-owned subsidiary, Sino-Panel (China) Investments Limited ("Sino-Panel"), has entered into a Master Agreement for the Purchase of Pine and Chinese Fir Plantation Forests (the "Jiangxi Master Agreement") with Jiangxi Zhonggan Industrial Development Company Limited ("Jiangxi Zhonggan"), which will act as the authorized agent for the original plantation rights holders.

Under the Jiangxi Master Agreement, Sino-Panel will, through PRC subsidiaries of Sino-Forest, acquire between 15 million and 18 million cubic metres (m<sub>3</sub>) of wood fibre located in plantations in Jiangxi Province over a three-year period with a price not to exceed RMB300 per m<sub>3</sub>, to the extent permitted under the relevant PRC laws and regulations. *The plantations in which such amount of wood fibre to acquire is between 150,000 and 300,000 hectares* to achieve an estimated average wood fibre yield of approximately 100 m<sub>3</sub> per hectare, and include tree species such as pine, Chinese fir and others. Jiangxi Zhonggan will ensure plantation forests sold to Sino-Panel and its PRC subsidiaries are non-state-owned, non-natural, commercial plantation forest trees.

In addition to securing the maximum tree acquisition price, Sino-Panel has pre-emptive rights to lease the underlying plantation land at a price, permitted under the relevant PRC laws and regulations, not to exceed RMB450 per hectare per annum for 30 years from the

time of harvest. The land lease can also be extended to 50 years as permitted under PRC laws and regulations. The specific terms and conditions of purchasing or leasing are to be determined upon the execution of definitive agreements between the PRC subsidiaries of Sino-Panel and Jiangxi Zhonggan upon the authorisation of original plantation rights holders, and subject to the requisite governmental approval and in compliance with the relevant PRC laws and regulations.

Sino-Forest Chairman and CEO Allen Chan said, "We are fortunate to have been able to capture and support investment opportunities in China's developing forestry sector by locking up a large amount of fibre at competitive prices. The Jiangxi Master Agreement is Sino-Forest's fifth, long-term, fibre purchase agreement during the past two years. These five agreements cover a total plantation area of over one million hectares in five of China's most densely forested provinces."

[Emphasis added.]

- 120. According to Sino's 2010 Annual MD&A, as of December 31, 2010, Sino had acquired 59,700 ha of plantation trees from Jiangxi Zhonggan Industrial Development Company Limited ("Zhonggan") for US\$269.1 million under the terms of the master agreement. (In its interim report for the second quarter of 2011, which was issued after the Class Period, Sino claims that, as at June 30, 2011, this number had increased to 69,100 ha, for a purchase price of US\$309.6 million).
- 121. However, as was known to Sino, Chan, Poon and Horsley, and as ought to have been known to the remaining Individual Defendants, BDO, E&Y and Pöyry, Sino's plantation acquisitions through Zhonggan are materially smaller than Sino has claimed.
  - (iv) Poyry makes Misrepresentations in relation to Sino's Forestry Assets
- 122. As particularized above, Sino overstated its forestry assets in Yunnan and Jiangxi Provinces in the PRC and in Suriname. Accordingly, Sino's total assets are overstated to a material degree in all of the Impugned Documents, in violation of GAAP, and each such statement of Sino's total assets constitutes a misrepresentation.

- 123. In addition, during the Class Period, Pöyry and entities affiliated with it made statements that are misrepresentations in regard to Sino's Yunnan Province "assets," namely:
  - (a) In a report dated March 14, 2008, filed on SEDAR on March 31, 2008 (the "2008 Valuations"), Pöyry: (a) stated that it had determined the valuation of the Sino forest assets to be US\$3.2 billion as at 31 December 2007; (b) provided tables and figures regarding Yunnan; (c) stated that "Stands in Yunnan range from 20 ha to 1000 ha," that "In 2007 Sino-Forest purchased an area of mixed broadleaf forest in Yunnan Province," that "Broadleaf forests already acquired in Yunnan are all mature," and that "Sino-Forest is embarking on a series of forest acquisitions/expansion efforts in Hunan, Yunnan and Guangxi;" and (d) provided a detailed discussion of Sino's Yunnan "holdings" at Appendixes 3 and 5. Pöyry's 2008 Valuations were incorporated in Sino's 2007 Annual MD&A, amended 2007 Annual MD&A, amended Annual 2008 MD&A, each of the Q1, Q2, and Q3 2008 MD&As, Annual 2008 MD&A, amended Annual 2008 MD&A, each of the Q1, Q2 and Q3 2009, annual 2009 MD&A, and July 2008 and December 2009 Offering Memoranda;
  - (b) In a report dated April 1, 2009 and filed on SEDAR on April 2, 2009 (the "2009 Valuations"), Pöyry stated that "[t]he area of forest owned in Yunnan has quadrupled from around 10 000 ha to almost 40 000 ha over the past year," provided figures and tables regarding Yunnan, and stated that "Sino-Forest has increased its holding of broadleaf crops in Yunnan during 2008, with this province containing nearly 99% of its broadleaf resource." Pöyry's 2009 Valuations were incorporated in Sino's 2008 AIF, each of the Q1, Q2, Q3 2009 MD&As, Annual 2009 MD&A, June 2009 Offering Memorandum, and June 2009 and December 2009 Prospectuses;
  - (c) In a "Final Report" dated April 23, 2010, filed on SEDAR on April 30, 2010 (the "2010 Valuations"), Pöyry stated that "Guangxi, Hunan and Yunnan are the three largest provinces in terms of Sino-Forest's holdings. The largest change in area by province, both in absolute and relative terms [sic] has been Yunnan, where the

area of forest owned has almost tripled, from around 39 000 ha to almost 106 000 ha over the past year," provided figures and tables regarding Yunnan, stated that "Yunnan contains 106 000 ha, including 85 000 ha or 99% of the total broadleaf forest," stated that "the three provinces of Guangxi, Hunan and Yunnan together contain 391 000 ha or about 80% of the total forest area of 491 000 ha" and that "[a]lmost 97% of the broadleaf forest is in Yunnan," and provided a detailed discussion of Sino's Yunnan "holdings" at Appendixes 3 and 4. Pöyry's 2010 Valuations were incorporated in Sino's 2009 AIF, the annual 2009 MD&A, each of the Q1, Q2 and Q3 2010 MD&As, and the October 2010 Offering Memorandum;

- (d) In a "Summary Valuation Report" regarding "Valuation of Purchased Forest Crops as at 31 December 2010" and dated May 27, 2011, Pöyry provided tables and figures regarding Yunnan, stated that "[t]he major changes in area by species from December 2009 to 2010 has been in Yunnan pine, with acquisitions in Yunnan and Sichuan provinces" and that "[a]nalysis of [Sino's] inventory data for broadleaf forest in Yunnan, and comparisons with an inventory that Pöyry undertook there in 2008 supported the upwards revision of prices applied to the Yunnan broadleaf large size log," and stated that "[t]he yield table for Yunnan pine in Yunnan and Sichuan provinces was derived from data collected in this species in these provinces by Pöyry during other work;" and
- (e) In a press release titled "Summary of Sino-Forest's China Forest Asset 2010 Valuation Reports" and which was "jointly prepared by Sino-Forest and Pöyry to highlight key findings and outcomes from the 2010 valuation reports," Pöyry reported on Sino's "holdings" and estimated the market value of Sino's forest assets on the 754,816 ha to be approximately US\$3.1 billion as at December 31, 2010.

## C. Misrepresentations relating to Sino's Related Party Transactions

- (i) Related Party Transactions Generally
- 124. Under GAAP and GAAS, a "related party" exists "when one party has the ability to exercise directly or indirectly, control, joint control or significant influence over the other." (CICA Handbook 3840.03) Examples include a parent-subsidiary relationship or an entity that is economically dependent upon another.
- 125. Related parties raise the concern that transactions may not be conducted at arm's length, and pricing or other terms may not be determined at fair market values. For example, when a subsidiary "sells" an asset to its parent at a given price, it may not be appropriate that that asset be reported on the balance sheet or charged against the earnings of the parent at that price. Where transactions are conducted between arm's length parties, this concern is generally not present.
- 126. The existence of related party transactions is important to investors irrespective of the reported dollar values of the transactions because the transactions may be controlled, manipulated and/or concealed by management (for example, for corporate purposes or because fraudulent activity is involved), and because such transactions may be used to benefit management or persons close to management at the expense of the company, and therefore its shareholders.
  - (ii) Sino fails to disclose that Zhonggan was a Related Party
- 127. Irrespective of the true extent of Zhonggan's transactions in Jiangxi forestry plantations, Sino failed to disclose, in violation of GAAP, that Zhonggan was a related party of Sino. More particularly, according to AIC records, the legal representative of Zhonggan is Lam Hong Chiu, who is an executive vice president of Sino. Lam Hong Chiu is also a director and a 50%

shareholder of China Square Industrial Limited, a BVI corporation which, according to AIC records, owns 80% of the equity of Zhonggan.

- 128. The Impugned Documents that omitted that disclosure were the Q2 2009 MD&A, the Q2 2009 interim financial statements, the Q3 2009 MD&A, the Q3 2009 interim financial statements, the December 2009 Prospectus, the 2009 Annual MD&A, the 2009 Audited Annual Financial Statements, the 2009 AIF, the Q1 2010 MD&A, the Q1 2010 interim financial statements, the Q2 2010 MD&A, the Q2 2010 interim financial statements, the Q3 2010 MD&A, the Q3 2010 interim financial statements, the 2010 Audited Annual Financial Statements, and the 2010 AIF.
  - (iii) Sino fails to disclose that Homix was a Related Party
- 129. On January 12, 2010, Sino issued a press release in which it announced the acquisition by one of its wholly-owned subsidiaries of Homix Limited ("Homix"), which it described as a company engaged in research and development and manufacturing of engineered-wood products in China, for an aggregate amount of US\$7.1 million. That press release stated:

HOMIX has an R&D laboratory and two engineered-wood production operations based in Guangzhou and Jiangsu Provinces, covering eastern and southern China wood product markets. The company has developed a number of new technologies with patent rights, specifically suitable for domestic plantation logs including poplar and eucalyptus species. HOMIX specializes in curing, drying and dyeing methods for engineered wood and has the know-how to produce recomposed wood products and laminated veneer lumber. Recomposed wood technology is considered to be environment-friendly and versatile as it uses fibre from forest plantations, recycled wood and/or wood residue. This reduces the traditional use of large-diameter trees from natural forests. There is growing demand for recomposed wood technology as it reduces cost for raw material while increases the utilization and sustainable use of plantation fibre for the production of furniture and interior/exterior building materials.

 $[\ldots]$ 

Mr. Allen Chan, Sino-Forest's Chairman & CEO, said, "As we continue to ramp up our replanting programme with improved eucalyptus species, it is important for Sino-Forest to continue investing in the research and development that maximizes all aspects of the

forest product supply chain. Modernization and improved productivity of the wood processing industry in China is also necessary given the country's chronic wood fibre deficit. Increased use of technology improves operation efficiency, and maximizes and broadens the use of domestic plantation wood, which reduces the need for logging domestic natural forests and for importing logs from strained tropical forests. HOMIX has significant technological capabilities in engineered-wood processing."

Mr. Chan added, "By acquiring HOMIX, we intend to use six-year eucalyptus fibre instead of 30-year tree fibre from other species to produce quality lumber using recomposed technology. We believe that this will help preserve natural forests as well as improve the demand for and pricing of our planted eucalyptus trees."

- 130. Sino's 2009 Audited Annual Financial Statements, Q1/2010 Unaudited Interim Financial Statements, 2010 Audited Annual Financial Statements, the MD&As related to each of the aforementioned financial statements, and Sino's AIFs for 2009 and 2010, each discussed the acquisition of Homix, but nowhere disclosed that Homix was in fact a related party of Sino.
- 131. More particularly, Hua Chen, a Senior Vice President, Administration & Finance, of Sino in the PRC, and who joined Sino in 2002, is a 30% shareholder of an operating subsidiary of Homix, Jiangsu Dayang Wood Co., Ltd. ("Jiangsu")
- 132. In order to persuade current and prospective Sino shareholders that there was a commercial justification for the Homix acquisition, Sino misrepresented Homix's patent designs registered with the PRC State Intellectual Property Office. In particular, in its 2009 Annual Report, Sino stated:

## HOMIX acquisition

In accordance with our strategy to focus on research and development and to improve the end-use of our wood fibre, we acquired HOMIX Ltd. in January 2010 for \$7.1 million. This corporate acquisition is small but strategically important adding valuable intellectual property rights and two engineered-wood processing facilities located in Guangdong and Jiangsu Provinces to our operations. Homix has developed environment-friendly technology, an efficient process using recomposed technology to convert small-diameter plantation logs into building materials and furniture. Since we plan to grow high volumes of eucalypt and other FGHY species, this acquisition will help us achieve our long-term objectives of maximizing the use of our fibre, supplying a

variety of downstream customers and enhancing economic rural development. [Emphasis added]

- 133. However, Homix itself then had no patent designs registered with the PRC State Intellectual Property Office. At that time, Homix had two subsidiaries, Jiangsu and Guangzhou Pany Dacheng Wood Co. The latter then had no patent designs registered with the PRC State Intellectual Property Office, while Jiangsu had two patent designs. However, each such design was for wood dyeing, and not for the conversion of small-diameter plantation logs into building materials and furniture.
  - (iv) Sino fails to disclose that Yunan Shunxuan was a Related Party
- 134. In addition, during the Class Period, Sino purportedly purchased approximately 1,600 hectares of timber in Yunnan province from Yunnan Shunxuan Forestry Co. Ltd. Yunnan Shunxuan was part of Sino, acting under a separate label. Accordingly, it was considered a related party for the purposes of the GAAP disclosure requirements, a fact that Sino failed to disclose.
- 135. The Impugned Documents that omitted that disclosure were the 2009 Annual MD&A, the 2009 Audited Annual Financial Statements, the 2009 AIF, the Q1 2010 MD&A, the Q1 2010 interim financial statements, the Q2 2010 MD&A, the Q2 2010 interim financial statements, the Q3 2010 MD&A, the Q3 2010 interim financial statements, the 2010 Annual MD&A, the 2010 Audited Annual Financial Statements, and the 2010 AIF.
- 136. Sino's failure to disclose that Yunnan Shunxuan was a related party was a violation of GAAP, and a misrepresentation.
  - (v) Sino fails to disclose that Yuda Wood was a Related Party
- 137. Huaihua City Yuda Wood Co. Ltd., based in Huaihua City, Hunan Province ("YudaWood"), was a major supplier of Sino at material times. Yuda Wood was founded in April 2006

and, from 2007 until 2010, its business with Sino totalled approximately 152,164 Ha and RMB 4.94 billion.

- 138. During that period, Yuda Wood was a related party of Sino. Indeed, in the Second Report, the IC acknowledged that "there is evidence suggesting close cooperation [between Sino and Yuda Wood] (including administrative assistance, possible payment of capital at the time of establishment, joint control of certain of Yuda Wood's RMB bank accounts and the numerous emails indicating coordination of funding and other business activities)" [emphasis added.]
- 139. The fact that Yuda Wood was a related party of Sino during the Class Period was a material fact and was required to be disclosed under GAAP, but, during the Class Period, that fact was not disclosed by Sino in any of the Impugned Documents, or otherwise.
  - (vi) Sino fails to Disclose that Major Suppliers were Related Parties
- 140. At material times, Sino had at least thirteen suppliers where former Sino employees, consultants or secondees are or were directors, officers and/or shareholders of one or more such suppliers. Due to these and other connections between these suppliers and Sino, some or all of such suppliers were in fact undisclosed related parties of Sino.
- 141. Including Yuda Wood, the thirteen suppliers referenced above accounted for 43% of Sino's purported plantation purchases between 2006 and the first quarter of 2011.
- 142. In none of the Impugned Documents did Sino disclose that any of these suppliers were related parties, nor did it disclose sufficient particulars of its relations with such suppliers as would have enabled the investing public to ascertain that those suppliers were related parties.

# D. Misrepresentations relating to Sino's Relations with Forestry Bureaus and its Purported Title to Forestry Assets in the PRC

- 143. In at least two instances during the Class Period, PRC forestry bureau officials were either concurrently or subsequently employees of, or consultants to, Sino. One forestry bureau assigned employees to Sino and other companies to assist in the development of the forestry industry in its jurisdiction.
- 144. In addition, a vice-chief of the forestry bureau was assigned to work closely with Sino, and while that vice chief still drew a basic salary from the forestry bureau, he also acted as a consultant to Sino in the conduct of Sino's business. This arrangement was in place for several years. That vice-chief appeared on Sino's payroll from January 2007 with a monthly payment of RMB 15,000, which was significant compared with his forestry bureau salary.
- 145. In addition, at material times, Sino and/or its subsidiaries and/or its suppliers made cash payments and gave "gifts" to forestry bureau officals, which potentially constituted a serious criminal offence under the laws of the PRC. At least some of these payments and gifts were made or given in order to induce the recipients to issue "confirmation letters" in relation to Sino's purported holdings in the PRC of standing timber. These practices utterly compromised the integrity of the process whereby those "confirmation letters" were obtained.
- 146. Further, a chief of a forestry bureau who had authorized the issuance of confirmations to Sino was arrested due to corruption charges. That forestry bureau had issued confirmations only to Sino and to no other companies. Subsequent to the termination of that forestry bureau chief, that forestry bureau did not issue confirmations to any company.
- 147. The foregoing facts were material because: (1) they undermined the reliability (if any) of the documentation upon which Sino relied and continues to rely to establish its ownership of

standing timber; and (2) the corruption in which Sino was engaged exposed Sino to potential criminal penalties, including substantial fines, as well as a risk of severe reputational damage in Sino's most important market, the PRC.

148. However, none of these facts was disclosed in any of the Impugned Documents. On the contrary, Sino only made the following disclosure regarding former government officials in its 2007 Annual Report (and in no other Impugned Document), which was materially incomplete, and a misrepresentation:

To ensure successful growth, we have trained and promoted staff from within our organization, and hired knowledgeable people with relevant working experience and industry expertise – some joined us from forestry bureaus in various regions and provinces and/or state-owned tree farms. [...] 4. Based in Heyuan, Guangdong, Deputy GM responsible for Heyuan plantations, previously with forestry bureau; studied at Yangdongxian Dangxiao [Mr. Liang] 5. Based in Hunan, Plantation controller, graduated from Hunan Agricultural University, previously Assistant Manager of state-owned farm trees in Hunan [Mr. Xie].

- 149. In respect of Sino's purported title to standing timber in the PRC, Sino possessed Plantation Rights Certificates, or registered title, only in respect of 18% of its purported holdings of standing timber as at December 31, 2010, a fact nowhere disclosed by Sino during the Class Period. This fact was highly material to Sino, inasmuch as standing timber comprised a large proportion of Sino's assets throughout the Class Period, and in the absence of Plantation Rights Certificates, Sino could not establish its title to that standing timber.
- 150. Rather than disclose this highly material fact, Sino made the following misrepresentations in the following Impugned Documents:
  - (a) In the 2008 AIF: "We have obtained the plantation rights certificates or requisite approvals for acquiring the relevant plantation rights for most of the purchased tree plantations and planted tree plantations currently under our management, and we are in the process of applying for the plantation rights

- certificates for those plantations for which we have not obtained such certificates" [emphasis added];
- (b) In the 2009 AIF: "We have obtained the plantation rights certificates or requisite approvals for acquiring the relevant plantation rights for most of the purchased plantations and planted plantations currently under our management, and we are in the process of applying for the plantation rights certificates for those plantations for which we have not obtained such certificates" [emphasis added]; and
- (c) In the 2010 AIF: "We have obtained the plantation rights certificates or requisite approvals for acquiring the relevant plantation rights for most of the purchased plantations and planted plantations currently under our management, and we are in the process of applying for the plantation rights certificates for those plantations for which we have not obtained such certificates" [emphasis added].
- 151. In the absence of Plantation Rights Certificates, Sino relies principally on the purchase contracts entered into by its BVI subsidiaries ("BVIs") in order to demonstrate its ownership of standing timber.
- 152. However, under PRC law, those contracts are void and unenforceable.
- 153. In the alternative, if those contracts are valid and enforceable, they are enforceable only as against the counterparties through which Sino purported to acquire the standing timber, and not against the party who has registered title (if any) to the standing timber. Because some or all of those counterparties were or became insolvent, corporate shells or thinly capitalized, then any claims that Sino would have against those counterparties under PRC law, whether for unjust enrichment or otherwise, were of little to no value, and certainly constituted no substitute for registered title to the standing timber which Sino purported to own.

- 154. Sino never disclosed these material facts during the Class Period, whether in the Impugned Documents or otherwise. On the contrary, Sino made the following misrepresentations in relation to its purported title to standing timber:
  - (a) In the July 2008 Offering Memorandum, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased plantations";
  - (b) In the June 2009 Offering Memorandum, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased plantations";
  - (c) In the October 2010 Offering Memorandum, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased plantations";
  - (d) In the 2006 AIF, Sino stated "Based on the supplemental purchase contracts and the plantation rights certificates issued by the relevant forestry departments, we have the legal right to own our purchased tree plantations";
  - (e) In the 2007 AIF, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry departments, we have the legal right to own our purchased tree plantations";
  - (f) In the 2008 AIF, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased tree plantations";

- (g) In the 2009 AIF, Sino stated "Based on the relevant purchase contracts and the approvals issued by the local forestry bureaus, we legally own our purchased plantations";
- (h) In the December 2009 Offering Memorandum, Sino stated "Based on the relevant purchase contracts and the approvals issued by the local forestry bureaus, we legally own our purchased plantations"; and
- (i) In the 2010 AIF, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased plantations."
- 155. In addition, during the Class Period, Sino never disclosed the material fact, belatedly revealed in the Second Report, that "in practice it is not able to obtain Plantation Rights Certificates for standing timber purchases when no land transfer rights are transferred" [emphasis added].
- 156. On the contrary, during the Class Period, Sino made the following misrepresentation in each of the 2006 and 2007 AIFs:

Since 2000, the PRC has been improving its system of registering plantation land ownership, plantation land use rights and plantation ownership rights and its system of issuing certificates to the persons having plantation land use rights, to owners owning the plantation trees and to owners of the plantation land. In April 2000, the PRC State Forestry Bureau announced the "Notice on the Implementation of Nationwide Uniform Plantation Right Certificates" (Lin Zi Fa [2000] No. 159) on April 19, 2000 (the "Notice"). Under the Notice, a new uniform form of plantation rights certificate is to be used commencing from the date of the Notice. The same type of new form plantation rights certificate will be issued to the persons having the right to use the plantation land, to persons who own the plantation land and plantation trees, and to persons having the right to use plantation trees.

[Emphasis added]

- 157. Under PRC law, county and provincial forestry bureaus have no authority to issue confirmation letters. Such letters cannot be relied upon in a court of law to resolve a dispute and are not a guarantee of title. Notwithstanding this, during the Class Period, Sino made the following misrepresentations:
  - (a) In the 2006 AIF: "In addition, for the purchased tree plantations, we have obtained confirmations from the relevant forestry bureaus that we have the legal right to own the purchased tree plantations for which we have not received certificates" [emphasis added]; and
  - (b) In the 2007 AIF: "For our Purchased Tree Plantations, we have applied for the relevant Plantation Rights Certificates with the competent local forestry departments. As the relevant locations where we purchased our Purchased Tree Plantations have not fully implemented the new form Plantation Rights Certificate, we are not able to obtain all the corresponding Plantation Rights Certificates for our Purchased Tree Plantations. In this connection, we obtained confirmation on our ownership of our Purchased Tree Plantations from the relevant forestry departments." [emphasis added]

## E. Misrepresentations relating to Sino's Relationships with its AIs

- 158. In addition to the misrepresentations alleged above in relation to Sino's AIs, including those alleged in Section VI.C hereof (*Misrepresentations relating to Sino's Related Party Transactions*), Sino made the following misrepresentations during the Class Period in relation to its relationships with it AIs.
- (i) Sino Misrepresents the Degree of its Reliance on its AIs
- 159. On March 30, 2007, Sino issued and filed on SEDAR its 2006 AIF. In that AIF, Sino stated:

...PRC laws and regulations require foreign companies to obtain licenses to engage in any business activities in the PRC. As a result of these requirements, we currently engage in our trading activities through PRC authorized intermediaries that have the requisite business licenses. There is no assurance that the PRC government will not take action to restrict our ability to engage in trading activities through our authorized intermediaries. In order to reduce our reliance on the authorized intermediaries, we intend to use a WFOE in the PRC to enter into contracts directly with suppliers of raw timber, and then process the raw timber, or engage others to process raw timber on its behalf, and sell logs, wood chips and wood-based products to customers, although it would not be able to engage in pure trading activities.

[Emphasis added.]

- 160. In its 2007 AIF, which Sino filed on March 28, 2008, Sino again declared its intention to reduce its reliance upon AIs.
- 161. These statements were false and/or materially misleading when made, inasmuch as Sino had no intention to reduce materially its reliance on AIs, because its AIs were critical to Sino's ability to inflate its revenue and net income. Rather, these statements had the effect of mitigating any investor concern arising from Sino's extensive reliance upon AIs.
- 162. Throughout the Class Period, Sino continued to depend heavily upon AIs for its purported sales of standing timber. In fact, contrary to Sino's purported intention to reduce its reliance on its AIs, Sino's reliance on its AIs in fact *increased* during the Class Period.

- (ii) Sino Misrepresents the Tax-related Risks Arising from its use of AIs
- 163. Throughout the Class Period, Sino materially understated the tax-related risks arising from its use of AIs.
- 164. Tax evasion penalties in the PRC are severe. Depending on whether the PRC authorities seek recovery of unpaid taxes by means of a civil or criminal proceeding, its claims for unpaid tax are subject to either a five- or ten-year limitation period. The unintentional failure to pay taxes is subject to a 0.05% per day interest penalty, while an intentional failure to pay taxes is punishable with fines of up to five times the unpaid taxes, and confiscation of part or all of the criminal's personal properties maybe also imposed.
- 165. Therefore, because Sino professed to be unable to determine whether its AIs have paid required taxes, the tax-related risks arising from Sino's use of AIs were potentially devastating. Sino failed, however, to disclose these aspects of the PRC tax regime in its Class Period disclosure documents, as alleged more particularly below.
- 166. Based upon Sino's reported results, Sino's tax accruals in all of its Impugned Documents that were interim and annual financial statements were materially deficient. For example, depending on whether the PRC tax authorities would assess interest at the rate of 18.75% per annum, or would assess no interest, on the unpaid income taxes of Sino's BVI subsidiaries, and depending also on whether one assumes that Sino's AIs have paid no income taxes or have paid 50% of the income taxes due to the PRC, then Sino's tax accruals in its 2007, 2008, 2009 and 2010 Audited Annual Financial Statements were understated by, respectively, US\$10 million to US\$150 million, US\$50 million to US\$260 million, US\$81 million to US\$371 million, and US\$83 million to US\$493 million. Importantly, were one to consider the impact of unpaid taxes other than unpaid income taxes (for example, unpaid value-added taxes), then the amounts by

which Sino's tax accruals were understated in these financial statements would be substantially larger.

- 167. The aforementioned estimates of the amounts by which Sino's tax accruals were understated also assume that the PRC tax authorities only impose interest charges on Sino's BVI Subsidiaries and impose no other penalties for unpaid taxes, and assume further that the PRC authorities seek back taxes only for the preceding five years. As indicated above, each of these assumptions is likely to be unduly optimistic. In any case, Sino's inadequate tax accruals violated GAAP, and constituted misrepresentations.
- 168. Sino also violated GAAP in its 2009 Audited Annual Financial Statements by failing to apply to its 2009 financial results the PRC tax guidance that was issued in February 2010. Although that guidance was issued after year-end 2009, GAAP required that Sino apply that guidance to its 2009 financial results, because that guidance was issued in the subsequent events period.
- 169. Based upon Sino's reported profit margins on its dealings with AIs, which margins are extraordinary both in relation to the profit margins of Sino's peers, and in relation to the limited risks that Sino purports to assume in its transactions with its AIs, Sino's AIs are not satisfying their tax obligations, a fact that was either known to the Defendants or ought to have been known. If Sino's extraordinary profit margins are real, then Sino and its AIs must be dividing the gains from non-payment of taxes to the PRC.
- 170. During the Class Period, Sino never disclosed the true nature of the tax-related risks to which it was exposed. This omission, in violation of GAAP, rendered each of the following statements a misrepresentation:

- (a) In the 2006 Annual Financial Statements, note 11 [b] "Provision for tax related liabilities" and associated text;
- (b) In the 2006 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (c) In the AIF dated March 30, 2007, the section "Estimation of the Company's provision for income and related taxes," and associated text;
- (d) In the Q1 and Q2 2007 Financial Statements, note 5 "Provision for Tax Related Liabilities," and associated text;
- (e) In the Q3 2007 Financial Statements, note 6 "Provision for Tax Related Liabilities," and associated text;
- (f) In the 2007 Annual Financial Statements, note 13 [b] "Provision for tax related liabilities," and associated text;
- (g) In the 2007 Annual MD&A and Amended 2007 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (h) In the AIF dated March 28, 2008, the section "Estimation of the Corporation's provision for income and related taxes," and associated text;
- (i) In the Q1, Q2 and Q3 2008 Financial Statements, note 12 "Provision for Tax Related Liabilities," and associated text;
- (j) In the Q1, Q2 and Q3 2008 MD&As, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (k) In the July 2008 Offering Memorandum, the subsection "Taxation" in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations," and associated text;

- (l) In the 2008 Annual Financial Statements, note 13 [d] "Provision for tax related liabilities," and associated text;
- (m) In the 2008 Annual MD&A and Amended 2008 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (n) In the AIF dated March 31, 2009, the section "We may be liable for income and related taxes to our business and operations, particularly our BVI Subsidiaries, in amounts greater than the amounts we have estimated and for which we have provisioned," and associated text;
- (o) In the Q1, Q2 and Q3 2009 Financial Statements, note 13 "Provision for Tax Related Liabilities," and associated text;
- (p) In the Q1, Q2 and Q3 2009 MD&As, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (q) In the 2009 Annual Financial Statements, note 15 [d] "Provision for tax related liabilities," and associated text;
- (r) In the 2009 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (s) In the AIF dated March 31, 2010, the section "We may be liable for income and related taxes to our business and operations, particularly our BVI Subsidiaries, in amounts greater than the amounts we have estimated and for which we have provisioned," and associated text;
- (t) In the Q1 and Q2 2010 Financial Statements, note 14 "Provision for Tax Related Liabilities," and associated text;
- (u) In the Q1 and Q2 2010 MD&As, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;

- (v) In the Q3 2010 Financial Statements, note 14 "Provision and Contingencies for Tax Related Liabilities," and associated text; and
- (w) In the Q3 2010 MD&As, the subsection "Provision and Contingencies for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (x) In the October 2010 Offering Memorandum, the subsection "Taxation" in the section "Selected Financial Information," and associated text;
- (y) In the 2010 Annual Financial Statements, note 18 "Provision and Contingencies for Tax Related Liabilities," and associated text;
- (z) In the 2010 Annual MD&A, the subsection "Provision and Contingencies for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text; and
- (aa) In the AIF dated March 31, 2011, the section "We may be liable for income and related taxes to our business and operations, particularly our BVI Subsidiaries, in amounts greater than the amounts we have estimated and for which we have provisioned," and associated text.
- 171. In every Impugned Document that is a financial statement, the line item "Accounts payable and accrued liabilities" and associated figures on the Consolidated Balance Sheets fails to properly account for Sino's tax accruals and is a misrepresentation, and a violation of GAAP.
- 172. During the Class Period, Sino also failed to disclose in any of the Impugned Documents that were AIFs, MD&As, financial statements, Prospectuses or Offering Memoranda, the risks relating to the repatriation of its earnings from the PRC. In 2010, Sino added two new sections to its AIF regarding the risk that it would not be able to repatriate earnings from its BVI subsidiaries (which deal with the AIs). The amount of retained earnings that may not be able to be repatriated is stated therein to be US\$1.4 billion. Notwithstanding this disclosure, Sino did not

disclose in these Impugned Documents that it would be unable to repatriate *any* earnings absent proof of payment of PRC taxes, which it has admitted that it lacks.

- (iii) Sino Misrepresents its Accounting Treatment of its AIs
- 173. In addition, there are material discrepancies in Sino's descriptions of its accounting treatment of its AIs. Beginning in the 2003 AIF, Sino described its AIs as follows:

Because of the provisions in the Operational Procedures that specify when we and the authorized intermediary assume the risks and obligations relating to the raw timber or wood chips, as the case may be, we treat these transactions for accounting purposes as providing that we take title to the raw timber when it is delivered to the authorized intermediary. Title then passes to the authorized intermediary once the timber is processed into wood chips. Accordingly, we treat the authorized intermediaries for accounting purposes as being both our suppliers and customers in these transactions.

[Emphasis added.]

174. Sino's disclosures were consistent in that regard up to and including Sino's first AIF issued in the Class Period (the 2006 AIF), which states:

Because of the provisions in the Operational Procedures that specify when we and the AI assume the risks and obligations relating to the raw timber or wood chips, as the case may be, we treat these transactions for accounting purposes as providing that we take title to the raw timber when it is delivered to the AI. Title then passes to the AI once the timber is processed into wood chips. Accordingly, we treat the AI for accounting purposes as being both our supplier and customer in these transactions.

[Emphasis added.]

- 175. In subsequent AIFs, Sino ceased without explanation to disclose whether it treated AIs for accounting purposes as being both the supplier and the customer.
- 176. Following the issuance of Muddy Waters' report on the last day of the Class Period, however, Sino declared publicly that Muddy Waters was "wrong" in its assertion that, for accounting purposes, Sino treated its AIs as being both supplier and customer in transactions. This claim by Sino implies either that Sino misrepresented its accounting treatment of AIs in its

2006 AIF (and in its AIFs for prior years), or that Sino changed its accounting treatment of its AIs after the issuance of its 2006 AIF. If the latter is true, then Sino was obliged by GAAP to disclose its change in its accounting treatment of its AIs. It failed to do so.

# F. Misrepresentations relating to Sino's Cash Flow Statements

- 177. Given the nature of Sino's operations, that of a frequent trader of standing timber, Sino improperly accounted for its purchases of timber assets as "Investments" in its Consolidated Statements Of Cash Flow. In fact, such purchases are "Inventory" within the meaning of GAAP, given the nature of Sino's business.
- 178. Additionally, Sino violated the GAAP 'matching' principle in treating timber asset purchases as "Investments" and the sale of timber assets as "Inventory": cash flow that came into the company was treated as cash flow from operations, but cash flow that was spent by Sino was treated as cash flow for investments. As a result, "Additions to timber holding" was improperly treated as a "Cash Flows Used In Investing Activities" instead of "Cash Flows From Operating Activities" and the item "Depletion of timber holdings included in cost of sales" should not be included in "Cash Flows From Operating Activities," because it is not a cash item.
- 179. The effect of these misstatements is that Sino's Cash Flows From Operating Activities were materially overstated throughout the Class Period, which created the impression that Sino was a far more successful cash generator than it was. Such mismatching and misclassification is a violation of GAAP.
- 180. Cash Flows From Operating Activities are one of the crucial metrics used by the financial analysts who followed Sino's performance. These misstatements were designed to, and did, have the effect of causing such analysts to materially overstate the value of Sino. This material

overstatement was incorporated into various research reports made available to the Class Members, the market and the public at large.

- 181. Matching is a foundational requirement of GAAP reporting. E&Y and BDO were aware, at all material times, that Sino was required to adhere to the matching principle. If E&Y and BDO had conducted GAAS-complaint audits, they would have been aware that Sino's reporting was not GAAP compliant with regard to the matching principle. Accordingly, if they had conducted GAAS-compliant audits, the statements by E&Y and BDO that Sino's reporting was GAAP-compliant were not only false, but were made, at a minimum, recklessly.
- 182. Further, at all material times, E&Y and BDO were aware that misstatements in Cash Flows From Operating Activities would materially impact the market's valuation of Sino.
- 183. Accordingly, in every Impugned Document that is a financial statement, the Consolidated Statements Of Cash Flow are a misrepresentation and, particularly, the Cash Flows From Operating Activities item and associated figures is materially overstated, the "additions to timber holdings" item and figures is required to be listed as Cash Flows From Operating Activities, and the "depletion of timber holdings included in cost of sales" item and figures should not have been included.

# G. Misrepresentations relating to Certain Risks to which Sino was exposed

- (i) Sino is conducting "business activities" in China
- 184. At material times, PRC law required foreign entities engaging in "business activities" in the PRC to register to obtain and maintain a license. Violation of this requirement could have resulted in both administrative sanctions and criminal punishment, including banning the unlicensed business activities, confiscating illegal income and properties used exclusively therefor, and/or an administrative fines of no more than RMB 500,000. Possible criminal punishment included a criminal fine from 1 to 5 times the amount of the profits gained.
- 185. Consequently, were Sino's BVI subsidiaries to have been engaged in unlicensed in "business activities" in the PRC during the Class Period, they would have been exposed to risks that were highly material to Sino.
- 186. Under PRC law, the term "business activities" generally encompasses any for-profit activities, and Sino's BVI subsidiaries were in fact engaged in unlicensed "business activities" in the PRC during the Class Period. However, Sino did not disclose this fact in any of the Impugned Documents, including in its AIFs for 2008-2010, which purported to make full disclosure of the material risks to which Sino was then exposed.
  - (ii) Sino fails to disclose that no proceeds were paid to it by its AIs
- 187. In the Second Report, Sino belatedly revealed that:

In practice, proceeds from the Entrusted Sale Agreements are not paid to SF but are held by the AIs as instructed by SF and subsequently used to pay for further purchases of standing timber by the same or other BVIs. The AIs will continue to hold these proceeds until the Company instructs the AIs to use these proceeds to pay for new BVI standing timber purchases. No proceeds are directly paid to the Company, either onshore or offshore.

[Emphasis added]

- 188. This material fact was never disclosed in any of the Impugned Documents during the Class Period. On the contrary, Sino made the following statements during the Class Period in relation to the proceeds paid to it by its AIs, each of which was materially misleading and therefore a misrepresentation:
  - (a) In the 2005 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of wood chips and standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other PRC liabilities" [emphasis added];
  - (b) In the 2006 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
  - (c) In the 2006 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of wood chips and standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi" [emphasis added];
  - (d) In the 2007 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi;"
  - (e) In the 2008 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi" [emphasis added];
  - (f) In the 2009 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi" [emphasis added]; and

(g) In the 2010 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi" [emphasis added].

# H. Misrepresentations relating to Sino's GAAP Compliance and the Auditors' GAAS Compliance

- (i) Sino, Chan and Horsley misrepresent that Sino complied with GAAP
- 189. In each of its Class Period financial statements, Sino represented that its financial reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein.
- 190. In particular, Sino misrepresented in those financial statements that it was GAAP-compliant as follows:
  - (a) In the annual statements filed on March 19, 2007, at Note 1: "These consolidated financial statements Sino-Forest Corporation (the "Company") have been prepared in United States dollars in accordance with Canadian generally accepted accounting principles";
  - (b) In the annual financial statements filed on March 18, 2008, at Note 1: "The consolidated financial statements of Sino-Forest Corporation (the "Company") have been prepared in United States dollars and in accordance with Canadian generally accepted accounting principles";
  - (c) In the annual financial statements filed on March 16, 2009, at note 1: "The consolidated financial statements of Sino-Forest Corporation (the "Company") have been prepared in United States dollars and in accordance with Canadian generally accepted accounting principles";

- (d) In the annual financial statements filed on March 16, 2010, at note 1: "The consolidated financial statements of Sino-Forest Corporation (the "Company") have been prepared in United States dollars and in accordance with Canadian generally accepted accounting principles"; and
- (e) In the annual financial statements filed on March 15, 2011, at note 1: "The consolidated financial statements of Sino-Forest Corporation (the "Company") have been prepared in United States dollars and in accordance with Canadian generally accepted accounting principles".
- 191. In each of its Class Period MD&As, Sino represented that its reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein.
- 192. In particular, Sino misrepresented in those MD&As that it was GAAP-compliant as follows:
  - (a) In the annual MD&A filed on March 19, 2007: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
  - (b) In the quarterly MD&A filed on May 14, 2007: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
  - (c) In the quarterly MD&A filed on August 13, 2007: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
  - (d) In the quarterly MD&A filed on November 12, 2007: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";

- (e) In the annual MD&A filed on March 18, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (f) In the amended annual MD&A filed on March 28, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (g) In the quarterly MD&A filed on May 13, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
- (h) In the quarterly MD&A filed on August 12, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
- (i) In the quarterly MD&A filed on November 13, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
- (j) In the annual MD&A filed on March 16, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (k) In the amended annual MD&A filed on March 17, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (l) In the quarterly MD&A filed on May 11, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (m) In the quarterly MD&A filed on August 10, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";

- (n) In the quarterly MD&A filed on November 12, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")";
- (o) In the annual MD&A files on March 16, 2010: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")";
- (p) In the quarterly MD&A filed on May 12, 2010: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")";
- (q) In the quarterly MD&A filed on August 10, 2010: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")";
- (r) In the quarterly MD&A filed on November 10, 2010: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")"; and
- (s) In the annual MD&A filed on March 15, 2011: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")."
- 193. In the Offerings, Sino represented that its reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein.
- 194. In particular, Sino misrepresented in the Offerings that it was GAAP-compliant as follows:
  - (a) In the July 2008 Offering Memorandum: "We prepare our financial statements on a consolidated basis in accordance with accounting principles generally accepted in Canada ("Canadian GAAP")[...]," "Our auditors conduct their audit of our

financial statements in accordance with auditing standards generally accepted in Canada" and "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 [...]";

- (b) In the June 2009 Offering Memorandum: "We prepare our financial statements on a consolidated basis in accordance with accounting principles generally accepted in Canada ("Canadian GAAP")[...]," "Our auditors conduct their audit of our financial statements in accordance with auditing standards generally accepted in Canada," "The audited and unaudited consolidated financial statements were prepared in accordance with Canadian GAAP," "Our audited and consolidated financial statements for the years ended December 31, 2006, 2007 and 2008 and our unaudited interim consolidated financial statements for the three-month periods ended March 31, 2008 and 2009 have been prepared in accordance with Canadian GAAP";
- (c) In the June 2009 Offering Memorandum: "We prepare our financial statements on a consolidated basis in accordance with accounting principles generally accepted in Canada ("Canadian GAAP")[...]," "Our auditors conduct their audit of our financial statements in accordance with auditing standards generally accepted in Canada" and "The audited and unaudited consolidated financial statements were prepared in accordance with Canadian GAAP"; and
- (d) In the October 2010 Offering Memorandum: "We prepare our financial statements on a consolidated basis in accordance with accounting principles generally accepted in Canada ("Canadian GAAP")[...]," "Our auditors conduct their audit of our financial statements in accordance with auditing standards generally accepted in Canada," "The audited and unaudited consolidated financial statements were prepared in accordance with Canadian GAAP," "Our audited and consolidated financial statements for the years ended December 31, 2007, 2008 and 2009 and our unaudited interim consolidated financial statements for the six-

month periods ended June 30, 2009 and 2010 have been prepared in accordance with Canadian GAAP."

- 195. In the Class Period Management's Reports, Chan and Horsley represented that Sino's reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein.
- 196. In particular, Chan and Horsley misrepresented in those Management's Reports that Sino's financial statements were GAAP-compliant as follows:
  - (a) In the annual statements filed on March 19, 2007 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report have been prepared by management in accordance with Canadian generally accepted accounting principles";
  - (b) In the annual financial statements filed on March 18, 2008 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report have been prepared by management in accordance with Canadian generally accepted accounting principles";
  - (c) In the annual financial statements filed on March 16, 2009 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report have been prepared by management in accordance with Canadian generally accepted accounting principles";
  - (d) In the annual financial statements filed on March 16, 2010 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report have been prepared by management in accordance with Canadian generally accepted accounting principles"; and
  - (e) In the annual financial statements filed on March 15, 2011 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report

have been prepared by management in accordance with Canadian generally accepted accounting principles."

- (ii) E&Y and BDO misrepresent that Sino complied with GAAP and that they complied with GAAS
- 197. In each of Sino's Class Period annual financial statements, E&Y or BDO, as the case may be, represented that Sino's reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein. In addition, in each such annual financial statement, E&Y and BDO, as the case may be, represented that they had conducted their audit in compliance with GAAS, which was a misrepresentation because they did not in fact conduct their audits in accordance with GAAS.
- 198. In particular, E&Y and BDO misrepresented that Sino's financial statements were GAAP-compliant and that they had conducted their audits in compliance with GAAS as follows:
  - (a) In Sino's annual financial statements filed on March 19, 2007, BDO stated: "We conducted our audit in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles";
  - (b) In the June 2007 Prospectus, BDO stated: "We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents";
  - (c) In Sino's annual financial statements filed on March 18, 2008, E&Y stated: "We conducted our audit in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at

December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. The financial statements as at December 31, 2006 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated March 19, 2007";

- (d) In the July 2008 Offering Memorandum, BDO stated: "We conducted our audit in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles" and E&Y stated "We conducted our audit in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles";
- (e) In Sino's annual financial statements filed on March 16, 2009, E&Y stated: "We conducted our audits in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles";
- (f) In Sino's annual financial statements filed on March 16, 2010, E&Y stated: "We conducted our audits in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows

- for the years then ended in accordance with Canadian generally accepted accounting principles"; and
- (g) In Sino's annual financial statements filed on March 15, 2011, E&Y stated: "We conducted our audits in accordance with Canadian generally accepted auditing standards." and "In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sino-Forest corporation as at December 31, 2010 and 2009 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles."
- (iii) The Market Relied on Sino's Purported GAAP-compliance and E&Y's and BDO's purported GAAS-compliance in Sino's Financial Reporting
- 199. As a public company, Sino communicated the results it claimed to have achieved to the Class Members via quarterly and annual financial results, among other disclosure documents. Sino's auditors, E&Y and BDO, as the case may be, were instrumental in the communication of Sino's financial information to the Class Members. The auditors certified that the financial statements were compliant with GAAP and that they had performed their audits in compliance with GAAS. Neither was true.
- 200. The Class Members invested in Sino's securities on the critical premise that Sino's financial statements were in fact GAAP-compliant, and that Sino's auditors had in fact conducted their audits in compliance with GAAS. Sino's reported financial results were also followed by analysts at numerous financial institutions. These analysts promptly reported to the market at large when Sino made earnings announcements, and incorporated into their Sino-related analyses and reports Sino's purportedly GAAP-compliant financial results. These analyses and reports, in turn, significantly affected the market price for Sino's securities.

201. The market, including the Class Members, would not have relied on Sino's financial reporting had the auditors disclosed that Sino's financial statements were not reliable or that they had not followed the processes that would have amply revealed that those statements were reliable.

#### VII. CHAN'S AND HORSLEY'S FALSE CERTIFICATIONS

- 202. Pursuant to National Instrument 52-109, the defendants Chan, as CEO, and Horsley, as CFO, were required at the material times to certify Sino's annual and quarterly MD&As and Financial Statements as well as the AIFs (and all documents incorporated into the AIFs). Such certifications included statements that the filings "do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made" and that the reports "fairly present in all material respects the financial condition, results of operations and cash flows of the issuer."
- 203. As particularized elsewhere herein, however, the Impugned Documents contained the Representation, which was false, as well as the other misrepresentations alleged above. Accordingly, the certifications given by Chan and Horsley were false and were themselves misrepresentations. Chan and Horsley made such false certifications knowingly or, at a minimum, recklessly.

#### VIII. THE TRUTH IS REVEALED

204. On June 2, 2011, Muddy Waters issued its initial report on Sino, and stated in part therein:

Sino-Forest Corp (TSE: TRE) is the granddaddy of China RTO frauds. It has always been a fraud – reporting excellent results from one of its early joint ventures – even though, because of TRE's default on its investment obligations, the JV never went into operation. TRE just lied.

The foundation of TRE's fraud is a convoluted structure whereby it claims to run most of its revenues through "authorized intermediaries" ("AI"). Als are supposedly timber trader customers who purportedly pay much of TRE's value added and income taxes. At the same time, these AIs allow TRE a gross margin of 55% on standing timber merely for TRE having speculated on trees.

The sole purpose of this structure is to fabricate sales transactions while having an excuse for not having the VAT invoices that are the mainstay of China audit work. If TRE really were processing over one billion dollars in sales through AIs, TRE and the AIs would be in serious legal trouble. No legitimate public company would take such risks – particularly because this structure has zero upside.

[...]

On the other side of the books, TRE massively exaggerates its assets. TRE significantly falsifies its investments in plantation fiber (trees). It purports to have purchased \$2.891 billion in standing timber under master agreements since 2006 [...]

[...]

#### Valuation

Because TRE has \$2.1 billion in debt outstanding, which we believe exceeds the potential recovery, we value its equity at less than \$1.00 per share.

- 205. Muddy Waters' report also disclosed that (a) Sino's business is a fraudulent scheme; (b) Sino systemically overstated the value of its assets; (c) Sino failed to disclose various related party transactions; (d) Sino misstated that it had enforced high standards of governance; (e) Sino misstated that its reliance on the AIs had decreased; (f) Sino misrepresented the tax risk associated with the use of AIs; and (g) Sino failed to disclose the risks relating to repatriation of earnings from PRC.
- 206. After Muddy Waters' initial report became public, Sino shares fell to \$14.46, at which point trading was halted (a decline of 20.6% from the pre-disclosure close of \$18.21). When

trading was allowed to resume the next day, Sino's shares fell to a close of \$5.23 (a decline of 71.3% from June 1).

207. On November 13, 2011 Sino released the Second Report in redacted form. Therein, the Committee summarized its findings:

# B. Overview of Principal Findings

The following sets out a very high level overview of the IC's principal findings and should be read in conjunction with the balance of this report.

Timber Ownership

[...]

The Company does not obtain registered title to BVI purchased plantations. In the case of the BVIs' plantations, the IC has visited forestry bureaus, Suppliers and AIs to seek independent evidence to establish a chain of title or payment transactions to verify such acquisitions. The purchase contracts, set-off arrangement documentation and forestry bureau confirmations constitute the documentary evidence as to the Company's contractual or other rights. The IC has been advised that the Company's rights to such plantations could be open to challenge. However, Management has advised that, to date, it is unaware of any such challenges that have not been resolved with the Suppliers in a manner satisfactory to the Company.

Forestry Bureau Confirmations and Plantation Rights Certificates

Registered title, through Plantation Rights Certificates is not available in the jurisdictions (i.e. cities and counties) examined by the IC Advisors for standing timber that is held without land use/lease rights. Therefore the Company was not able to obtain Plantation Rights Certificates for its BVIs standing timber assets in those areas. In these circumstances, the Company sought confirmations from the relevant local forestry bureau acknowledging its rights to the standing timber.

The IC Advisors reviewed forestry bureau confirmations for virtually all BVIs assets and non-Mandra WFOE purchased plantations held as at December 31, 2010. The IC Advisors, in meetings organized by Management, met with a sample of forestry bureaus with a view to obtaining verification of the Company's rights to standing timber in those jurisdictions. The result of such meetings to date have concluded with the forestry bureaus or related entities having issued new confirmations as to the Company's contractual rights to the Company in respect of 111,177 Ha. as of December 31, 2010 and 133,040 Ha. as of March 31, 2011, and have acknowledged the issuance of existing confirmations issued to the

Company as to certain rights, among other things, in respect of 113,058 Ha. as of December 31, 2010.

Forestry bureau confirmations are not officially recognized documents and are not issued pursuant to a legislative mandate or, to the knowledge of the IC, a published policy. It appears they were issued at the request of the Company or its Suppliers. The confirmations are not title documents, in the Western sense of that term, although the IC believes they should be viewed as comfort indicating the relevant forestry bureau does not dispute SF's claims to the standing timber to which they relate and might provide comfort in case of disputes. The purchase contracts are the primary evidence of the Company's interest in timber assets.

In the meetings with forestry bureaus, the IC Advisors did not obtain significant insight into the internal authorization or diligence processes undertaken by the forestry bureaus in issuing confirmations and, as reflected elsewhere in this report, the IC did not have visibility into or complete comfort regarding the methods by which those confirmations were obtained. It should be noted that several Suppliers observed that SF was more demanding than other buyers in requiring forestry bureau confirmations.

#### Book Value of Timber

Based on its review to date, the IC is satisfied that the book value of the BVIs timber assets of \$2.476 billion reflected on its 2010 Financial Statements and of SP WFOE standing timber assets of \$298.6 million reflected in its 2010 Financial Statements reflects the purchase prices for such assets as set out in the BVIs and WFOE standing timber purchase contracts reviewed by the IC Advisors. Further, the purchase prices for such BVIs timber assets have been reconciled to the Company's financial statements based on set-off documentation relating to such contracts that were reviewed by the IC. However, these comments are also subject to the conclusions set out above under "Timber Ownership" on title and other rights to plantation assets.

The IC Advisors reviewed documentation acknowledging the execution of the set-off arrangements between Suppliers, the Company and AIs for the 2006-2010 period. However, the IC Advisors were unable to review any documentation of AIs or Suppliers which independently verified movements of cash in connection with such set-off arrangements between Suppliers, the Company and the AIs used to settle purchase prices paid to Suppliers by AIs on behalf of SF. We note also that the independent valuation referred to in Part VIII below has not yet been completed.

#### Revenue Reconciliation

As reported in its First Interim Report, the IC has reconciled reported 2010 total revenue to the sales prices in BVIs timber sales contracts, together with macro customer level data from other businesses. However, the IC was unable to review any documentation of AIs or Suppliers which independently verified movements

of cash in connection with set-off arrangements used to settle purchase prices paid, or sale proceeds received by, or on behalf of SF.

## Relationships

- Yuda Wood: The IC is satisfied that Mr. Huang Ran is not currently an employee of the Company and that Yuda Wood is not a subsidiary of the Company. However, there is evidence suggesting close cooperation (including administrative assistance, possible payment of capital at the time of establishment, joint control of certain of Yuda Wood's RMB bank accounts and the numerous emails indicating coordination of funding and other business activities). Management has explained these arrangements were mechanisms that allowed the Company to monitor its interest in the timber transactions. Further, Huang Ran (a Yuda Wood employee) has an ownership and/or directorship in a number of Suppliers (See Section VI.B). The IC Advisors have been introduced to persons identified as influential backers of Yuda Wood but were unable to determine the relationships, if any, of such persons with Yuda Wood, the Company or other Suppliers or AIs. Management explanations of a number of Yuda Wood-related emails and answers to E&Y's questions are being reviewed by the IC and may not be capable of independent verification.
- Other: The IC's review has identified other situations which require further review. These situations suggest that the Company may have close relationships with certain Suppliers, and certain Suppliers and AIs may have crossownership and other relationships with each other. The IC notes that in the interviews conducted by the IC with selected AIs and Suppliers, all such parties represented that they were independent of SF. Management has very recently provided information and analysis intended to explain these situations. The IC is reviewing this material from Management and intends to report its findings in this regard in its final report to the Board. Some of such information and explanations may not be capable of independent verification.
- Accounting Considerations: To the extent that any of SF's purchase and sale transactions are with related parties for accounting purposes, the value of these transactions as recorded on the books and records of the Company may be impacted.

[...]

#### **BVI Structure**

The BVI structure used by SF to purchase and sell standing timber assets could be challenged by the relevant Chinese authorities as the undertaking of "business activities" within China by foreign companies, which may only be undertaken by entities established within China with the requisite approvals. However, there is no clear definition of what constitutes "business activities" under Chinese law and there are different views among the IC's Chinese counsel and the Company's Chinese counsel as to whether the purchase and sale of timber in China as

undertaken by the BVIs could be considered to constitute "business activities" within China. In the event that the relevant Chinese authorities consider the BVIs to be undertaking "business activities" within China, they may be required to cease such activities and could be subject to other regulatory action. As regularization of foreign businesses in China is an ongoing process, the government has in the past tended to allow foreign companies time to restructure their operations in accordance with regulatory requirements (the cost of which is uncertain), rather than enforcing the laws strictly and imposing penalties without notice. See Section II.B.2

## C. Challenges

Throughout its process, the IC has encountered numerous challenges in its attempts to implement a robust independent process which would yield reliable results. Among those challenges are the following:

- (a) Chinese Legal Regime for Forestry:
- national laws and policies appear not yet to be implemented at all local levels;
- in practice, none of the local jurisdictions tested in which BVIs hold standing timber appears to have instituted a government registry and documentation system for the ownership of standing timber as distinct from a government registry system for the ownership of plantation land use rights;
- the registration of plantation land use rights, the issue of Plantation Rights Certificates and the establishment of registries, is incomplete in some jurisdictions based on the information available to the IC;
- as a result, title to standing timber, when not held in conjunction with a land use right, cannot be definitively proven by reference to a government maintained register; and
- Sino-Forest has requested confirmations from forestry bureaus of its acquisition of timber holdings (excluding land leases) as additional evidence of ownership. Certain forestry bureaus and Suppliers have indicated the confirmation was beyond the typical diligence practice in China for acquisition of timber holdings.
- (b) Obtaining Information from Third Parties: For a variety of reasons, all of them outside the control of the IC, it is very difficult to obtain information from third parties in China. These reasons include the following:
- many of the third parties from whom the IC wanted information (e.g., AIs, Suppliers and forestry bureaus) are not compellable by the Company or Canadian legal processes;
- third parties appeared to have concerns relating to disclosure of information regarding their operations that could become public or fall into the hands of

Chinese government authorities: many third parties explained their reluctance to provide requested documentation and information as being "for tax reasons" but declined to elaborate; and

• awareness of MW allegations, investigations and information gathering by the OSC and other parties, and court proceedings; while not often explicitly articulated, third parties had an awareness of the controversy surrounding SF and a reluctance to be associated with any of these allegations or drawn into any of these processes.

[...]

- (e) Corporate Governance/Operational Weaknesses: Management has asserted that business in China is based upon relationships. The IC and the IC Advisors have observed this through their efforts to obtain meetings with forestry bureaus, Suppliers and AIs and their other experience in China. The importance of relationships appears to have resulted in dependence on a relatively small group of Management who are integral to maintaining customer relationships, negotiating and finalizing the purchase and sale of plantation fibre contracts and the settlement of accounts receivable and accounts payable associated with plantation fibre contracts. This concentration of authority or lack of segregation of duties has been previously disclosed by the Company as a control weakness. As a result and as disclosed in the 2010 MD&A, senior Management in their ongoing evaluation of disclosure controls and procedures and internal controls over financial reporting, recognizing the disclosed weakness, determined that the design and controls were ineffective. The Chairman and Chief Financial Officer provided annual and quarterly certifications of their regulatory filings. Related to this weakness the following challenges presented themselves in the examination by the IC and the IC Advisors:
- operational and administration systems that are generally not sophisticated having regard to the size and complexity of the Company's business and in relation to North American practices; including:
  - incomplete or inadequate record creation and retention practices;
  - contracts not maintained in a central location:
  - significant volumes of data maintained across multiple locations on decentralized servers;
  - data on some servers in China appearing to have been deleted on an irregular basis, and there is no back-up system;
  - no integrated accounting system: accounting data is not maintained on a single, consolidated application, which can require extensive manual procedures to produce reports; and

- a treasury function that was centralized for certain major financial accounts, but was not actively involved in the control or management of numerous local operations bank accounts;
- no internal audit function although there is evidence the Company has undertaken and continues to assess its disclosure controls and procedures and internal controls over financial reporting using senior Management and independent control consultants;
- SF employees conduct Company affairs from time to time using personal devices and non-corporate email addresses which have been observed to be shared across groups of staff and changed on a periodic and organized basis; this complicated and delayed the examination of email data by the IC Advisors; and
- lack of full cooperation/openness in the ICs examination from certain members of Management.
- (f) Complexity, Lack of Visibility into, and Limitations of BVIs Model: The use of AIs and Suppliers as an essential feature of the BVIs standing timber business model contributes to the lack of visibility into title documentation, cash movements and tax liability since cash settlement in respect of the BVIs standing timber transactions takes place outside of the Company's books.
- (g) Cooperation and openness of the Company's executives throughout the process: From the outset, the IC Advisors sought the full cooperation and support of Allen Chan and the executive management team. Initially, the executive management team appeared ill-prepared to address the IC's concerns in an organized fashion and there was perhaps a degree of culture shock as Management adjusted to the IC Advisors' examination. In any event, significant amounts of material information, particularly with respect to the relationship with Yuda Wood, interrelationships between Als and/or Suppliers, were not provided to the IC Advisors as requested. In late August 2011 on the instructions of the IC, interviews of Management were conducted by the IC Advisors in which documents evidencing these connections were put to the Management for explanation. As a result of these interviews (which were also attended by BJ) the Company placed certain members of Management on administrative leave upon the advice of Company counsel. At the same time the OSC made allegations in the CTO of Management misconduct.

[...]

(h) Independence of the IC Process: The cooperation and collaboration of the IC with Management (operating under the direction of the new Chief Executive Officer) and with Company counsel in completing certain aspects of the IC's mandate has been noted by the OSC and by E&Y. Both have questioned the degree of independence of the IC from Management as a result of this interaction. The IC has explained the practical impediments to its work in the context of the distinct business culture (and associated issues of privacy) in the

forestry sector in China in which the Company operates. Cooperation of third parties in Hong Kong and China, including employees, depends heavily on relationships and trust. As noted above, the Company's placing certain members of Management on administrative leave, as well as the OSC's allegations in the CTO, further hampered the IC's ability to conduct its process. As a result, the work of the IC was frequently done with the assistance of, or in reliance on, the new Chief Executive Officer and his Management team and Company counsel. Given that Mr. Martin was, in effect, selected by the IC and BJ was appointed in late June 2011, the IC concluded that, while not ideal, this was a practical and appropriate way to proceed in the circumstances. As evidenced by the increased number of scheduled meetings with forestry bureaus, Suppliers and AIs, and, very recently, the delivery to the IC of information regarding AIs and Suppliers and relationships among the Company and such parties, it is acknowledged that Mr. Martin's involvement in the process has been beneficial. It is also acknowledged that in executing his role and assisting the IC he has had to rely on certain of the members of Management who had been placed on administrative leave.

[Emphasis added]

208. On January 31, 2012, Sino released the Final Report. In material part, it read:

This Final Report of the IC sets out the activities undertaken by the IC since mid-November, the findings from such activities and the IC's conclusions regarding its examination and review. The IC's activities during this period have been limited as a result of Canadian and Chinese holidays (Christmas, New Year and Chinese New Year) and the extensive involvement of IC members in the Company's Restructuring and Audit Committees, both of which are advised by different advisors than those retained by the IC. The IC believes that, notwithstanding there remain issues which have not been fully answered, the work of the IC is now at the point of diminishing returns because much of the information which it is seeking lies with non-compellable third parties, may not exist or is apparently not retrievable from the records of the Company.

In December 2011, the Company defaulted under the indentures relating to its outstanding bonds with the result that its resources are now more focused on dealing with its bondholders. This process is being overseen by the Restructuring Committee appointed by the Board. Pursuant to the Waiver Agreement dated January 18, 2012 between the Company and the holders of a majority of the principal amount of its 2014 Notes, the Company agreed, among other things, that the final report of the IC to the Board would be made public by January 31, 2012.

Given the circumstances described above, the IC understands that, with the delivery of this Final Report, its review and examination activities are terminated. the IC does not expect to undertake further work other than assisting with responses to regulators and the RCMP as required and engaging in such further specific activities as the IC may deem advisable or the Board may instruct. The

IC has asked the IC Advisors to remain available to assist and advise the IC upon its instructions.

[...]

#### II. RELATIONSHIPS

The objectives of the IC's examination of the Company's relationships with its Als and Suppliers were to determine, in light of the MW allegations, if such relationships are arm's length and to obtain, if possible, independent verification of the cash flows underlying the set-off transactions described in Section II.A of the Second Interim Report. That the Company's relationships with its Als and Suppliers be arm's length is relevant to SF's ability under GAAP to:

- book its timber assets at cost in its 2011 and prior years' financial statements, both audited and unaudited
- recognize revenue from standing timber sales as currently reflected in its 2011 and prior years' financial statements, both audited and unaudited.

## A. Yuda Wood

Yuda Wood was founded in April 2006 and was until 2010 a Supplier of SF. Its business with SF from 2007 to 2010 totalled approximately 152,164 Ha and RMB 4.94 billion. Section VI.A and Schedule VI.A.2(a) of the Second Interim Report described the MW allegations relating to Yuda Wood, the review conducted by the IC and its findings to date. The IC concluded that Huang Ran is not currently an employee, and that Yuda Wood is not a subsidiary, of the Company. However, there is evidence suggesting a close cooperation between SF and Yuda Wood which the IC had asked Management to explain. At the time the Second Interim Report was issued, the IC was continuing to review Management's explanations of a number of Yuda Wood-related emails and certain questions arising therefrom.

Subsequent to the issuance of its Second Interim Report in mid-November, the IC, with the assistance of the IC Advisors, has reviewed the Management responses provided to date relating to Yuda Wood and has sought further explanations and documentary support for such explanations. This was supplementary to the activities of the Audit Committee of SF and its advisors who have had during this period primary carriage of examining Management's responses on the interactions of SF and Yuda Wood. While many answers and explanations have been obtained, the IC believes that they are not yet sufficient to allow it to fully understand the nature and scope of the relationship between SF and Yuda Wood. Accordingly, based on the information it has obtained, the IC is still unable to independently verify that the relationship of Yuda Wood is at arm's length to SF. It is to be noted that Management is of the view that Yuda Wood is unrelated to SF for accounting purposes. The IC remains satisfied that Yuda is not a subsidiary of SF. Management continues to undertake work related to Yuda

Wood, including seeking documentation from third parties and responding to emails where the responses are not yet complete or prepared. Management has provided certain banking records to the Audit Committee that the Audit Committee advises support Management's position that SF did not capitalize Yuda Wood (but that review is not yet completed). The IC anticipates that Management will continue to work with the Audit Committee, Company counsel and E&Y on these issues.

# B. Other Relationships

Section VI.B.1 of the Second Interim Report described certain other relationships which had been identified in the course of the IC's preparation for certain interviews with AIs and Suppliers. These relationships include (i) thirteen Suppliers where former SF employees, consultants or secondees are or have been directors, officers and/or shareholders (including Yuda Wood); (ii) an AI with a former SF employee in a senior position; (iii) potential relationships between AIs and Suppliers; (iv) set-off payments for BVI standing timber purchases being made by companies that are not AIs and other setoff arrangements involving non-AI entities; (v) payments by AIs to potentially connected Suppliers; and (vi) sale of standing timber to an AI potentially connected to a Supplier of that timber. Unless expressly addressed herein, the IC has no further update of a material nature on the items raised above.

On the instructions of the IC, the IC Advisors gave the details of these possible relationships to Management for further follow up and explanation. Just prior to the Second Interim Report, Management provided information regarding AIs and Suppliers relationships among the Company and such parties.

This information was in the form of a report dated November 10, 2011, subsequently updated on November 21, 2011 and January 20, 2012 (the latest version being the "Kaitong Report") prepared by Kaitong Law Firm ("Kaitong"), a Chinese law firm which advises the Company. The Kaitong Report has been separately delivered to the Board. Kaitong has advised that much of the information in the Kaitong Report was provided by Management and has not been independently verified by such law firm or the IC.

[...]

The Kaitong Report generally describes certain relationships amongst AIs and Suppliers and certain relationships between their personnel and Sino-Forest, either identified by Management or through SAIC and other searches. The Kaitong Report also specifically addresses certain relationships identified in the Second Interim Report. The four main areas of information in the Kaitong Report are as follows and are discussed in more detail below:

(i) Backers to Suppliers and AIs: The Kaitong Report explains the concept of "backers" to both Suppliers and AIs. The Kaitong Report suggests that backers are individuals with considerable influence in political, social or business circles,

or all three. The Kaitong Report also states that such backers or their identified main business entities do not generally appear in SAIC filings by the Suppliers or Als as shareholders thereof and, in most instances, in any other capacity.

- (ii) Suppliers and AIs with Former SF Personnel: The appendices to the Kaitong Report list certain Suppliers that have former SF personnel as current shareholders.
- (iii) Common Shareholders Between Suppliers and AIs: The Kaitong Report states that there are 5 Suppliers and 3 AIs with current common shareholders but there is no cross majority ownership positions between Suppliers and AIs.
- (iv) Transactions Involving Suppliers and AIs that have Shareholders in common: The Kaitong Report states that, where SF has had transactions with Suppliers and AIs that have certain current shareholders in common as noted above, the subject timber in those transactions is not the same; that is, the timber which SF buys from such Suppliers and the timber which SF sells to such AIs are located in different counties or provinces.

The IC Advisors have reviewed the Kaitong Report on behalf of the IC. The IC Advisors liaised with Kaitong and met with Kaitong and current and former Management. A description of the Kaitong Report and the IC's findings and comments are summarized below. By way of summary, the Kaitong Report provides considerable information regarding relationships among Suppliers and AIs, and between them and SF, but much of this information related to the relationship of each backer with the associated Suppliers and AIs is not supported by any documentary or other independent evidence. As such, some of the information provided is unverified and, particularly as it relates to the nature of the relationships with the backers, is viewed by the IC to be likely unverifiable by it.

### 1. Backers to Suppliers and AIs

[...]

Given the general lack of information on the backers or the nature and scope of the relationships between the Suppliers or AIs and their respective backers and the absence of any documentary support or independent evidence of such relationships, the IC has been unable to reach any conclusion as to the existence, nature or importance of such relationships. As a result, the IC is unable to assess the implications, if any, of these backers with respect to SF's relationships with its Suppliers or AIs. Based on its experience to date, including interviews with Suppliers and AIs involving persons who have now been identified as backers in the Kaitong Report, the IC believes that it would be very difficult for the IC Advisors to arrange interviews with either the AIs or Suppliers or their respective backers and, if arranged, that such interviews would yield very little, if any, verifiable information to such advisors. The IC understands Management is continuing to seek meetings with its AIs and Suppliers with the objective of

obtaining information, to the extent such is available, that will provide further background to the relationships to the Audit Committee.

[...]

# 2. Suppliers and AIs with Former SF Personnel

The Appendices to the Kaitong Report list the Suppliers with former SF personnel as current shareholders. According to the information previously obtained by the IC Advisors, the identification of former SF personnel indicated in the Kaitong Report to be current shareholders of past or current Suppliers is correct.

## (a) Suppliers with former SF personnel

The Kaitong Report, which is limited to examining Suppliers where ex-SF employees are current shareholders as shown in SAIC filings, does not provide material new information concerning Suppliers where former SF employees were identified by the IC in the Second Interim Report as having various past or present connections to current or former Suppliers except that the Kaitong Report provides an explanation of two transactions identified in the Second Interim Report. These involved purchases of standing timber by SF from Suppliers controlled by persons who were employees of SF at the time of these transactions. Neither of the Suppliers have been related to an identified backer in the Kaitong Report. The explanations are similar indicating that neither of the SF employees was an officer in charge of plantation purchases or one of SF's senior management at the time of the transactions. The employees in question were Shareholder #14 in relation to a RMB 49 million purchase from Supplier #18 in December 2007 (shown in SAIC filings to be 100% owned by him) and Shareholder #20 in relation to a RMB 3.3 million purchase from Supplier #23 (shown in SAIC filings to be 70% owned by him) in October 2007. The Kaitong Report indicates Shareholder #20 is a current employee of SF who then had responsibilities in SF's wood board production business.

The IC is not aware that the employees' ownership positions were brought to the attention of the Board at the time of the transactions or, subsequently, until the publication of the Second Interim Report and understands the Audit Committee will consider such information.

# (b) AIs with former SF personnel

The Kaitong Report indicates that no SF employees are listed in SAIC filing reports as current shareholders of AIs. Except as noted herein, the IC agrees with this statement. The Kaitong Report does not address the apparent role of an exemployee Officer #3 who was introduced to the IC as the person in charge of AI #2 by Backer #5 of AI Conglomerate #1. Backer #5 is identified in the Kaitong Report as a backer of two AIs, including AI#2. (The Kaitong Report properly does not include AI #14. as an AI for this purpose, whose 100% shareholder is former SF employee Officer #3. However, the IC is satisfied that the activities of

this entity primarily relate to certain onshoring transactions that facilitated the transfer of SF BVI timber assets to SF WFOE subsidiaries.)

There was one other instance where a past shareholding relationship has been identified between an AI #10 and persons who were previously or are still shown on the SF human resources records, Shareholder #26 and Shareholder #27. Management has explained that such entity sold wood board processing and other assets to SF and that the persons associated with that company consulted with SF after such sale in relation to the purchased wood board processing assets. Such entity subsequently also undertook material timber purchases as an AI of SF in 2007-2008 over a time period in which such persons are shown as shareholders of such AI in the SAIC filing reviewed (as to 47.5% for Shareholder #26 and as to 52.5% for Shareholder #27). That time period also intersects the time that Shareholder #26 is shown in such human resources records and partially intersects the time that Shareholder #27 is shown on such records. Management has also explained that Shareholder #26 subsequent to the time of such AI sales became an employee of a SF wood board processing subsidiary. Management has provided certain documentary evidence of its explanations. The IC understands that the Audit Committee will consider this matter.

# 3. Common Shareholders between Supplier and AIs

The Kaitong Report states that there are 5 Suppliers and 3 Als that respectively have certain common current shareholders but also states that there is no cross control by those current shareholders of such Suppliers or AIs based on SAIC filings. The Kaitong Report correctly addresses current cross shareholdings in Suppliers and AIs based on SAIC filings but does not address certain other shareholdings. With the exception of one situation of cross control in the past, the IC has not identified a circumstance in the SAIC filings reviewed where the same person controlled a Supplier at the time it controlled a different AI. The one exception is that from April 2002 to February 2006, AI #13 is shown in SAIC filings as the 90% shareholder of Supplier/AI #14. AI #13 did business with SF BVIs from 2005 through 2007 and Supplier/AI #14 supplied SF BVIs from 2004 through 2006. However, the IC to date has only identified one contract involving timber bought from Supplier/AI #14 that was subsequently sold to AI #13. It involved a parcel of 2,379 Ha. timber sold to AI #13 in December 2005 that originated from a larger timber purchase contract with Supplier/AI #14 Management has provided an explanation for this earlier that vear. transaction. The IC understands that the Audit Committee will consider this matter.

4. Transactions involving Suppliers and AIs with Current Shareholders in Common

The Kaitong Report states that where SF has had transactions with 5 Suppliers and 3 AIs that have current shareholders in common (but no one controlling shareholder) as shown in SAIC filings, the subject timber in the transactions they

each undertook with SF is not the same; that is, the timber which SF buys from the Suppliers and the timber which SF sells to the AIs where the Supplier and AI have a current common shareholder were located in different areas and do not involve the same plots of timber. The Kaitong Report further states that where SF has had transactions with 5 Suppliers and 3 AIs with current shareholders in common as shown in SAIC filings, SF had transactions with those AIs prior to having transactions with those Suppliers, thus SF was not overstating its transactions by buying and selling to the same counterparties.

[...]

The Kaitong Report does not specifically address historical situations involving common shareholders and potential other interconnections between Als and Suppliers that may appear as a result of the identification of backers. There is generally no ownership connection shown in SAIC filings between backers and the Suppliers and Als associated with such backers in the Kaitong Report.

[...]

#### VI. OUTSTANDING MATTERS

As noted in Section I above, the IC understands that with the delivery of this report, its examination and review activities are terminated. The IC would expect its next steps may include only:

- (a) assisting in responses to regulators and RCMP as required; and
- (b) such other specific activities as it may deem advisable or the Board may instruct.

[Emphasis added]

# IX. SINO REWARDS ITS EXPERTS

209. Bowland, Hyde and West are former E&Y partners and employees. They served on Sino's Audit Committee but purported to exercise oversight of their former E&Y colleagues. In addition, Sino's Vice-President, Finance (Corporate), Thomas M. Maradin, is a former E&Y employee.

- 210. The charter of Sino's Audit Committee required that Ardell, Bowland, Hyde and West "review and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the Auditor." Sino's practice of appointing E&Y personnel to its board and paying them handsomely (for example, Hyde was paid \$163,623 by Sino in 2010, \$115,962 in 2009, \$57,000 in 2008 and \$55,875 in 2007, plus options and other compensation) undermined the Audit Committee's oversight of E&Y.
- 211. E&Y's independence was impaired by the significant non-audit fees it was paid during 2008-2010, which total \$712,000 in 2008, \$1,225,000 in 2009 and \$992,000 in 2010.
- 212. Further, Andrew Fyfe, the former Asia-Pacific President for Pöyry Forestry Industry Ltd, was appointed Chief Operating Officer of Greenheart, and is the director of several Sino subsidiaries. Fyfe signed the Pöyry valuation report dated June 30, 2004, March 22, 2005, March 23, 2006, March 14, 2008 and April 1, 2009.
- 213. George Ho, Sino's Vice President, Finance (China), is a former Senior Manager of the BDO.

## X. THE DEFENDANTS' RELATIONSHIP TO THE CLASS

- 214. By virtue of their purported accounting, financial and/or managerial acumen and qualifications, and by virtue of their having assumed, voluntarily and for profit, the role of gatekeepers, the Defendants had a duty at common law, informed by the Securities Legislation and/or the *CBCA*, to exercise care and diligence to ensure that the Impugned Documents fairly and accurately disclosed Sino's financial condition and performance in accordance with GAAP.
- 215. Sino is a reporting issuer and had an obligation to make timely, full, true and accurate disclosure of material facts and changes with respect to its business and affairs.

- 216. The Individual Defendants, by virtue of their positions as senior officers and/or directors of Sino, owed a duty to the Class Members to ensure that public statements on behalf of Sino were not untrue, inaccurate or misleading. The continuous disclosure requirements in Canadian securities law mandated that Sino provide the Impugned Documents, including quarterly and annual financial statements. These documents were meant to be read by Class Members who acquired Sino's Securities in the secondary market and to be relied on by them in making investment decisions. This public disclosure was prepared to attract investment, and Sino and the Individual Defendants intended that Class Members would rely on public disclosure for that purpose. With respect to Prospectuses and Offering Memoranda, these documents were prepared for primary market purchasers. They include detailed content as mandated under Canadian securities legislation, national instruments and OSC rules. They were meant to be read by the Class Members who acquired Sino's Securities in the primary market, and to be relied on by them in making decisions about whether to purchase the shares or notes under the Offerings to which these Prospectuses and Offering Memoranda related.
- 217. Chan and Horsley had statutory obligations under Canadian securities law to ensure the accuracy of disclosure documents and provided certifications in respect of the annual reports, financial statements and Prospectuses during the Class Period. The other Individual Defendants were directors of Sino during the Class Period and each had a statutory obligation as a director under the *CBCA* to manage or supervise the management of the business and affairs of Sino. These Individual Defendants also owed a statutory duty of care to shareholders under section 122 of the *CBCA*. In addition, Poon, along with Chan, co-founded Sino and has been its president since 1994. He is intimately aware of Sino's operations and as a long-standing senior officer, he

had an obligation to ensure proper disclosure. Poon authorized, permitted or acquiesced in the release of the Impugned Documents.

- 218. BDO and E&Y acted as Sino's auditors and provided audit reports in Sino's annual financial statements that were directed to shareholders. These audit reports specified that BDO and E&Y had conducted an audit in accordance with GAAS, which was untrue, and included their opinions that the financial statements presented fairly, in all material respects, the financial position of Sino, the results of operations and Sino's cash flows, in accordance with GAAP. BDO and E&Y knew and intended that Class Members would rely on the audit reports and assurances about the material accuracy of the financial statements.
- 219. Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD each signed one or more of the Prospectuses and certified that, to the best of its knowledge, information and belief, the particular prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby. These defendants knew that the Class Members who acquired Sino's Securities in the primary market would rely on these assurances and the trustworthiness that would be credited to the Prospectuses because of their involvement. Further, those Class Members that purchased shares under these Prospectuses purchased their shares from these defendants as principals.
- 220. Credit Suisse USA, TD and Banc of America acted as initial purchasers or dealer managers for one or more of the note Offerings. These defendants knew that persons purchasing these notes would rely on the trustworthiness that would be credited to the Offering Memoranda because of their involvement.

#### XI. THE PLAINTIFFS' CAUSES OF ACTION

### A. Negligent Misrepresentation

- 221. As against all Defendants except Pöyry and the Underwriters, and on behalf of all Class Members who acquired Sino's Securities in the secondary market, the Plaintiffs plead negligent misrepresentation for all of the Impugned Documents except the Offering Memoranda.
- Labourers and Wong, on behalf of Class Members who purchased Sino Securities in one of the distributions to which a Prospectus related, plead negligent misrepresentation as against Sino, Chan, Horsley, Poon, Wang, Martin, Mak, Murray, Hyde, BDO, E&Y, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD for the Prospectuses.
- 223. Grant, on behalf of Class Members who purchased Sino Securities in one of the distributions to which an Offering Memorandum related, pleads negligent misrepresentation as against Sino, BDO and E&Y for the Offering Memoranda.
- 224. In support of these claims, the sole misrepresentation that the Plaintiffs plead is the Representation. The Representation is contained in the language relating to GAAP particularized above, and was untrue for the reasons particularized elsewhere herein.
- 225. The Impugned Documents were prepared for the purpose of attracting investment and inducing members of the investing public to purchase Sino securities. The Defendants knew and intended at all material times that those documents had been prepared for that purpose, and that the Class Members would rely reasonably and to their detriment upon such documents in making the decision to purchase Sino securities.
- 226. The Defendants further knew and intended that the information contained in the Impugned Documents would be incorporated into the price of Sino's publicly traded securities

such that the trading price of those securities would at all times reflect the information contained in the Impugned Documents.

- 227. As set out elsewhere herein, the Defendants, other than Pöyry, Credit Suisse USA and Banc of America, had a duty at common law to exercise care and diligence to ensure that the Impugned Documents fairly and accurately disclosed Sino's financial condition and performance in accordance with GAAP.
- 228. These Defendants breached that duty by making the Representation as particularized above.
- 229. The Plaintiffs and the other Class Members directly or indirectly relied upon the Representation in making a decision to purchase the securities of Sino, and suffered damages when the falsity of the Representation was revealed on June 2, 2011.
- 230. Alternatively, the Plaintiffs and the other Class Members relied upon the Representation by the act of purchasing Sino securities in an efficient market that promptly incorporated into the price of those securities all publicly available material information regarding the securities of Sino. As a result, the repeated publication of the Representation in these Impugned Documents caused the price of Sino's shares to trade at inflated prices during the Class Period, thus directly resulting in damage to the Plaintiffs and Class Members.

## B. Statutory Claims, Negligence, Oppression, Unjust Enrichment and Conspiracy

- (i) Statutory Liability-Secondary Market under the Securities Legislation
- 231. The Plaintiffs plead the claim found in Part XXIII.1 of the OSA, and, if required, the equivalent sections of the Securities Legislation other than the OSA, against all Defendants except the Underwriters.

- 232. Each of the Impugned Documents except for the December 2009 and October 2010 Offering Memoranda is a "Core Document" within the meaning of the Securities Legislation.
- 233. Each of these Impugned Documents contained one or more misrepresentations as particularized above. Such misrepresentations and the Representation are misrepresentations for the purposes of the Securities Legislation.
- 234. Each of the Individual Defendants was an officer and/or director of Sino at material times. Each of the Individual Defendants authorized, permitted or acquiesced in the release of some or all of these Impugned Documents.
- 235. Sino is a reporting issuer within the meaning of the Securities Legislation.
- 236. E&Y is an expert within the meaning of the Securities Legislation. E&Y consented to the use of its statements particularized above in these Impugned Documents.
- 237. BDO is an expert within the meaning of the Securities Legislation. BDO consented to the use of its statements particularize above in these Impugned Documents.
- 238. Pöyry is an expert within the meaning of the Securities Legislation. Pöyry consented to the use of its statements particularized above in these Impugned Documents.
- 239. At all material times, each of Sino, Chan, Poon and Horsley, BDO and E&Y knew or, in the alternative, was wilfully blind to the fact, that the Impugned Documents contained the Representation and that the Representation was false, and that the Impugned Documents contained other of the misrepresentations that are alleged above to have been contained therein.
  - (ii) Statutory Liability Primary Market for Sino's Shares under the Securities Legislation
- 240. As against Sino, Chan, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD, and on behalf

of those Class Members who purchased Sino shares in one of the distributions to which the June 2009 or December 2009 Prospectuses related, Labourers and Wong assert the cause of action set forth in s. 130 of the *OSA* and, if necessary, the equivalent provisions of the Securities Legislation other than the *OSA*.

- 241. Sino issued the June 2009 and December 2009 Prospectuses, which contained the Representation and the other misrepresentations that are alleged above to have been contained in those Prospectuses or in the Sino disclosure documents incorporated therein by reference.
  - (iii) Statutory Liability Primary Market for Sino's Notes under the Securities Legislation
- As against Sino, and on behalf of those Class Members who purchased or otherwise acquired Sino's notes in one of the offerings to which the July 2008, June 2009, December 2009, and October 2010 Offering Memoranda related, Grant asserts the cause of action set forth in s. 130.1 of the *OSA* and, if necessary, the equivalent provisions of the Securities Legislation other than the *OSA*.
- 243. Sino issued the July 2008, June 2009, December 2009 and October 2010 Offering Memoranda, which contained the Representation and the other misrepresentations that are alleged above to have been contained in those Offering Memoranda or in the Sino disclosure documents incorporated therein by reference.
- (iv) Negligence Simpliciter Primary Market for Sino's Securities

  244. Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, BDO, E&Y, Pöyry and the Underwriters (collectively, the "Primary Market Defendants") acted negligently in connection with one or more of the Offerings.
- 245. As against Sino, Chan, Horsley, Poon, Wang, Martin, Mak, Murray, Hyde, BDO, E&Y, Pöyry, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD, and on

behalf of those Class Members who purchased Sino's Securities in one of the distributions to which those Prospectuses related, Labourers and Wong assert negligence simpliciter.

- 246. As against Sino, BDO, E&Y, Pöyry, Credit Suisse USA, Banc of America and TD, and on behalf of those Class Members who purchased Sino's Securities in one of the distributions to which the Offering Memoranda related, Grant asserts negligence simpliciter.
- 247. The Primary Market Defendants owed a duty of care to ensure that the Prospectuses and/or the Offering Memoranda they issued, or authorized to be issued, or in respect of which they acted as an underwriter, initial purchaser or dealer manager, made full, true and plain disclosure of all material facts relating to the Securities offered thereby, or to ensure that their opinions or reports contained in such Prospectuses and Offering Memoranda did not contain a misrepresentation.
- 248. At all times material to the matters complained of herein, the Primary Market Defendants ought to have known that such Prospectuses or Offering Memoranda and the documents incorporated therein by reference were materially misleading in that they contained the Representation and the other misrepresentations particularized above.
- 249. Chan, Poon, Horsley, Wang, Martin, Mak, Murray and Hyde were senior officers and/or directors at the time the Offerings to which the Prospectuses related. These Prospectuses were created for the purposes of obtaining financing for Sino's operations. Chan, Horsley, Martin and Hyde signed each of the Prospectuses and certified that they made full, true and plain disclosure of all material facts relating to the shares offered. Wang, Mak and Murray were directors during one or more of these Offerings and each had a statutory obligation to manage or supervise the management of the business and affairs of Sino. Poon was a director for the June 2007 share Offering and was president of Sino at the time of the June 2009 and December 2009 Offering.

Poon, along with Chan, co-founded Sino and has been the president since 1994. He is intimately aware of Sino's business and affairs.

- 250. The Underwriters acted as underwriters, initial purchasers or dealer managers for the Offerings to which the Prospectuses and Offering Memoranda related. They had an obligation to conduct due diligence in respect of those Offerings and ensure that those Securities were offering at a price that reflected their true value or that such distributions did not proceed if inappropriate. In addition, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD signed one or more of the Prospectuses and certified that to the best of their knowledge, information and belief, the Prospectuses constituted full, true and plain disclosure of all material facts relating to the shares offered.
- 251. E&Y and BDO acted as Sino's auditors and had a duty to maintain or to ensure that Sino maintained appropriate internal controls to ensure that Sino's disclosure documents adequately and fairly presented the business and affairs of Sino on a timely basis.
- 252. Pöyry had a duty to ensure that its opinions and reports reflected the true nature and value of Sino's assets. Pöyry, at the time it produced each of the 2008 Valuations, 2009 Valuations, and 2010 Valuations, specifically consented to the inclusion of those valuations or a summary at any time that Sino or its subsidiaries filed any documents on SEDAR or issued any documents pursuant to which any securities of Sino or any subsidiary were offered for sale.
- 253. The Primary Market Defendants have violated their duties to those Class Members who purchased Sino's Securities in the distributions to which a Prospectus or an Offering Memorandum related.

- 254. The reasonable standard of care expected in the circumstances required the Primary Market Defendants to prevent the distributions to which the Prospectuses or the Offering Memoranda related from occurring prior to the correction of the Representation and the other misrepresentations alleged above to have been contained in the Prospectuses or the Offering Memoranda, or in the documents incorporated therein by reference. Those Defendants failed to meet the standard of care required by causing the Offerings to occur before the correction of such misrepresentations.
- 255. In addition, by failing to attend and participate in Sino board and board committee meetings to a reasonable degree, Murray and Poon effectively abdicated their duties to the Class Members and as directors of Sino.
- 256. Sino, E&Y, BDO and the Individual Defendants further breached their duty of care as they failed to maintain or to ensure that Sino maintained appropriate internal controls to ensure that Sino's disclosure documents adequately and fairly presented the business and affairs of Sino on a timely basis.
- 257. Had the Primary Market Defendants exercised reasonable care and diligence in connection with the distributions to which the Prospectuses related, then securities regulators likely would not have issued a receipt for any of the Prospectuses, and those distributions would not have occurred, or would have occurred at prices that reflected the true value of Sino's shares.
- 258. Had the Primary Market Defendants exercised reasonable care and diligence in connection with the distributions to which the Offering Memoranda related, then those distributions would not have occurred, or would have occurred at prices that reflected the true value of Sino's notes.

- 259. The Primary Market Defendants' negligence in relation to the Prospectuses and the Offering Memoranda resulted in damage to Labourers, Grant and Wong, and to the other Class Members who purchased Sino's Securities in the related distributions. Had those Defendants satisfied their duty of care to such Class Members, then those Class Members would not have purchased the Securities that they acquired under the Prospectuses or the Offering Memoranda, or they would have purchased them at a much lower price that reflected their true value.
- (v) Unjust Enrichment of Chan, Martin, Poon, Horsley, Mak and Murray
  260. As a result of the Representation and the other misrepresentations particularized above,
  Sino's shares traded, and were sold by Chan, Martin, Poon, Horsley, Mak and Murray, at
  artificially inflated prices during the Class Period.
- 261. Chan, Martin, Poon, Horsley, Mak and Murray were enriched by their wrongful acts and omissions during the Class Period, and the Class Members who purchased Sino shares from such Defendants suffered a corresponding deprivation.
- 262. There was no juristic reason for the resulting enrichment of Chan, Martin, Poon, Horsley, Mak and Murray.
- 263. The Class Members who purchased Sino shares from Chan, Martin, Poon, Horsley, Mak and Murray during the Class Period are entitled to the difference between the price they paid to such Defendants for such shares, and the price that they would have paid had the Defendants not made the Representation and the other misrepresentations particularized above, and had not committed the wrongful acts and omissions particularized above.

- (vi) Unjust Enrichment of Sino
- 264. Throughout the Class Period, Sino made the Offerings. Such Offerings were made via various documents, particularized above, that contained the Representation and the misrepresentations particularized above.
- 265. The Securities sold by Sino via the Offerings were sold at artificially inflated prices as a result of the Representation and the others misrepresentations particularized above.
- 266. Sino was enriched by, and those Class Members who purchased the Securities via the Offerings were deprived of, an amount equivalent to the difference between the amount for which the Securities offered were actually sold, and the amount for which such securities would have been sold had the Offerings not included the Representation and the misrepresentations particularized above.
- 267. The Offerings violated Sino's disclosure obligations under the Securities Legislation and the various instruments promulgated by the securities regulators of the Provinces in which such Offerings were made. There was no juristic reason for the enrichment of Sino.
  - (vi) Unjust Enrichment of the Underwriters
- 268. Throughout the Class Period, Sino made the Offerings. Such Offerings were made via the Prospectuses and the Offering Memoranda, which contained the Representation and the other misrepresentations particularized above. Each of the Underwriters underwrote one or more of the Offerings.
- 269. The Securities sold by Sino via the Offerings were sold at artificially inflated prices as a result of the Representation and the other misrepresentations particularized above. The Underwriters earned fees from the Class, whether directly or indirectly, for work that they never

performed, or that they performed with gross negligence, in connection with the Offerings, or some of them.

- 270. The Underwriters were enriched by, and those Class Members who purchased securities via the Offerings were deprived of, an amount equivalent to the fees the Underwriters earned in connection with the Offerings.
- 271. The Offerings violated Sino's disclosure obligations under the Securities Legislation and the various instruments promulgated by the securities regulators of the Provinces in which such Offerings were made. There was no juristic reason for the enrichment of the Underwriters.
- 272. In addition, some or all of the Underwriters also acted as brokers in secondary market transactions relating to Sino securities, and earned trading commissions from the Class Members in those secondary market transactions in Sino's Securities. Those Underwriters were enriched by, and those Class Members who purchased Sino securities through those Underwriters in their capacity as brokers were deprived of, an amount equivalent to the commissions the Underwriters earned on such secondary market trades.
- 273. Had those Underwriters who also acted as brokers in secondary market transactions exercised reasonable diligence in connection with the Offerings in which they acted as Underwriters, then Sino's securities likely would not have traded at all in the secondary market, and the Underwriters would not have been paid the aforesaid trading commissions by the Class Members. There was no juristic reason for that enrichment of those Underwriters through their receipt of trading commissions from the Class Members.

#### (vii) Oppression

274. The Plaintiffs and the other Class Members had a reasonable and legitimate expectation that Sino and the Individual Defendants would use their powers to direct the company for Sino's

best interests and, in turn, in the interests of its security holders. More specifically, the Plaintiffs and the other Class Members had a reasonable expectation that:

- (a) Sino and the Individual Defendants would comply with GAAP, and/or cause Sino to comply with GAAP;
- (b) Sino and the Individual Defendants would take reasonable steps to ensure that the Class Members were made aware on a timely basis of material developments in Sino's business and affairs;
- (c) Sino and the Individual Defendants would implement adequate corporate governance procedures and internal controls to ensure that Sino disclosed material facts and material changes in the company's business and affairs on a timely basis;
- (d) Sino and the Individual Defendants would not make the misrepresentations particularized above;
- (e) Sino stock options would not be backdated or otherwise mispriced; and
- (f) the Individual Defendants would adhere to the Code.

### 275. Such reasonable expectations were not met as:

- (a) Sino did not comply with GAAP;
- (b) the Class Members were not made aware on a timely basis of material developments in Sino's business and affairs;
- (c) Sino's corporate governance procedures and internal controls were inadequate;
- (d) the misrepresentations particularized above were made;
- (e) stock options were backdated and/or otherwise mispriced; and
- (f) the Individual Defendants did not adhere to the Code.

- 276. Sino's and the Individual Defendants' conduct was oppressive and unfairly prejudicial to the Plaintiffs and the other Class Members and unfairly disregarded their interests. These defendants were charged with the operation of Sino for the benefit of all of its shareholders. The value of the shareholders' investments was based on, among other things:
  - (a) the profitability of Sino;
  - (b) the integrity of Sino's management and its ability to run the company in the interests of all shareholders;
  - (c) Sino's compliance with its disclosure obligations;
  - (d) Sino's ongoing representation that its corporate governance procedures met with reasonable standards, and that the business of the company was subjected to reasonable scrutiny; and
  - (e) Sino's ongoing representation that its affairs and financial reporting were being conducted in accordance with GAAP.
- 277. This oppressive conduct impaired the ability of the Plaintiffs and other Class Members to make informed investment decisions about Sino's securities. But for that conduct, the Plaintiffs and the other Class Members would not have suffered the damages alleged herein.
  - (viii) Conspiracy
- 278. Sino, Chan, Poon and Horsley conspired with each other and with persons unknown (collectively, the "Conspirators") to inflate the price of Sino's securities. During the Class Period, the Conspirators unlawfully, maliciously and lacking bona fides, agreed together to, among other things, make the Representation and other misrepresentations particularized above, and to profit from such misrepresentations by, among other things, issuing stock options in respect of which the strike price was impermissibly low.

- 279. The Conspirators' predominant purposes in so conspiring were to:
  - (a) inflate the price of Sino's securities, or alternatively, maintain an artificially high trading price for Sino's securities;
  - (b) artificially increase the value of the securities they held; and
  - (c) inflate the portion of their compensation that was dependent in whole or in part upon the performance of Sino and its securities.
- 280. In furtherance of the conspiracy, the following are some, but not all, of the acts carried out or caused to be carried out by the Conspirators:
  - (a) they agreed to, and did, make the Representation, which they knew was false;
  - (b) they agreed to, and did, make the other misrepresentations particularized above, which they knew were false;
  - (c) they caused Sino to issue the Impugned Documents which they knew to be materially misleading;
  - (d) as alleged more particularly below, they caused to be issued stock options in respect of which the strike price was impermissibly low; and
  - (e) they authorized the sale of securities pursuant to Prospectuses and Offering Memoranda that they knew to be materially false and misleading.
- 281. Stock options are a form of compensation used by companies to incentivize the performance of directors, officers and employees. Options are granted on a certain date (the 'grant date') at a certain price (the 'exercise' or 'strike' price). At some point in the future, typically following a vesting period, an options-holder may, by paying the strike price, exercise the option and convert the option into a share in the company. The option-holder will make money as long as the option's strike price is lower than the market price of the security at the

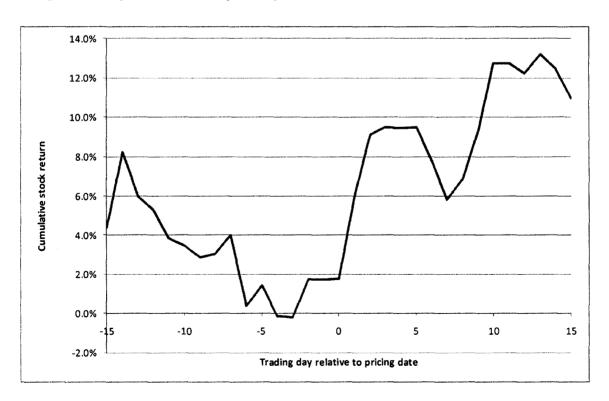
moment that the option is exercised. This enhances the incentive of the option recipient to work to raise the stock price of the company.

- 282. There are three types of option grants:
  - (a) 'in-the-money' grants are options granted where the strike price is lower than the market price of the security on the date of the grant; such options are not permissible under the TSX Rules and have been prohibited by the TSX Rules at all material times;
  - (b) 'at-the-money' grants are options granted where the strike price is equal to the market price of the security on the date of the grant or the closing price the day prior to the grant; and
  - (c) 'out-of-the-money' grants are options granted where the strike price is higher than the market price of the security on the date of the grant.
- 283. Both at-the-money and out-of-the-money options are permissible under the TSX Rules and have been at all material times.
- 284. The purpose of both at-the-money and out-of-the-money options is to create incentives for option recipients to work to raise the share price of the company. Such options have limited value at the time of the grant, because they entitle the recipient to acquire the company's shares at or above the price at which the recipient could acquire the company's shares in the open market. Options that are in-the-money, however, have substantial value at the time of the grant irrespective of whether the company's stock price rises subsequent to the grant date.
- 285. At all material times, the Sino Option Plan (the "Plan") prohibited in-the-money options.
- 286. The Conspirators backdated and/or otherwise mispriced Sino stock options, or caused the backdating and/or mispricing of Sino stock options, in violation of, inter alia: (a) the *OSA* and the rules and regulations promulgated thereunder; (b) the Plan; (c) GAAP; (d) the Code; (e) the TSX

Rules; and (f) the Conspirators' statutory, common law and contractual fiduciary duties and duties of care to Sino and its shareholders, including the Class Members.

287. The Sino stock options that were backdated or otherwise mispriced included those issued on June 26, 1996 to Chan, January 21, 2005 to Horsley, September 14, 2005 to Horsley, June 4, 2007 to Horsley and Chan, August 21, 2007 to Sino insiders other than the Conspirators, November 23, 2007 to George Ho and other Sino insiders, and March 31, 2009 to Sino insiders other than the Conspirators.

288. The graph below shows the average stock price returns for fifteen trading days prior and subsequent to the dates as of which Sino priced its stock options to its insiders. As appears therefrom, on average the dates as of which Sino's stock options were priced were preceded by a substantial decline in Sino's stock price, and were followed by a dramatic increase in Sino's stock price. This pattern could not plausibly be the result of chance.



- 289. The conspiracy was unlawful because the Conspirators knowingly and intentionally committed the foregoing acts when they knew such conduct was in violation of, *inter alia*, the *OSA*, the Securities Legislation other than the *OSA*, the Code, the rules and requirements of the TSX (the "TSX Rules") and the *CBCA*. The Conspirators intended to, and did, harm the Class by causing artificial inflation in the price of Sino's securities.
- 290. The Conspirators directed the conspiracy toward the Plaintiffs and the other Class Members. The Conspirators knew in the circumstances that the conspiracy would, and did, cause loss to the Plaintiffs and the other Class Members. The Plaintiffs and the Class Members suffered damages when the falsity of the Representation and other misrepresentations were revealed on June 2, 2011.

# XII. THE RELATIONSHIP BETWEEN SINO'S DISCLOSURES AND THE PRICE OF SINO'S SECURITIES

- 291. The price of Sino's securities was directly affected during the Class Period by the issuance of the Impugned Documents. The Defendants were aware at all material times of the effect of Sino's disclosure documents upon the price of its Sino's securities.
- 292. The Impugned Documents were filed, among other places, with SEDAR and the TSX, and thereby became immediately available to, and were reproduced for inspection by, the Class Members, other members of the investing public, financial analysts and the financial press.
- 293. Sino routinely transmitted the documents referred to above to the financial press, financial analysts and certain prospective and actual holders of Sino securities. Sino provided either copies of the above referenced documents or links thereto on its website.

- 294. Sino regularly communicated with the public investors and financial analysts via established market communication mechanisms, including through regular disseminations of their disclosure documents, including press releases on newswire services in Canada, the United States and elsewhere. Each time Sino communicated that new material information about Sino financial results to the public the price of Sino securities was directly affected.
- 295. Sino was the subject of analysts' reports that incorporated certain of the material information contained in the Impugned Documents, with the effect that any recommendations to purchase Sino securities in such reports during the Class Period were based, in whole or in part, upon that information.
- 296. Sino's securities were and are traded, among other places, on the TSX, which is an efficient and automated market. The price at which Sino's securities traded promptly incorporated material information from Sino's disclosure documents about Sino's business and affairs, including the Representation, which was disseminated to the public through the documents referred to above and distributed by Sino, as well as by other means.

#### XIII. VICARIOUS LIABILITY

#### A. Sino and the Individual Defendants

- 297. Sino is vicariously liable for the acts and omissions of the Individual Defendants particularized in this Claim.
- 298. The acts or omissions particularized and alleged in this Claim to have been done by Sino were authorized, ordered and done by the Individual Defendants and other agents, employees and representatives of Sino, while engaged in the management, direction, control and transaction of the business and affairs of Sino. Such acts and omissions are, therefore, not only the acts and omissions of the Individual Defendants, but are also the acts and omissions of Sino.

299. At all material times, the Individual Defendants were officers and/or directors of Sino. As their acts and omissions are independently tortious, they are personally liable for same to the Plaintiffs and the other Class Members.

#### $\mathbf{B}.\qquad \mathbf{E}\&\,\mathbf{Y}$

- 300. E&Y is vicariously liable for the acts and omissions of each of its officers, directors, partners, agents and employees as set out above.
- 301. The acts or omissions particularized and alleged in this Claim to have been done by E&Y were authorized, ordered and done by its officers, directors, partners, agents and employees, while engaged in the management, direction, control and transaction of the business and affairs of E&Y. Such acts and omissions are, therefore, not only the acts and omissions of those persons, but are also the acts and omissions of E&Y.

#### C. BDO

- 302. BDO is vicariously liable for the acts and omissions of each of its officers, directors, partners, agents and employees as set out above.
- 303. The acts or omissions particularized and alleged in this Claim to have been done by BDO were authorized, ordered and done by its officers, directors, partners, agents and employees, while engaged in the management, direction, control and transaction of the business and affairs of BDO. Such acts and omissions are, therefore, not only the acts and omissions of those persons, but are also the acts and omissions of BDO.

#### D. Pövrv

304. Pöyry is vicariously liable for the acts and omissions of each of its officers, directors, partners, agents and employees as set out above.

305. The acts or omissions particularized and alleged in this Claim to have been done by Pöyry were authorized, ordered and done by its officers, directors, partners, agents and employees, while engaged in the management, direction, control and transaction of the business and affairs of Pöyry. Such acts and omissions are, therefore, not only the acts and omissions of those persons, but are also the acts and omissions of Pöyry.

#### E. The Underwriters

- 306. The Underwriters are vicariously liable for the acts and omissions of each of their respective officers, directors, partners, agents and employees as set out above.
- 307. The acts or omissions particularized and alleged in this Claim to have been done by the Underwriters were authorized, ordered and done by each of their respective officers, directors, partners, agents and employees, while engaged in the management, direction, control and transaction of the business and affairs such Underwriters. Such acts and omissions are, therefore, not only the acts and omissions of those persons, but are also the acts and omissions of the respective Underwriters.

#### XIV. REAL AND SUBSTANTIAL CONNECTION WITH ONTARIO

- 308. The Plaintiffs plead that this action has a real and substantial connection with Ontario because, among other thing:
  - (a) Sino is a reporting issuer in Ontario;
  - (b) Sino's shares trade on the TSX which is located in Toronto, Ontario;
  - (c) Sino's registered office and principal business office is in Mississauga, Ontario;
  - (d) the Sino disclosure documents referred to herein were disseminated in and from Ontario;
  - (e) a substantial proportion of the Class Members reside in Ontario;

- (f) Sino carries on business in Ontario; and
- (g) a substantial portion of the damages sustained by the Class were sustained by persons and entities domiciled in Ontario.

#### XV. SERVICE OUTSIDE OF ONTARIO

- 309. The Plaintiffs may serve the Notice of Action and Statement of Claim outside of Ontario without leave in accordance with rule 17.02 of the Rules of Civil Procedure, because this claim is:
  - (a) a claim in respect of personal property in Ontario (para 17.02(a));
  - (b) a claim in respect of damage sustained in Ontario (para 17.02(h));
  - (c) a claim authorized by statute to be made against a person outside of Ontario by a proceeding in Ontario (para 17.02(n)); and
  - (d) a claim against a person outside of Ontario who is a necessary or proper party to a proceeding properly brought against another person served in Ontario (para 17.02(o)); and
  - (e) a claim against a person ordinarily resident or carrying on business in Ontario (para 17.02(p)).

# XVI. RELEVANT LEGISLATION, PLACE OF TRIAL, JURY TRIAL AND HEADINGS

- 310. The Plaintiffs plead and rely on the *CJA*, the *CPA*, the Securities Legislation and *CBCA*, all as amended.
- 311. The Plaintiffs propose that this action be tried in the City of Toronto, in the Province of Ontario, as a proceeding under the *CPA*.

- 312. The Plaintiffs will serve a jury notice.
- 313. The headings contained in this Statement of Claim are for convenience only. This Statement of Claim is intended to be read as an integrated whole, and not as a series of unrelated components.

April 18, 2012 Janay 26/18

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and

Sino-Forest Corporation, *et al.* 

Court File No.: CV-11-431153-00CP

Plaintiffs

Defendants

## ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

Proceeding under the Class Proceedings Act, 1992

# FRESH AS AMENDED STATEMENT OF CLAIM (NOTICE OF ACTION ISSUED JULY 20, 2011)

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Tel: 416-595.2149 Fax: 416.204.2903 Lawyers for the Plaintiffs This is Exhibit "W" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

Court File No.: CV-11-431153-00CP

# ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC, and BANC OF AMERICA SECURITIES LLC

**Defendants** 

Proceeding under the Class Proceedings Act, 1992

FRESH AS AMENDED STATEMENT OF CLAIM (NOTICE OF ACTION ISSUED JULY 20, 2011)

**TO:** Sino-Forest Corporation

1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: David Horsley

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Allen Chan

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: William Ardell

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: James Bowland

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: James Hyde

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Edmund Mak

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: W. Judson Martin

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Simon Murray

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3 AND TO: Kai Kit Poon

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Peter Wang

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Garry West

Sino-Forest Corporation 1208-90 Burnhamthorpe Rd W Mississauga, ON L5B 3C3

AND TO: Ernst & Young LLP

222 Bay Street

Toronto, ON M5K 1J7

AND TO: BDO Limited

25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong, China

AND TO: Pöyry (Beijing) Consulting Company Limited

2208-2210 Cloud 9 Plaza No. 1118 West Yan'an Road Shanghai 200052 PR CHINA

AND TO: Credit Suisse Securities (Canada), Inc.

1 First Canadian Place

100 King Street West, Suite 2900 Toronto, Ontario M5X 1C9

AND TO: TD Securities Inc.

66 Wellington Street West P.O. Box 1, TD Bank Tower Toronto, Ontario M5K 1A2

AND TO: Dundee Securities Corporation

1 Adelaide Street East Toronto, ON M5C 2V9 AND TO: RBC Dominion Securities Inc.

155 Wellington Street West, 17th Floor

Toronto, Ontario M5V 3K7

AND TO: Scotia Capital Inc.

40 King Street West, Scotia Plaza

P.O. Box 4085, Station A Toronto, Ontario M5W 2X6

AND TO: CIBC World Markets Inc.

161 Bay Street, Brookfield Place

P.O. Box 500

Toronto, Ontario M5J 2S8

AND TO: Merrill Lynch Canada Inc.

BCE Place, Wellington Tower 181 Bay Street, 4<sup>th</sup> and 5<sup>th</sup> Floors Toronto, Ontario M5J 2V8

AND TO: Canaccord Financial Ltd.

161 Bay Street, Suite 2900

P.O. Box 516

Toronto, Ontario M5J 2S1

AND TO: Maison Placements Canada Inc.

130 Adelaide Street West, Suite 906

Toronto, Ontario M5H 3P5

AND TO: Credit Suisse Securities (USA) LLC

Eleven Madison Avenue New York, NY 10010

AND TO: Banc of America Securities LLC

100 N. Tryon St., Ste. 220 Charlotte, NC 28255

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|       |                                                                                             | I. DEFINED TERMS                                                                             |  |  |  |
| 1.    | In this Statement of Claim, in addition to the terms that are defined elsewhere herein, the |                                                                                              |  |  |  |
|       | follov                                                                                      | wing terms have the following meanings:                                                      |  |  |  |
|       | (a)                                                                                         | "AI" means Authorized Intermediary;                                                          |  |  |  |

- (b) "AIF" means Annual Information Form;
- (c) "Ardell" means the defendant William E. Ardell;
- (d) "Banc of America" means the defendant Banc of America Securities LLC;
- (e) "BDO" means the defendant BDO Limited;
- (f) "Bowland" means the defendant James P. Bowland;
- (g) "BVI" means British Virgin Islands;
- (h) "Canaccord" means the defendant Canaccord Financial Ltd.;
- (i) "CBCA" means the Canada Business Corporations Act, RSC 1985, c. C-44, as amended;
- (j) "Chan" means the defendant Allen T.Y. Chan also known as "Tak Yuen Chan";
- (k) "CIBC" means the defendant CIBC World Markets Inc.;
- (1) "CJA" means the Ontario Courts of Justice Act, RSO 1990, c C-43, as amended;
- (m) "Class" and "Class Members" all persons and entities, wherever they may reside who acquired Sino's Securities during the Class Period by distribution in Canada or on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all persons and entities who acquired Sino's Securities during the Class Period who are resident of Canada or were resident of Canada at the time of acquisition and who acquired Sino's Securities outside of Canada, except the Excluded Persons;
- (n) "Class Period" means the period from and including March 19, 2007 to and including June 2, 2011;
- (o) "Code" means Sino's Code of Business Conduct;

- (p) "CPA" means the Ontario Class Proceedings Act, 1992, SO 1992, c 6, as amended;
- (q) "Credit Suisse" means the defendant Credit Suisse Securities (Canada), Inc.;
- (r) "Credit Suisse USA" means the defendant Credit Suisse Securities (USA) LLC;
- (s) "Defendants" means Sino, the Individual Defendants, Pöyry, BDO, E&Y and the Underwriters;
- (t) "December 2009 Offering Memorandum" means Sino's Final Offering Memorandum, dated December 10, 2009, relating to the distribution of Sino's 4.25% Convertible Senior Notes due 2016 which Sino filed on SEDAR on December 11, 2009;
- (u) "December 2009 Prospectus" means Sino's Final Short Form Prospectus, dated December 10, 2009, which Sino filed on SEDAR on December 11, 2009;
- (v) "Dundee" means the defendant Dundee Securities Corporation;
- (w) "E&Y" means the defendant, Ernst and Young LLP;
- (x) "Excluded Persons" means 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;
- (y) "Final Report" means the report of the IC, as that term is defined in paragraph 10 hereof;
- (z) "GAAP" means Canadian generally accepted accounting principles;
- (aa) "GAAS" means Canadian generally accepted auditing standards;
- (bb) "Horsley" means the defendant David J. Horsley;
- (cc) "Hyde" means the defendant James M.E. Hyde;

"Impugned Documents" mean the 2005 Annual Consolidated Financial (dd) Statements (filed on SEDAR on March 31, 2006), Q1 2006 Financial Statements (filed on SEDAR on May 11, 2006), the 2006 Annual Consolidated Financial Statements (filed on SEDAR on March 19, 2007), 2006 AIF (filed on SEDAR on March 30, 2007), 2006 Annual MD&A (filed on SEDAR on March 19, 2007), Management Information Circular dated April 27, 2007 (filed on SEDAR on May 4, 2007), Q1 2007 MD&A (filed on SEDAR on May 14, 2007), Q1 2007 Financial Statements (filed on SEDAR on May 14, 2007), June 2007 Prospectus, Q2 2007 MD&A (filed on SEDAR on August 13, 2007), Q2 2007 Financial Statements (filed on SEDAR on August 13, 2007), Q3 2007 MD&A (filed on SEDAR on November 12, 2007), Q3 2007 Financial Statements (filed on SEDAR on November 12, 2007), 2007 Annual Consolidated Financial Statements (filed on SEDAR on March 18, 2008), 2007 AIF (filed on SEDAR on March 28, 2008), 2007 Annual MD&A (filed on SEDAR on March 18, 2008), Amended 2007 Annual MD&A (filed on SEDAR on March 28, 2008), Management Information Circular dated April 28, 2008 (filed on SEDAR on May 6, 2008), Q1 2008 MD&A (filed on SEDAR on May 13, 2008), Q1 2008 Financial Statements (filed on SEDAR on May 13, 2008), July 2008 Offering Memorandum, Q2 2008 MD&A (filed on SEDAR on August 12, 2008), Q2 2008 Financial Statements (filed on SEDAR on August 12, 2008), Q3 2008 MD&A (filed on SEDAR on November 13, 2008), Q3 2008 Financial Statements (filed on SEDAR on November 13, 2008), 2008 Annual Consolidated Financial Statements (filed on SEDAR on March 16, 2009), 2008 Annual MD&A (filed on SEDAR on March 16, 2009), Amended 2008 Annual MD&A (filed on SEDAR on March 17, 2009), 2008 AIF (filed on SEDAR on March 31, 2009), Management Information Circular dated April 28, 2009 (filed on SEDAR on May 4, 2009), Q1 2009 MD&A (filed on SEDAR on May 11, 2009), Q1 2009 Financial Statements (filed on SEDAR on May 11, 2009), June 2009 Prospectus, June 2009 Offering Memorandum, Q2 2009 MD&A (filed on SEDAR on August 10, 2009), Q2 2009 Financial Statements (filed on SEDAR on August 10, 2009), Q3 2009 MD&A (filed on SEDAR on November 12, 2009),

Q3 2009 Financial Statements (filed on SEDAR on November 12, 2009), December 2009 Prospectus, December 2009 Offering Memorandum, 2009 Annual MD&A (filed on SEDAR on March 16, 2010), 2009 Audited Annual Financial Statements (filed on SEDAR on March 16, 2010), 2009 AIF (filed on SEDAR on March 31, 2010), Management Information Circular dated May 4, 2010 (filed on SEDAR on May 11, 2010), Q1 2010 MD&A (filed on SEDAR on May 12, 2010), Q1 2010 Financial Statements (filed on SEDAR on May 12, 2010), Q2 2010 MD&A (filed on SEDAR on August 10, 2010), Q2 2010 Financial Statements (filed on SEDAR on August 10, 2010), October 2010 Offering Memorandum, Q3 2010 MD&A (filed on SEDAR on November 10, 2010), Q3 2010 Financial Statements (filed on SEDAR on November 10, 2010), 2010 Annual MD&A (March 15, 2011), 2010 Audited Annual Financial Statements (filed on SEDAR on March 15, 2011), 2010 AIF (filed on SEDAR on March 31, 2011), and Management Information Circular dated May 2, 2011 (filed on SEDAR on May 10, 2011);

- (ee) "Individual Defendants" means Chan, Martin, Poon, Horsley, Ardell, Bowland, Hyde, Mak, Murray, Wang, and West, collectively;
- (ff) "July 2008 Offering Memorandum" means the Final Offering Memorandum dated July 17, 2008, relating to the distribution of Sino's 5% Convertible Senior Notes due 2013 which Sino filed on SEDAR as a schedule to a material change report on July 25, 2008;
- (gg) "June 2007 Prospectus" means Sino's Short Form Prospectus, dated June 5, 2007, which Sino filed on SEDAR on June 5, 2007;
- (hh) "June 2009 Offering Memorandum" means Sino's Exchange Offer Memorandum dated June 24, 2009, relating to an offer to exchange Sino's Guaranteed Senior Notes due 2011 for new 10.25% Guaranteed Senior Notes due 2014 which Sino filed on SEDAR as a schedule to a material change report on June 25, 2009;

- (ii) "June 2009 Prospectus" means Sino's Final Short Form Prospectus, dated June 1, 2009, which Sino filed on SEDAR on June 1, 2009;
- (jj) "Maison" means the defendant Maison Placements Canada Inc.;
- (kk) "Martin" means the defendant W. Judson Martin;
- (11) "Mak" means the defendant Edmund Mak;
- (mm) "MD&A" means Management's Discussion and Analysis;
- (nn) "Merrill" means the defendant Merrill Lynch Canada Inc.;
- (00) "Muddy Waters" means Muddy Waters LLC;
- (pp) "Murray" means the defendant Simon Murray;
- (qq) "October 2010 Offering Memorandum" means the Final Offering Memorandum dated October 14, 2010, relating to the distribution of Sino's 6.25% Guaranteed Senior Notes due 2017;
- (rr) "Offering" or "Offerings" means the primary distributions in Canada of Sino's Securities that occurred during the Class Period including the public offerings of Sino's common shares pursuant to the June 2007, June 2009 and December 2009 Prospectuses, as well as the offerings of Sino's notes pursuant to the July 2008, June 2009, December 2009, and October 2010 Offering Memoranda, collectively;
- (SS) "OSA" means the Securities Act, RSO 1990 c S.5, as amended;
- (tt) "OSC" means the Ontario Securities Commission;
- (uu) "Plaintiffs" means the plaintiffs, the Trustees of the Labourers' Pension Fund of Central and Eastern Canada ("Labourers"), the Trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in

Ontario ("Operating Engineers"), Sjunde AP-Fonden ("AP7"), David C. Grant ("Grant"), and Robert Wong ("Wong"), collectively;

- (vv) "Poon" means the defendant Kai Kit Poon;
- (ww) "Pöyry" means the defendant, Pöyry (Beijing) Consulting Company Limited;
- (xx) "PRC" means the People's Republic of China;
- (yy) "Representation" means the statement that Sino's financial statements complied with GAAP;
- (zz) "RBC" means the defendant RBC Dominion Securities Inc.;
- (aaa) "Scotia" means the defendant Scotia Capital Inc.;
- (bbb) "Second Report" means the Second Interim Report of the IC, as that term is defined in paragraph 10 hereof;
- (ccc) "Securities" means Sino's common shares, notes or other securities, as defined in the OSA;
- (ddd) "Securities Legislation" means, collectively, the OSA, the Securities Act, RSA 2000, c S-4, as amended; the Securities Act, RSBC 1996, c 418, as amended; the Securities Act, CCSM c S50, as amended; the Securities Act, SNB 2004, c S-5.5, as amended; the Securities Act, RSNL 1990, c S-13, as amended; the Securities Act, SNWT 2008, c 10, as amended; the Securities Act, RSNS 1989, c 418, as amended; the Securities Act, S Nu 2008, c 12, as amended; the Securities Act, RSPEI 1988, c S-3.1, as amended; the Securities Act, RSQ c V-1.1, as amended; the Securities Act, 1988, SS 1988-89, c S-42.2, as amended; and the Securities Act, SY 2007, c 16, as amended;
- (eee) "SEDAR" means the system for electronic document analysis and retrieval of the Canadian Securities Administrators;

- (fff) "Sino" means, as the context requires, either the defendant Sino-Forest Corporation, or Sino-Forest Corporation and its affiliates and subsidiaries, collectively;
- (ggg) "TD" means the defendant TD Securities Inc.;
- (hhh) "TSX" means the Toronto Stock Exchange;
- (iii) "Underwriters" means Banc of America, Canaccord, CIBC, Credit Suisse, Credit Suisse USA, Dundee, Maison, Merrill, RBC, Scotia, and TD, collectively;
- (jjj) "Wang" means the defendant Peter Wang;
- (kkk) "West" means the defendant Garry J. West; and
- (III) "WFOE" means wholly foreign owned enterprise or an enterprise established in China in accordance with the relevant PRC laws, with capital provided solely by foreign investors.

. .i. :

#### II. CLAIM

#### 2. The Plaintiffs claim:

- (a) An order certifying this action as a class proceeding and appointing the Plaintiffs as representative plaintiffs for the Class, or such other class as may be certified by the Court;
- (b) A declaration that the Impugned Documents contained, either explicitly or implicitly, the Representation, and that, when made, the Representation was a misrepresentation, both at law and within the meaning of the Securities Legislation;
- (c) A declaration that the Impugned Documents contained one or more of the other misrepresentations alleged herein, and that, when made, those other misrepresentations constituted misrepresentations, both at law and within the meaning of the Securities Legislation;
- (d) A declaration that Sino is vicariously liable for the acts and/or omissions of the Individual Defendants and of its other officers, directors and employees;
- (e) A declaration that the Underwriters, E&Y, BDO and Pöyry are each vicariously liable for the acts and/or omissions of their respective officers, directors, partners and employees;
- (f) On behalf of all of the Class Members who purchased Sino's Securities in the secondary market during the Class Period, and as against all of the Defendants other than the Underwriters, general damages in the sum of \$6.5 billion;
- (g) On behalf of all of the Class Members who purchased Sino common shares in the distribution to which the June 2007 Prospectus related, and as against Sino, Chan, Poon, Horsley, Martin, Mak, Murray, Hyde, Pöyry, BDO, Dundee, CIBC, Merrill and Credit Suisse general damages in the sum of \$175,835,000;
- (h) On behalf of all of the Class Members who purchased Sino common shares in the distribution to which the June 2009 Prospectus related, and as against Sino, Chan,

Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, E&Y, Dundee, Merrill, Credit Suisse, Scotia and TD, general damages in the sum of \$330,000,000;

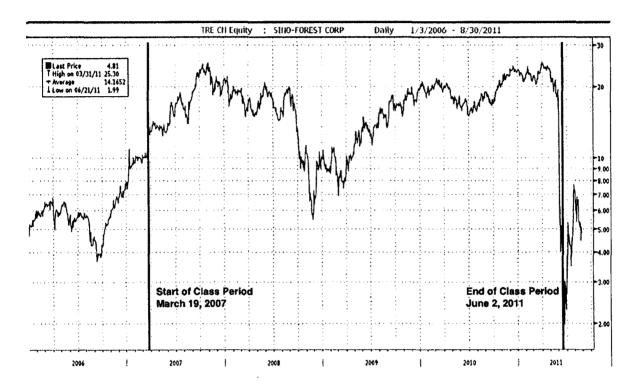
- (i) On behalf of all of the Class Members who purchased Sino common shares in the distribution to which the December 2009 Prospectus related, and as against Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD, general damages in the sum of \$319,200,000;
- (j) On behalf of all the Class Members who purchased Sino's 5% Convertible Senior Notes due 2013 pursuant to the July 2008 Offering Memorandum, and as against Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y and Credit Suisse USA, general damages in the sum of US\$345 million;
- (k) On behalf of all the Class Members who purchased Sino's 10.25% Guaranteed Senior Notes due 2014 pursuant to the June 2009 Offering Memorandum, and as against Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y and Credit Suisse USA, general damages in the sum of US\$400 million;
- (1) On behalf of all the Class Members who purchased Sino's 4.25% Convertible Senior Notes due 2016 pursuant to the December 2009 Offering Memorandum, and as against Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y, Credit Suisse USA and TD, general damages in the sum of US460 million;
- (m) On behalf of all the Class Members who purchased Sino's 6.25% Guaranteed Senior Notes due 2017 pursuant to the October 2010 Offering Memorandum, and as against Sino, Chan, Poon, Horsley, Wang, Mak, Murray, Hyde, Ardell, Pöyry, E&Y, Credit Suisse USA and Banc of America, general damages in the sum of US\$600 million;

- (n) On behalf of all of the Class Members, and as against Sino, Chan, Poon and Horsley, punitive damages, in respect of the conspiracy pled below, in the sum of \$50 million;
- (o) A declaration that Sino, Chan, Poon, Horsley, Martin, Mak, Murray and the Underwriters were unjustly enriched;
- (p) A constructive trust, accounting or such other equitable remedy as may be available as against Sino, Chan, Poon, Horsley, Martin, Mak, Murray and the Underwriters;
- (q) A declaration that the acts and omissions of Sino have effected a result, the business or affairs of Sino have been carried on or conducted in a manner, or the powers of the directors of Sino have been exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of the Plaintiffs and the Class Members, pursuant to s. 241 of the CBCA;
- (r) An order directing a reference or giving such other directions as may be necessary to determine the issues, if any, not determined at the trial of the common issues;
- (s) Prejudgment and post judgment interest;
- (t) Costs of this action on a substantial indemnity basis or in an amount that provides full indemnity plus, pursuant to s 26(9) of the *CPA*, the costs of notice and of administering the plan of distribution of the recovery in this action plus applicable taxes; and
- (u) Such further and other relief as to this Honourable Court may seem just.

#### III. OVERVIEW

3. From the time of its establishment in 1994, Sino has claimed to be a legitimate business operating in the commercial forestry industry in the PRC and elsewhere. Throughout that period, Sino has also claimed to have experienced breathtaking growth.

4. Beguiled by Sino's reported results, and by Sino's constant refrain that China constituted an extraordinary growth opportunity, investors drove Sino's stock price dramatically higher, as appears from the following chart:



5. The Defendants profited handsomely from the market's appetite for Sino's securities. Certain of the Individual Defendants sold Sino shares at lofty prices, and thereby reaped millions of dollars of gains. Sino's senior management also used Sino's illusory success to justify their lavish salaries, bonuses and other perks. For certain of the Individual Defendants, these outsized gains were not enough. Sino stock options granted to Chan, Horsley and other insiders were backdated or otherwise mispriced, prior to and during the Class Period, in violation of the TSX Rules, GAAP and the Securities Legislation.

- 6. Sino itself raised in excess of \$2.7 billion<sup>1</sup> in the capital markets during this period. Meanwhile, the Underwriters were paid lucrative underwriting commissions, and BDO, E&Y and Pöyry garnered millions of dollars in fees to bless Sino's reported results and assets. To their great detriment, the Class Members relied upon these supposed gatekeepers.
- 7. As a reporting issuer in Ontario and elsewhere, Sino was required at all material times to comply with GAAP. Indeed, Sino, BDO and E&Y, Sino's auditors during the Class Period and previously, repeatedly misrepresented that Sino's financial statements complied with GAAP. This was false.
- 8. On June 2, 2011, Muddy Waters, a short seller and research firm with extensive PRC experience, issued its first research report in relation to Sino, and unveiled the scale of the deception that had been worked upon the Class Members. Muddy Waters' initial report effectively revealed, among other things, that Sino had materially misstated its financial results, had falsely claimed to have acquired trees that it did not own, had reported sales that had not been made, or that had been made in a manner that did not permit Sino to book those sales as revenue under GAAP, and had concealed numerous related party transactions. These revelations had a catastrophic effect on Sino's stock price.
- 9. On June 1, 2011, prior to the publication of Muddy Waters' report, Sino's common shares closed at \$18.21. After the Muddy Waters report became public, Sino shares fell to \$14.46 on the TSX (a decline of 20.6%), at which point trading was halted. When trading resumed the next day, Sino's shares fell to a close of \$5.23 (a decline of 71.3% from June 1).
- 10. On June 3, 2011, Sino announced that, in response to the allegations of Muddy Waters, its board had formed a committee, which Sino then falsely characterized as "independent" (the

<sup>1</sup> Dollar figures are in Canadian dollars (unless otherwise indicated) and are rounded for convenience

"Independent Committee" or "IC"), to examine and review the allegations contained in the Muddy Waters' report of June 2, 2011. The initial members of the IC were the Defendants Ardell, Bowland and Hyde. The IC subsequently retained legal, accounting and other advisers to assist it in the fulfillment of its mandate.

- 11. On August 26, 2011, the OSC issued a cease-trade order in respect of Sino's securities, alleging that Sino appeared to have engaged in significant non-arm's length transactions which may have been contrary to Ontario securities laws and the public interest, that Sino and certain of its officers and directors appeared to have misrepresented some of Sino's revenue and/or exaggerated some of its timber holdings, and that Sino and certain of its officers and directors, including Chan, appeared to be engaging or participating in acts, practices or a course of conduct related to Sino's securities which they (or any of them) knew or ought reasonably know would perpetuate a fraud.
- 12. On November 13, 2011, the IC released the Second Report. Therein, the IC revealed, inter alia, that: (1) Sino's management had failed to cooperate in numerous important respects with the IC's investigation; (2) "there is a risk" that certain of Sino's operations "taken as a whole" were in violation of PRC law; (3) Sino adopted processes that "avoid[] Chinese foreign exchange controls which must be complied with in a normal cross-border sale and purchase transaction, and [which] could present an obstacle to future repatriation of sales proceeds, and could have tax implications as well"; (4) the IC "has not been able to verify that any relevant income taxes and VAT have been paid by or on behalf of the BVIs in China"; (5) Sino lacked proof of title to the vast majority of its purported holdings of standing timber; (6) Sino's "transaction volumes with a number of AI and Suppliers do not match the revenue reported by such Suppliers in their SAIC filing"; (7) "[n]one of the BVI timber purchase contracts have as

attachments either (i) Plantation Rights Certificates from either the Counterparty or original owner or (ii) villager resolutions, both of which are contemplated as attachments by the standard form of BVI timber purchase contract employed by the Company; and (8) "[t]here are indications in emails and in interviews with Suppliers that gifts or cash payments are made to forestry bureaus and forestry bureau officials."

13. On January 31, 2012, the IC released its Final Report. Therein, the IC effectively revealed that, despite having conducted an investigation over nearly eight months, and despite the expenditure of US\$50 million on that investigation, it had failed to refute, or even to provide plausible answers to, key allegations made by Muddy Waters:

This Final Report of the IC sets out the activities undertaken by the IC since mid-November, the findings from such activities and the IC's conclusions regarding its examination and review. The IC's activities during this period have been limited as a result of Canadian and Chinese holidays (Christmas, New Year and Chinese New Year) and the extensive involvement of IC members in the Company's Restructuring and Audit Committees, both of which are advised by different advisors than those retained by the IC. The IC believes that, notwithstanding there remain issues which have not been fully answered, the work of the IC is now at the point of diminishing returns because much of the information which it is seeking lies with non-compellable third parties, may not exist or is apparently not retrievable from the records of the Company.

[...]

Given the circumstances described above, the IC understands that, with the delivery of this Final Report, its review and examination activities are terminated. The IC does not expect to undertake further work other than assisting with responses to regulators and the RCMP as required and engaging in such further specific activities as the IC may deem advisable or the Board may instruct. The IC has asked the IC Advisors to remain available to assist and advise the IC upon its instructions

14. Sino failed to meet the standards required of a public company in Canada. Aided by its auditors and the Underwriters, Sino raised billions of dollars from investors on the false premise that they were investing in a well managed, ethical and GAAP-compliant corporation. They

were not. Accordingly, this action is brought to recover the Class Members' losses from those who caused them: the Defendants.

#### IV. THE PARTIES

# A. The Plaintiffs

- 15. Labourers are the trustees of the Labourers' Pension Fund of Central and Eastern Canada, a multi-employer pension plan providing benefits for employees working in the construction industry. The fund is a union-negotiated, collectively-bargained defined benefit pension plan established on February 23, 1972 and currently has approximately \$2 billion in assets, over 39,000 members and over 13,000 pensioners and beneficiaries and approximately 2,000 participating employers. A board of trustees representing members of the plan governs the fund. The plan is registered under the *Pension Benefits Act*, RSO 1990, c P.8 and the *Income Tax Act*, RSC 1985, 5th Supp, c,1. Labourers purchased Sino's common shares over the TSX during the Class Period and continued to hold shares at the end of the Class Period. In addition, Labourers purchased Sino common shares offered by the December 2009 Prospectus and in the distribution to which that Prospectus related.
- 16. Operating Engineers are the trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario, a multi-employer pension plan providing pension benefits for operating engineers in Ontario. The pension plan is a union-negotiated, collectively-bargained defined benefit pension plan established on November 1, 1973 and currently has approximately \$1.5 billion in assets, over 9,000 members and pensioners and beneficiaries. The fund is governed by a board of trustees representing members of the plan. The plan is registered under the *Pension Benefits Act*, RSO 1990, c P.8 and the *Income Tax Act*, RSC 1985, 5th Supp, c.1. Operating Engineers purchased Sino's common shares over the TSX during the Class Period, and continued to hold shares at the end of the Class Period.

- 17. AP7 is the Swedish National Pension Fund. As of June 30, 2011, AP7 had approximately \$15.3 billion in assets under management. Funds managed by AP7 purchased Sino's common shares over the TSX during the Class Period and continued to hold those common shares at the end of the Class Period.
- 18. Grant is an individual residing in Calgary, Alberta. He purchased 100 of the Sino 6.25% Guaranteed Senior Notes due 2017 that were offered by the October 2010 Offering Memorandum and in the distribution to which that Offering Memorandum related. Grant continued to hold those Notes at the end of the Class Period.
- 19. Wong is an individual residing in Kincardine, Ontario. During the Class Period, Wong purchased Sino's common shares over the TSX and continued to hold some or all of such shares at the end of the Class Period. In addition, Wong purchased Sino common shares offered by the December 2009 Prospectus and in the distribution to which that Prospectus related, and continued to own those shares at the end of the Class Period.

## B. The Defendants

- 20. Sino purports to be a commercial forest plantation operator in the PRC and elsewhere. Sino is a corporation formed under the *CBCA*.
- 21. At the material times, Sino was a reporting issuer in all provinces of Canada, and had its registered office located in Mississauga, Ontario. At the material times, Sino's shares were listed for trading on the TSX under the ticker symbol "TRE," on the Berlin exchange as "SFJ GR," on the over-the-counter market in the United States as "SNOFF" and on the Tradegate market as "SFJ TH." Sino securities are also listed on alternative trading venues in Canada and elsewhere including, without limitation, AlphaToronto and PureTrading. Sino's shares also traded over-

the-counter in the United States. Sino has various debt instruments, derivatives and other securities that are traded in Canada and elsewhere.

- 22. As a reporting issuer in Ontario, Sino was required throughout the Class Period to issue and file with SEDAR:
  - (a) within 45 days of the end of each quarter, quarterly interim financial statements prepared in accordance with GAAP that must include a comparative statement to the end of each of the corresponding periods in the previous financial year;
  - (b) within 90 days of the end of the fiscal year, annual financial statements prepared in accordance with GAAP, including comparative financial statements relating to the period covered by the preceding financial year;
  - (c) contemporaneously with each of the above, a MD&A of each of the above financial statements; and
  - (d) within 90 days of the end of the fiscal year, an AIF, including material information about the company and its business at a point in time in the context of its historical and possible future development.
- 23. MD&As are a narrative explanation of how the company performed during the period covered by the financial statements, and of the company's financial condition and future prospects. The MD&A must discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in future.
- 24. AIFs are an annual disclosure document intended to provide material information about the company and its business at a point in time in the context of its historical and future development. The AIF describes the company, its operations and prospects, risks and other external factors that impact the company specifically.

- 25. Sino controlled the contents of its MD&As, financial statements, AIFs and the other documents particularized herein and the misrepresentations made therein were made by Sino.
- 26. Chan is a co-founder of Sino, and was the Chairman, Chief Executive Officer and a director of the company from 1994 until his resignation from those positions on or about August 25, 2011. As Sino's CEO, Chan signed and certified the company's disclosure documents during the Class Period. Chan, along with Hyde, signed each of the 2006-2010 Audited Annual Financial Statements on behalf of Sino's board. Chan resides in Hong Kong, China.
- 27. Chan certified each of Sino's Class Period annual and quarterly MD&As and financial statements, each of which is an Impugned Document. In so doing, he adopted as his own the false statements such documents contained, as particularized below. Chan signed each of Sino's Class Period annual financial statements, each of which is an Impugned Document. In so doing, he adopted as his own the false statements such documents contained, as particularized below. As a director and officer, he caused Sino to make the misrepresentations particularized below.
- 28. Since Sino was established, Chan has received lavish compensation from Sino. For example, for 2006 to 2010, Chan's total compensation (other than share-based compensation) was, respectively, US\$3.0 million, US\$3.8 million, US\$5.0 million, US\$7.6 million and US\$9.3 million.
- 29. As at May 1, 1995, shortly after Sino became a reporting issuer, Chan held 18.3% of Sino's outstanding common shares and 37.5% of its preference shares. As of April 29, 2011 he held 2.7% of Sino's common shares (the company no longer has preference shares outstanding). Chan has made in excess of \$10 million through the sale of Sino shares.

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- 30. Horsley is Sino's Chief Financial Officer, and has held this position since October 2005. In his position as Sino's CFO, Horsley has signed and certified the company's disclosure documents during the Class Period. Horsley resides in Ontario. Horsley has made in excess of \$11 million through the sale of Sino shares.
- 31. Horsley certified each of Sino's Class Period annual and quarterly MD&As and financial statements, each of which is an Impugned Document. In so doing, he adopted as his own the false statements such documents contained, as particularized below. Horsley signed each of Sino's Class Period annual financial statements, each of which is an Impugned Document. In so doing, he adopted as his own the false statements such documents contained, as particularized below. As an officer, he caused Sino to make the misrepresentations particularized below.
- 32. Since becoming Sino's CFO, Horsley has also received lavish compensation from Sino. For 2006 to 2010, Horsley's total compensation (other than share-based compensation) was, respectively, US\$1.1 million, US\$1.4 million, US\$1.7 million, US\$2.5 million, and US\$3.1 million.
- 33. Poon is a co-founder of Sino, and has been the President of the company since 1994. He was a director of Sino from 1994 to May 2009, and he continues to serve as Sino's President. Poon resides in Hong Kong, China. While he was a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when such statements were signed on his behalf. While he was a board member, he caused Sino to make the misrepresentations particularized below.
- 34. As at May 1, 1995, shortly after Sino became a reporting issuer, Poon held 18.3% of Sino's outstanding common shares and 37.5% of its preference shares. As of April 29, 2011 he

held 0.42% of Sino's common shares. Poon has made in excess of \$34.4 million through the sale of Sino shares.

- 35. Poon rarely attended board meetings while he was on Sino's board. From the beginning of 2006 until his resignation from the Board in 2009, he attended 5 of the 39 board meetings, or less than 13% of all board meetings held during that period.
- 36. Wang is a director of Sino, and has held this position since August 2007. Wang resides in Hong Kong, China. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 37. Martin has been a director of Sino since 2006, and was appointed vice-chairman in 2010. On or about August 25, 2011, Martin replaced Chan as Chief Executive Officer of Sino. Martin was a member of Sino's audit committee prior to early 2011. Martin has made in excess of \$474,000 through the sale of Sino shares. He resides in Hong Kong, China. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized herein.
- 38. Mak is a director of Sino, and has held this position since 1994. Mak was a member of Sino's audit committee prior to early 2011. Mak and persons connected with Mak have made in excess of \$6.4 million through sales of Sino shares. Mak resides in British Columbia. As a board member, he adopted as his own the false statements made in each of Sino's annual

financial statements, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.

- 39. Murray is a director of Sino, and has held this position since 1999. Murray has made in excess of \$9.9 million through sales of Sino shares. Murray resides in Hong Kong, China. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 40. Since becoming a director, Murray has rarely attended board and board committee meetings. From the beginning of 2006 to the close of 2010, Murray attended 14 of 64 board meetings, or less than 22% of board meetings held during that period. During that same period, Murray attended 2 out of 13, or 15%, of the meetings held by the Board's Compensation and Nominating Committee, and attended *none* of the 11 meetings of that Committee held from the beginning of 2007 to the close of 2010.
- 41. Hyde is a director of Sino, and has held this position since 2004. Hyde was previously a partner of E&Y. Hyde is the chairman of Sino's Audit Committee. Hyde, along with Chan, signed each of the 2007-2010 Annual Consolidated Financial Statements on behalf of Sino's board. Hyde is also member of the Compensation and Nominating Committee. Hyde has made in excess of \$2.4 million through the sale of Sino shares. Hyde resides in Ontario. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements, particularized below, when he signed such statements or when they were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.

- 42. Ardell is a director of Sino, and has held this position since January 2010. Ardell is a member of Sino's audit committee. Ardell resides in Ontario. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements released while he was a board member, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 43. Bowland was a director of Sino from February 2011 until his resignation from the Board of Sino in November 2011. While on Sino's Board, Bowland was a member of Sino's Audit Committee. He was formerly an employee of a predecessor to E&Y. Bowland resides in Ontario. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements released while he was a board member, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 44. West is a director of Sino, and has held this position since February 2011. West was previously a partner at E&Y. West is a member of Sino's Audit Committee. West resides in Ontario. As a board member, he adopted as his own the false statements made in each of Sino's annual financial statements released while he was a board member, particularized below, when such statements were signed on his behalf. As a board member, he caused Sino to make the misrepresentations particularized below.
- 45. As officer and/or directors of Sino, the Individual Defendants were fiduciaries of Sino, and they made the misrepresentations alleged herein, adopted such misrepresentations, and/or caused Sino to make such misrepresentations while they were acting in their capacity as fiduciaries, and in violation of their fiduciary duties. In addition, Chan, Poon, Horsley, Martin,

Mak and Murray were unjustly enriched in the manner and to the extent particularized below while they were acting in their capacity as fiduciaries, and in violation of their fiduciary duties.

- 46. At all material times, Sino maintained the Code, which governed Sino's employees, officers and directors, including the Individual Defendants. The Code stated that the members of senior management "are expected to lead according to high standards of ethical conduct, in both words and actions..." The Code further required that Sino representatives act in the best interests of shareholders, corporate opportunities not be used for personal gain, no one trade in Sino securities based on undisclosed knowledge stemming from their position or employment with Sino, the company's books and records be honest and accurate, conflicts of interest be avoided, and any violations or suspected violations of the Code, and any concerns regarding accounting, financial statement disclosure, internal accounting or disclosure controls or auditing matters, be reported.
- 47. E&Y has been engaged as Sino's auditor since August 13, 2007. E&Y was also engaged as Sino's auditor from Sino's creation through February 19, 1999, when E&Y abruptly resigned during audit season and was replaced by the now-defunct Arthur Andersen LLP. E&Y was also Sino's auditor from 2000 to 2004, when it was replaced by BDO. E&Y is an expert of Sino within the meaning of the Securities Legislation.
- 48. E&Y, in providing what it purported to be "audit" services to Sino, made statements that it knowingly intended to be, and which were, disseminated to Sino's current and prospective security holders. At all material times, E&Y was aware of that class of persons, intended to and did communicate with them, and intended that that class of persons would rely on E&Y's statements relating to Sino, which they did to their detriment.

- 49. E&Y consented to the inclusion in the June 2009 and December 2009 Prospectuses, as well as the July 2008, June 2009, December 2009 and October 2010 Offering Memoranda, of its audit reports on Sino's Annual Financial Statements for various years, as alleged more particularly below.
- 50. BDO is the successor of BDO McCabe Lo Limited, the Hong Kong, China based auditing firm that was engaged as Sino's auditor during the period of March 21, 2005 through August 12, 2007, when they resigned at Sino's request, and were replaced by E&Y. BDO is an expert of Sino within the meaning of the Securities Legislation.
- 51. During the term of its service as Sino's auditor, BDO provided what it purported to be "audit" services to Sino, and in the course thereof made statements that it knowingly intended to be, and which were, disseminated to Sino's current and prospective security holders. At all material times, BDO was aware of that class of persons, intended to and did communicate with them, and intended that that class of persons rely on BDO's statements relating to Sino, which they did to their detriment.
- 52. BDO consented to the inclusion in each of the June 2007 and December 2009 Prospectuses and the July 2008, June 2009 and December 2009 Offering Memoranda, of its audit reports on Sino's Annual Financial Statements for 2005 and 2006.
- 53. E&Y and BDO's annual Auditors' Report was made "to the shareholders of Sino-Forest corporation," which included the Class Members. Indeed, s. 1000.11 of the Handbook of the Canadian Institute of Chartered Accountants states that "the objective of financial statements for profit-oriented enterprises focuses primarily on the information needs of investors and creditors" [emphasis added].

- 54. Sino's shareholders, including numerous Class Members, appointed E&Y as auditors of Sino-Forest by shareholder resolutions passed on various dates, including on June 21, 2004, May 26, 2008, May 25, 2009, May 31, 2010 and May 30, 2011.
- 55. Sino's shareholders, including numerous Class Members, appointed BDO as auditors of Sino-Forest by resolutions passed on May 16, 2005, June 5, 2006 and May 28, 2007.
- During the Class Period, with the knowledge and consent of BDO or E&Y (as the case may be), Sino's audited annual financial statements for the years ended December 31, 2006, 2007, 2008, 2009 and 2010, together with the report of BDO or E&Y thereon (as the case may be), were presented to the shareholders of Sino (including numerous Class Members) at annual meetings of such shareholders held in Toronto, Canada on, respectively, May 28, 2007, May 26, 2008, May 25, 2009, May 31, 2010 and May 30, 2011. As alleged elsewhere herein, all such financial statements constituted Impugned Documents.
- 57. Pöyry is an international forestry consulting firm which purported to provide certain forestry consultation services to Sino. Pöyry is an expert of Sino within the meaning of the Securities Legislation.
- 58. Pöyry, in providing what it purported to be "forestry consulting" services to Sino, made statements that it knowingly intended to be, and which were, disseminated to Sino's current and prospective security holders. At all material times, Pöyry was aware of that class of persons, intended to and did communicate with them, and intended that that class of persons would rely on Pöyry's statements relating to Sino, which they did to their detriment.

- 59. Pöyry consented to the inclusion in the June 2007, June 2009 and December 2009 Prospectuses, as well as the July 2008, June 2009, December 2009 and October 2010 Offering Memoranda, of its various reports, as detailed below in paragraph ●.
- 60. The Underwriters are various financial institutions who served as underwriters in one or more of the Offerings.
- In connection with the distributions conducted pursuant to the June 2007, June 2009 and December 2009 Prospectuses, the Underwriters who underwrote those distributions were paid, respectively, an aggregate of approximately \$7.5 million, \$14.0 million and \$14.4 million in underwriting commissions. In connection with the offerings of Sino's notes in July 2008, December 2009, and October 2010, the Underwriters who underwrote those offerings were paid, respectively, an aggregate of approximately US\$2.2 million, US\$8.5 million and \$US6 million. Those commissions were paid in substantial part as consideration for the Underwriters' purported due diligence examination of Sino's business and affairs.
- 62. None of the Underwriters conducted a reasonable investigation into Sino in connection with any of the Offerings. None of the Underwriters had reasonable grounds to believe that there was no misrepresentation in any of the Impugned Documents. In the circumstances of this case, including the facts that Sino operated in an emerging economy, Sino had entered Canada's capital markets by means of a reverse merger, and Sino had reported extraordinary results over an extended period of time that far surpassed those reported by Sino's peers, the Underwriters all ought to have exercised heightened vigilance and caution in the course of discharging their duties to investors, which they did not do. Had they done so, they would have uncovered Sino's true nature, and the Class Members to whom they owed their duties would not have sustained the losses that they sustained on their Sino investments.

#### V. THE OFFERINGS

- 63. Through the Offerings, Sino raised in aggregate in excess of \$2.7 billion from investors during the Class Period. In particular:
  - (a) On June 5, 2007, Sino issued and filed with SEDAR the June 2007 Prospectus pursuant to which Sino distributed to the public 15,900,000 common shares at a price of \$12.65 per share for gross proceeds of \$201,135,000. The June 2007 Prospectus incorporated by reference Sino's: (1) 2006 AIF; (2) 2006 Audited Annual Financial Statements; (3) 2006 Annual MD&A; (4) Management Information Circular dated April 27, 2007; (5) Q1 2007 Financial Statements; and (6) Q1 2007 MD&A;
  - (b) On July 17, 2008, Sino issued the July 2008 Offering Memorandum pursuant to which Sino sold through private placement US\$345 million in aggregate principal amount of convertible senior notes due 2013. The July 2008 Offering Memorandum included: (1) Sino's Consolidated Annual Financial Statements for 2005, 2006 and 2007; (2) Sino's unaudited interim financial statements for the three-month periods ended March 31, 2007 and 2008; (3) the section of the 2007 AIF entitled "Audit Committee" and the charter of the Audit Committee attached as an appendix to the 2007 AIF; and (4) the Pöyry report entitled "Sino-Forest Corporation Valuation of China Forest Assets Report as at 31 December 2007" dated March 14, 2008;
  - (c) On June 1, 2009, Sino issued and filed with SEDAR the June 2009 Prospectus pursuant to which Sino distributed to the public 34,500,000 common shares at a price of \$11.00 per share for gross proceeds of \$379,500,000. The June 2009 Prospectus incorporated by reference Sino's: (1) 2008 AIF; (2) 2007 and 2008 Annual Consolidated Financial Statements; (3) Amended 2008 Annual MD&A; (4) Q1 2009 MD&A; (5) Q1 2008 and 2009 Financial Statements; (6) Q1 2009 MD&A; (7) Management Information Circular dated April 28, 2009; and (8) the Pöyry report titled "Valuation of China Forest Corp Assets As at 31 December 2008" dated April 1, 2009;

- (d) On June 24, 2009, Sino issued the June 2009 Offering Memorandum for exchange of certain of its then outstanding senior notes due 2011 with new notes, pursuant to which Sino issued US\$212,330,000 in aggregate principal amount of 10.25% Guaranteed Senior Notes due 2014. The June 2009 Offering Memorandum incorporated by reference: (1) Sino's 2005, 2006 and 2007 Consolidated Annual Financial Statements; (2) the auditors' report of BDO dated March 19, 2007 with respect to Sino's Consolidated Annual Financial Statements for 2005 and 2006; (3) the auditors' report of E&Y dated March 12, 2008 with respect to Sino's Consolidated Annual Financial Statements for 2007 except as to notes 2, 18 and 23; (4) Sino's Consolidated Annual Financial Statements for 2007 and 2008 and the auditors' report of E&Y dated March 13, 2009; (5) the section entitled "Audit Committee" in the 2008 AIF, and the charter of the Audit Committee attached as an appendix to the 2008 AIF; and (6) the unaudited interim financial statements for the three-month periods ended March 31, 2008 and 2009;
- On December 10, 2009, Sino issued the December 2009 Offering Memorandum (e) pursuant to which Sino sold through private placement US\$460,000,000 in aggregate principal amount of 4.25% convertible senior notes due 2016. This Offering Memorandum incorporated by reference: (1) Sino's Consolidated Annual Financial Statements for 2005, 2006, 2007; (2) the auditors' report of BDO dated March 19, 2007 with respect to Sino's Annual Financial Statements for 2005 and 2006; (3) the auditors' report of E&Y dated March 12, 2008 with respect to Sino's Consolidated Annual Financial Statements for 2007, except as to notes 2, 18 and 23; (4) Sino's Consolidated Annual Financial Statements for 2007 and 2008 and the auditors' report of E&Y dated March 13, 2009; (5) the unaudited interim consolidated financial statements for the nine-month periods ended September 30, 2008 and 2009; (6) the section entitled "Audit Committee" in the 2008 AIF, and the charter of the Audit Committee attached to the 2008 AIF; (7) the Pöyry report entitled "Sino-Forest Corporation Valuation of China Forest Assets as at 31 December 2007"; and (8) the Pöyry report entitled "Sino-Forest Corporation Valuation of China Forest Corp Assets as at 31 December 2008" dated April 1, 2009;

- On December 10, 2009, Sino issued and filed with SEDAR the December 2009 Prospectus (together with the June 2007 Prospectus and the June 2009 Prospectus, the "Prospectuses") pursuant to which Sino distributed to the public 21,850,000 common shares at a price of \$16.80 per share for gross proceeds of \$367,080,000. The December 2009 Prospectus incorporated by reference Sino's: (1) 2008 AIF; (2) 2007 and 2008 Annual Consolidated Financial Statements; (3) Amended 2008 Annual MD&A; (4) Q3 2008 and 2009 Financial Statements; (5) Q3 2009 MD&A; (6) Management Information Circular dated April 28, 2009; and (7) the Pöyry report titled "Valuation of China Forest Corp Assets As at 31 December 2008" dated April 1, 2009;
- On February 8, 2010, Sino closed the acquisition of substantially all of the outstanding common shares of Mandra Forestry Holdings Limited. Concurrent with this acquisition, Sino completed an exchange with holders of 99.7% of the USD\$195 million notes issued by Mandra Forestry Finance Limited and 96.7% of the warrants issued by Mandra Forestry Holdings Limited, for new 10.25% guaranteed senior notes issued by Sino in the aggregate principal amount of USD\$187,177,375 with a maturity date of July 28, 2014. On February 11, 2010, Sino exchanged the new 2014 Senior Notes for an additional issue of USD\$187,187,000 in aggregate principal amount of Sino's existing 2014 Senior Notes, issued pursuant to the June 2009 Offering Memorandum; and
- (h) On October 14, 2010, Sino issued the October 2010 Offering Memorandum pursuant to which Sino sold through private placement US\$600,000,000 in aggregate principal amount of 6.25% guaranteed senior notes due 2017. The October 2010 Offering Memorandum incorporated by reference: (1) Sino's Consolidated Annual Financial Statements for 2007, 2008 and 2009; (2) the auditors' report of E&Y dated March 15, 2010 with respect to Sino's Annual Financial Statements for 2008 and 2009; and (3) Sino's unaudited interim financial statements for the six-month periods ended June 30, 2009 and 2010.

- 64. The offering documents referenced in the preceding paragraph included, or incorporated other documents by reference that included, the Representation and the other misrepresentations in such documents that are particularized elsewhere herein. Had the truth in regard to Sino's management, business and affairs been timely disclosed, securities regulators likely would not have receipted the Prospectuses, nor would any of the Offerings have occurred.
- Each of Chan, Horsley, Martin and Hyde signed the June 2007 Prospectus, and therein falsely certified that that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby. Each of Dundee, CIBC, Merrill and Credit Suisse also signed the June 2007 Prospectus, and therein falsely certified that, to the best of its knowledge, information and belief, that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.
- Each of Chan, Horsley, Martin and Hyde signed the June 2009 Prospectus, and therein falsely certified that that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby. Each of Dundee, Merrill, Credit Suisse, Scotia and TD also signed the June 2009 Prospectus, and therein falsely certified that, to the best of its knowledge, information and belief, that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.
- 67. Each of Chan, Horsley, Martin and Hyde signed the December 2009 Prospectus, and therein falsely certified that that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities

offered thereby. Each of Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD also signed the December 2009 Prospectus, and therein falsely certified that, to the best of its knowledge, information and belief, that prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby.

- E&Y consented to the inclusion in: (1) the June 2009 Prospectus, of its audit reports on Sino's Audited Annual Financial Statements for 2007 and 2008; (2) the December 2009 Prospectus, of its audit reports on Sino's Audited Annual Financial Statements for 2007 and 2008; (3) the July 2008 Offering Memorandum, of its audit reports on Sino's Audited Annual Financial Statements for 2007, and its adjustments to Sino's Audited Annual Financial Statements for 2005 and 2006; (4) the December 2009 Offering Memorandum, of its audit reports on Sino's Audited Annual Financial Statements for 2007 and 2008; and (5) the October 2010 Offering Memoranda, of its audit reports on Sino's Audited Annual Financial Statements for 2008 and 2009.
- 69. BDO consented to the inclusion in each of the June 2007 and December 2009 Prospectuses and the July 2008, June 2009 and December 2009 Offering Memoranda of its audit reports on Sino's Audited Annual Financial Statements for 2006 and 2005.

### VI. THE MISREPRESENTATIONS

- 70. During the Class Period, Sino made the misrepresentations particularized below. These misrepresentations related to:
  - A. Sino's history and fraudulent origins;
  - B. Sino's forestry assets;
  - C. Sino's related party transactions;

- D. Sino's relationships with forestry bureaus and its purported title to forestry assets in the PRC;
- E. Sino's relationships with its "Authorized Intermediaries;"
- F. Sino's cash flows;
- G. Certain risks to which Sino was exposed; and
- H. Sino's compliance with GAAP and the Auditors' compliance with GAAS.

## A. Misrepresentations relating to Sino's History and Fraudulent Origins

- (i) Sino Overstates the Value of, and the Revenues Generated by, the Leizhou Joint Venture
- 71. At the time of its founding by way of reverse merger in 1994, Sino's business was conducted primarily through an equity joint venture between Sino's Hong Kong subsidiary, Sino-Wood Partners, Limited ("Sino-Wood"), and the Leizhou Forestry Bureau, which was situated in Guangdong Province in the south of the PRC. The name of the venture was Zhanjiang Leizhou Eucalyptus Resources Development Co. Ltd. ("Leizhou"). The stated purpose of Leizhou, established in 1994, was:

Managing forests, wood processing, the production of wood products and wood chemical products, and establishing a production facility with an annual production capacity of 50,000 m³ of Micro Density Fiber Board (MDF), managing a base of 120,000 mu (8,000 ha) of which the forest annual utilization would be 8,000 m³.

72. There are two types of joint ventures in the PRC relevant to Sino: equity joint ventures ("EJV") and cooperating joint ventures ("CJV"). In an EJV, profits and assets are distributed in proportion to the parties' equity holdings upon winding up. In a CJV, the parties may contract to divide profits and assets disproportionately to their equity interests.

- 73. According to a Sino prospectus issued in January 1997, Leizhou, an EJV, was responsible for 20,000 hectares of the 30,000 hectares that Sino claimed to have "phased-in." Leizhou was the key driver of Sino's purported early growth.
- 74. Sino claimed to hold 53% of the equity in Leizhou, which was to total US\$10 million, and Sino further claimed that the Leizhou Forestry Bureau was to contribute 20,000 ha of forestry land. In reality, however, the terms of the EJV required the Leizhou Forestry Bureau to contribute a mere 3,533 ha.
- 75. What was also unknown to investors was that Leizhou did not generate the sales claimed by Sino. More particularly, in 1994, 1995 and 1996, respectively, Sino claimed to have generated US\$11.3 million, US\$23.9 million and US\$23.1 million in sales from Leizhou. In reality, however, these sales did not occur, or were materially overstated.
- 76. Indeed, in an undisclosed letter from Leizhou Forestry Bureau to Zhanjiang City Foreign and Economic Relations and Trade Commission, dated February 27, 1998, the Bureau complained:

To: Zhanjiang Municipal Foreign Economic Relations & Trade Commission

Through mutual consultation between Leizhou Forestry Administration (hereinafter referred to as our side) and Sino-Wood Partners Limited (hereinafter referred to as the foreign party), and, with the approval document ZJMPZ No.021 [1994] issued by your commission on 28<sup>th</sup> January 1994 for approving the contracts and articles of association entered into by both parties, and, with the approval certificate WJMZHZZZ No.065 [1994] issued by your commission, both parties jointly established Zhanjiang Eucalyptus Resources Development Co. Ltd. (hereinafter referred to as the Joint Venture) whose incorporate number is 162622-0012 and duly registered the same with Zhanjiang Administration for Industry and Commerce and obtained the business license GSQHYZ No.00604 on 29<sup>th</sup> January in the same year. It has been 4 years since the registration and we set out the situation as follows:

I. Information of the investment of both sides

- A. The investment of our side: according to the contract and articles of association signed by both sides and approved by your commission, our side has paid in RMB95,481,503.29 (equivalent to USD11,640,000.00) to the Joint Venture on 20<sup>th</sup> June 1995 through an in-kind contribution. The payment was made in accordance with the prescribed procedures and confirmed by signatures of the legal representatives of both parties. According to the Capital Verification Report from Yuexi (粤西) Accounting Firm, this payment accounts for 99.1% of the agreed capital contribution from our side, which is USD11,750,000, and accounts for 46.56% of the total investment.
- The investment of the foreign party: the foreign party has paid in B. USD1,000,000 on 16<sup>th</sup> March 1994, which was in the starting period of the Joint Venture. According to the Capital Verification Report from Yuexi (粤西) Accounting Firm, this payment only accounts for 7.55% of the capital contribution from the foreign party totaling USD13,250,000, and accounts for 4% of the total investment. Then, in the prescribed investment period, the foreign party did not further pay capital into the Joint Venture. In view of this, your commission sent a "Notice on Time for Capital Contribution" to the foreign party on 30<sup>th</sup> January 1996. In accordance with the notice, the foreign party then on 10<sup>th</sup> April sent a letter to your commission, requesting for postponing the deadline for capital contribution to 20<sup>th</sup> December the same year. On 14<sup>th</sup> May 1996, your commission replied to Allen Chan (陈德源), the Chairman of the Joint Venture, stating that "postponement of the deadline for capital contribution is subject to the consent of our side and requires amendment of the term on the capital contribution time in the original contract, and both parties shall sign a bilateral supplementary contract; after the application has been approved, the postponed deadline will become effective.". Based on the spirit of the letter dated 14th May from your commission and for the purpose of achieving mutual communication and dealing with the issues of the Joint Venture actively and appropriately, on 11th June 1996, Chan Shixing (陈识兴) and two other Directors from our side sent a joint letter to Allen Chan (陈德源), the Chairman of the Joint Venture, to propose a meeting of the board to be convened before 30<sup>th</sup> June 1996 in Zhanjiang, in order to discuss how to deal with the issues of the Joint Venture in accordance with the relevant State provisions. Unfortunately, the foreign party neither had discussion with our side pursuant to your commission's letter, nor replied to the proposal of our side, and furthermore failed to make payment to the Joint Venture. Now, it has been two years beyond the deadline for capital contribution (29<sup>th</sup> January 1996), and more than one year beyond the date prescribed by the Notice on Time for Capital Contribution issued by your commission (30<sup>th</sup> April 1996). However, the foreign party has been evading the discussion of the capital contribution issue, and moreover has taken no further action.

# II. The Joint Venture is not capable of attaining substantial operation

According to the contract and articles of association, the main purposes of setting up the Joint Venture are, on the one hand, to invest and construct a project producing 50,000 cubic meter Medium Density Fiberboard (MDF) a year; and on the other hand, to create a forest base of 120,000 mu, with which to produce 80,000 cubic meter of timber as raw material for the production of medium density fiberboard. The contract and articles of association also prescribed that the whole funding required for the MDF board project should be paid by the foreign party in cash; our side should pay in-kind the proportion of the fund prescribed by the contract. After contributing capital of USD1,000,000 in the early stage, the foreign party not only failed to make subsequent capital contributions, but also in their own name successively withdrew a total amount of RMB4,141,045.02, from the funds they contributed, of which USD270,000 was paid to Huadu Baixing Wood Products Factory (花都市百兴木制品厂), which has no business relationship with the Joint Venture. This amount of money equals 47.6% of [the foreign party's | paid in capital. Although our side has almost paid off the agreed capital contribution (only short 0.9% of the total committed), due to the limited contribution from the foreign party and the fact that they withdrew a huge amount of money from those funds originally contributed by them, it is impossible for the Joint Venture to construct or set up production projects and to commence production operation while the funds have been insufficient and the foreign party did not pay in the majority of the subscribed capital. In fact, the Joint Venture therefore is merely a shell, existing in name only.

Additionally, after the establishment of the Joint Venture, its internal operations have been extremely abnormal, for example, annual board meetings have not been held as scheduled; annual reports on the status and the results of the annual financial audit are missing; the withdrawal of the huge amount of funds by the foreign party was not discussed in the board meetings, etc. It is hard to list all here.

In light of the present state of contributions by both sides and the status of the Joint Venture from its establishment till now, our side now applies to your commission for:

1. The cancellation of the approval certificate for "Zhanjiang Eucalyptus Resources Development Co. Ltd.", i.e. WJMZHZZZ No. 065[1994], based on the relevant provisions of Certain Regulations on the Subscription of Capital by the Parties to Sino-Foreign Joint Equity Enterprises,

- 2. Direct the Joint Venture to complete the deregistration procedures for "Zhanjiang Eucalyptus Resources Development Co. Ltd." at the local Administration for Industry and Commerce, and for the return of its business license.
- 3. Coordination with both parties to resolve the relevant remaining issues.

Please let us have your reply on whether the above is in order.

The Seal of the Leizhou Forestry Bureau

1998, February 27

[Translation; emphasis added.]

77. In its 1996 Annual Financial Statements, Sino stated:

The \$14,992,000 due from the LFB represents cash collected from the sale of wood chips on behalf of the Leizhou EJV. As originally agreed to by Sino-Wood, the cash was being retained by the LFB to fund the ongoing plantation costs of the Leizhou EJV incurred by the LFB. Sino-Wood and LFB have agreed that the amount due to the Leizhou EJV, after reduction for plantation costs incurred, will be settled in 1997 concurrent with the settlement of capital contributions due to the Leizhou EJV by Sino-Wood.

- 78. These statements were false, inasmuch as Leizhou never generated such sales. Leizhou was wound-up in 1998.
- 79. At all material times, Sino's founders, Chan and Poon, were fully aware of the reality relating to Leizhou, and knowingly misrepresented the true status of Leizhou, as well as its true revenues and profits.
  - (ii) Sino's Fictitious Investment in SJXT
- 80. In Sino's audited financial statements for the year ended December 31, 1997, filed on SEDAR on May 20, 1998 (the "1997 Financial Statements"), Sino stated that, in order to establish strategic partnerships with key local wood product suppliers and to build a strong distribution for the wood-based product and contract supply businesses, it had acquired a 20% equity interest in "Shanghai Jin Xiang Timber Ltd." ("SJXT"). Sino then described SJXT as an

EJV that had been formed in 1997 by the Ministry of Forestry in China, and declared that its function was to organize and manage the first and only official market for timber and log trading in Eastern China. It further stated that the investment in SJXT was expected to provide the Company with good accessibility to a large base of potential customers and companies in the timber and log businesses in Eastern China.

- 81. There is, in fact, no entity known as "Shanghai Jin Xiang Timber Ltd." While an entity called "Shanghai Jin Xiang Timber Wholesale Market" does exist, Sino did not have, as claimed in its disclosure documents, an equity stake in that venture.
- 82. According to the 1997 Audited Annual Financial Statements, the total investment of SJXT was estimated to be US\$9.7 million, of which Sino would be required to contribute approximately US\$1.9 million for a 20% equity interest. The 1997 Audited Annual Financial Statements stated that, as at December 31, 1997, Sino had made capital contributions to SJXT in the amount of US\$1.0 million. In Sino's balance sheet as at December 31, 1997, the SXJT investment was shown as an asset of \$1.0 million.
- 83. In October 1998, Sino announced an Agency Agreement with SJXT. At that time, Sino stated that it would provide 130,000 m<sup>3</sup> of various wood products to SJXT over an 18 month period, and that, based on then-current market prices, it expected this contract to generate "significant revenue" for Sino-Forest amounting to approximately \$40 million. The revenues that were purportedly anticipated from the SJXT contract were highly material to Sino. Indeed, Sino's total reported revenues in 1998 were \$92.7 million.
- 84. In Sino's Audited Annual Financial Statements for the year ended December 31, 1998, which statements were filed on SEDAR on May 18, 1999 (the "1998 Financial Statements"), Sino again stated that, in 1997, it had acquired a 20% equity interest in SJXT, that the total

investment in SJXT was estimated to be US\$9.7 million, of which Sino would be required to contribute approximately \$1.9 million, representing 20% of the registered capital, and that, as at December 31, 1997 and 1998, Sino had made contributions in the amount of US\$1.0 million to SJXT. In Sino's balance sheet as at December 31, 1998, the SXJT investment was again shown as an asset of US\$1.0 million.

- 85. Sino also stated in the 1998 Audited Annual Financial Statements that, during 1998, the sale of logs and lumber to SJXT amounted to approximately US\$537,000. These sales were identified in the notes to the 1998 Financial Statements as related party transactions.
- 86. In Sino's Annual Report for 1998, Chan stated that lumber and wood products trading constituted a "promising new opportunity." Chan explained that:

SJXT represents a very significant development for our lumber and wood products trading business. The market is prospering and continues to look very promising. Phase I, consisting of 100 shops, is completed. Phases II and III are expected to be completed by the year 2000. This expansion would triple the size of the Shanghai Timber Market.

The Shanghai Timber Market is important to Sino-Forest as a generator of significant new revenue. In addition to supplying various forest products to the market from our own operations, our direct participation in SJXT increases our activities in sourcing a wide range of other wood products both from inside China and internationally.

The Shanghai Timber Market is also very beneficial to the development of the forest products industry in China because it is the first forest products national sub-market in the eastern region of the country.

[...]

The market also greatly facilitates Sino-Forest's networking activities, enabling us to build new industry relationships and add to our market intelligence, all of which increasingly leverage our ability to act as principal in our dealings.

[Emphasis added.]

- 87. Chan also stated in the 1998 Annual Report that the "Agency Agreement with SJXT [is] expected to generate approximately \$40 million over 18 months."
- 88. In Sino's Annual Report for 1999, Sino stated:

There are also promising growth opportunities as Sino-Forest's investment in Shanghai Jin Xiang Timber Ltd. (SJXT or the Shanghai Timber Market), develops. The Company also continues to explore opportunities to establish and reinforce ties with other international forestry companies and to bring our ecommerce technology into operation.

Sino-Forest's investment in the Shanghai Timber Market — the first national forest products submarket in eastern China — has provided a strong foundation for the Company's lumber and wood products trading business.

[Emphasis added.]

89. In Sino's MD&A for the year ended December 31, 1999, Sino also stated that:

Sales from lumber and wood products trading increased 264% to \$34.2 million compared to \$9.4 million in 1998. The increase in lumber and wood products trading is attributable largely to the increase in new business generated from our investment in Shanghai Jin Xiang Timber Ltd. (SJXT) and a larger sales force in 1999. Lumber and wood products trading on an agency basis has increased 35% from \$2.3 million in 1998 to \$3.1 million in 1999. The increase in commission income on lumber and wood products trading is attributable to approximately \$1.8 million of fees earned from a new customer.

[Emphasis added.]

- 90. That same MD&A, however, also states that "The investment in SJXT has contributed to the significant growth of the lumber and wood products trading business, which has recorded an increase in sales of 219% from \$11.7 million in 1998 to \$37.2 million in 1999" (emphasis added).
- 91. In Sino's Audited Annual Financial Statements for the year ended December 31, 1999, which statements were filed on SEDAR on May 18, 2000 (the "1999 Financial Statements"), Sino stated:

During the year, Shanghai Jin Xiang Timber Ltd. ["SJXT"] applied to increase the original total capital contributions of \$868,000 [Chinese renminbi 7.2 million] to \$1,509,000 [Chinese renminbi 12.5 million]. Sino-Wood is required to make an additional contribution of \$278,000 as a result of the increase in total capital contributions. The additional capital contribution of \$278,000 was made in 1999 increasing its equity interest in SJXT from 27.8% to 34.4%. The principal activity of SJXT is to organize trading of timber and logs in the PRC market.

### [Emphasis added.]

- 92. The statements made in the 1999 Financial Statements contradicted Sino's prior representations in relation to SJXT. Among other things, Sino previously claimed to have made a capital contribution of \$1,037,000 for a 20% equity interest in SJXT.
- 93. In addition, note 2(b) to the 1999 Financial Statements stated that, "[a]s at December 31, 1999, \$796,000...advances to SJXT remained outstanding. The advances to SJXT were unsecured, non-interest bearing and without a fixed repayment date." Thus, assuming that Sino's contributions to SJXT were actually made, then Sino's prior statements in relation to SJXT were materially misleading, and violated GAAP, inasmuch as those statements failed to disclose that Sino had made to SJXT, a related party, a non-interest bearing loan of \$796,000.
- 94. In Sino's Audited Annual Financial Statements for the year ended December 31, 2000, which statements were filed on SEDAR on May 18, 2000 (the "2000 Financial Statements"), Sino stated:

In 1999, Shanghai Jin Xiang Timber Ltd. ("SJXT") applied to increase the original total capital contributions of \$868,000 [Chinese renminbi 7.2 million] to \$1,509,000 [Chinese renminbi 12.5 million]. Sino-Wood is required to make an additional contribution of \$278,000 as a result of the increase in total capital contributions. The additional capital contribution of \$278,000 was made in 1999 increasing its equity interest in SJXT from 27.8% to 34.4%. The principal activity of SJXT is to organize the trading of timber and logs in the PRC market. During the year, advances to SJXT of \$796,000 were repaid.

- 95. In Sino's balance sheet as at December 31, 2000, the SJXT investment was shown as an asset of \$519,000, being the sum of Sino's purported SJXT investment of \$1,315,000 as at December 31, 1999, and the \$796,000 of "advances" purportedly repaid to Sino by SJXT during the year ended December 31, 2000.
- 96. In Sino's Annual Reports (including the audited annual financial statements contained therein) for the years 2001 and beyond, there is no discussion whatsoever of SJXT. Indeed, Sino's "promising" and "very significant" investment in SJXT simply evaporated, without explanation, from Sino's disclosure documents. In fact, and unbeknownst to the public, Sino never invested in a company called "Shanghai Jin Xiang Timber Ltd." Chan and Poon knew, or were reckless in not knowing of, that fact.
- 97. At all material times, Sino's founders, Chan and Poon, were fully aware of the reality relating to SJXT, and knowingly misrepresented the true status of SJXT and Sino's interested therein.
  - (iii) Sino's Materially Deficient and Misleading Class Period Disclosures regarding Sino's History
- 98. During the Class Period, the Sino disclosure documents identified below purported to provide investors with an overview of Sino's history. However, those disclosure documents, and indeed all of the Impugned Documents, failed to disclose the material fact that, from its very founding, Sino was a fraud, inasmuch as its purportedly key investments in Leizhou and SJXT were either grossly inflated or fictitious.
- 99. Accordingly, the statements particularized in paragraphs 100 to 104 below were misrepresentations. The misleading nature of such statements was exacerbated by the fact that, throughout the Class Period, Sino's senior management and Board purported to be governed by

the Code, which touted the "high standards of ethical conduct, in both words and actions", of Sino's senior management and Board.

100. In the Prospectuses, Sino described its history, but did not disclose that the SJXT investment was fictitious, or that the revenues generated by Leizhou were non-existent or grossly overstated.

#### 101. In particular, the June 2007 Prospectus stated merely that:

The Corporation was formed under the Business Corporations Act (Ontario) upon the amalgamation of Mt. Kearsarge Minerals Inc. and 1028412 Ontario Inc. pursuant to articles of amalgamation dated March 14, 1994. The articles of amalgamation were amended by articles of amendment filed on July 20, 1995 and May 20, 1999 to effect certain changes in the provisions attaching to the Corporation's class A subordinate-voting shares and class B multiple-voting shares. On June 25, 2002, the Corporation filed articles of continuance to continue under the Canada Business Corporations Act. On June 22, 2004, the Corporation filed articles of amendment whereby its class A subordinate-voting shares were reclassified as Common Shares and its class B multiple-voting shares were eliminated.

#### 102. Similarly, the June 2009 Prospectus stated only that:

The Corporation was formed under the Business Corporations Act (Ontario) upon the amalgamation of Mt. Kearsarge Minerals Inc. and 1028412 Ontario Inc. pursuant to articles of amalgamation dated March 14, 1994. The articles of amalgamation were amended by articles of amendment filed on July 20, 1995 and May 20, 1999 to effect certain changes in the provisions attaching to the Corporation's class A subordinate-voting shares and class B multiple-voting shares. On June 25, 2002, the Corporation filed articles of continuance to continue under the Canada Business Corporations Act. On June 22, 2004, the Corporation filed articles of amendment whereby its class A subordinate-voting shares were reclassified as Common Shares and its class B multiple-voting shares were eliminated.

## 103. Finally, the December 2009 Prospectus stated only that:

The Corporation was formed under the *Business Corporations Act* (Ontario) upon the amalgamation of Mt. Kearsarge Minerals Inc. and 1028412 Ontario Inc. pursuant to articles of amalgamation dated March 14, 1994. The articles of amalgamation were amended by articles of amendment filed on July 20, 1995 and May 20, 1999 to effect certain changes in the provisions attaching to the

Corporation's class A subordinate-voting shares and class B multiple-voting shares. On June 25, 2002, the Corporation filed articles of continuance to continue under the *Canada Business Corporations Act* (the "CBCA"). On June 22, 2004, the Corporation filed articles of amendment whereby its class A subordinate-voting shares were reclassified as Common Shares and its class B multiple-voting shares were eliminated.

104. The failure to disclose the true nature of, and/or Sino's revenues and profits from, SJXT and Leizhou in the historical narrative in the Prospectuses rendered those Prospectuses materially false and misleading. Those historical facts would have alerted persons who purchased Sino shares under the Prospectuses, and/or in the secondary markets, to the highly elevated risk of investing in a company that continued to be controlled by Chan and Poon, both of whom were founders of Sino, and both of whom had knowingly misrepresented the true nature of Leizhou and SJXT from the time of Sino's creation. Thus, Sino was required to disclose those historical facts to the Class Members during the Class Period, but failed to do so, either in the Prospectuses or in any other Impugned Document.

#### B. Misrepresentations relating to Sino's Forestry Assets

(i) Sino Overstates its Yunnan Forestry Assets

105. In a press release issued by Sino and filed on SEDAR on March 23, 2007, Sino announced that it had entered into an agreement to sell 26 million shares to several institutional investors for gross proceeds of US\$200 million, and that the proceeds would be used for the acquisition of standing timber, including pursuant to a new agreement to purchase standing timber in Yunnan Province. It further stated in that press release that Sino-Panel (Asia) Inc. ("Sino-Panel"), a wholly-owned subsidiary of Sino, had entered on that same day into an agreement with Gengma Dai and Wa Tribes Autonomous Region Forestry Company Ltd., ("Gengma Forestry") established in Lincang City, Yunnan Province in the PRC, and that, under that Agreement, Sino-Panel would acquire approximately 200,000 hectares of non-state owned

commercial standing timber in Lincang City and surrounding cities in Yunnan for US\$700 million to US\$1.4 billion over a 10-year period.

- 106. These same terms of Sino's Agreement with Gengma Forestry were disclosed in Sino's Q1 2007 MD&A. Moreover, throughout the Class Period, Sino discussed its purported Yunnan acquisitions in the Impugned Documents, and Pöyry repeatedly made statements regarding said holdings, as particularized below.
- 107. The reported acquisitions did not take place. Sino overstated to a material degree the size and value of its forestry holdings in Yunnan Province. It simply does not own all of the trees it claims to own in Yunnan. Sino's overstatement of the Yunnan forestry assets violated GAAP.
- 108. The misrepresentations about Sino's acquisition and holdings of the Yunnan forestry assets were made in all of the Impugned Documents that were MD&As, financial statements, AIFs, Prospectuses and Offering Memoranda, except for the 2005 Audited Annual Financial Statements, the Q1 2006 interim financial statements, the 2006 Audited Annual Financial Statements, the 2006 Annual MD&A.
  - (ii) Sino Overstates its Suriname Forestry Assets; Alternatively, Sino fails to Disclose the Material Fact that its Suriname Forestry Assets are contrary to the Laws of Suriname
- 109. In mid-2010, Sino became a majority shareholder of Greenheart Group Ltd., a Bermuda corporation having its headquarters in Hong Kong, China and a listing on the Hong Kong Stock Exchange ("Greenheart").
- 110. In August 2010, Greenheart issued an aggregate principal amount of US\$25,000,000 convertible notes for gross proceeds of US\$24,750,000. The sole subscriber of these convertible notes was Greater Sino Holdings Limited, an entity in which Murray has an indirect interest. In

addition, Chan and Murray then became members of Greenheart's Board, Chan became the Board's Chairman, and Martin became the CEO of Greenheart and a member of its Board.

- 111. On August 24, 2010 and December 28, 2010, Greenheart granted to Chan, Martin and Murray options to purchase, respectively, approximately 6.8 million, 6.8 million and 1.1 million Greenheart shares. The options are exercisable for a five-year term.
- 112. As at March 31, 2011, General Enterprise Management Services International Limited, a company in which Murray has an indirect interest, held 7,000,000 shares of Greenheart, being 0.9% of the total issued and outstanding shares of Greenheart.
- 113. As a result of the aforesaid transactions and interests, Sino, Chan, Martin and Murray stood to profit handsomely from any inflation in the market price of Greenheart's shares.
- 114. At all material times, Greenheart purported to have forestry assets in New Zealand and Suriname. On March 1, 2011, Greenheart issued a press release in which it announced that:

Greenheart acquires certain rights to additional 128,000 hectare concession in Suriname

\*\*\*\*

#### 312,000 hectares now under Greenheart management

Hong Kong, March 1, 2011 – Greenheart Group Limited ("Greenheart" or "the Company") (HKSE: 00094), an investment holding company with forestry assets in Suriname and New Zealand (subject to certain closing conditions) today announced that the Company has acquired 60% of Vista Marine Services N.V. ("Vista"), a private company based in Suriname, South America that controls certain harvesting rights to a 128,000 hectares hardwood concession. Vista will be rebranded as part of the Greenheart Group. This transaction will increase Greenheart's concessions under management in Suriname to approximately 312,000 hectares. The cost of this acquisition is not material to the Company as a whole but the Company is optimistic about the prospects of Vista and the positive impact that it will bring. The concession is located in the Sipalawini district of Suriname, South America, bordering Lake Brokopondo and has an estimated annual allowable cut of approximately 100,000 cubic meters.

Mr. Judson Martin, Chief Executive Officer of Greenheart and Vice-Chairman of Sino-Forest Corporation, the Company's controlling shareholder said, "This acquisition is in line with our growth strategy to expand our footprint in Suriname. In addition to increased harvestable area, this acquisition will bring synergies in sales, marketing, administration, financial reporting and control, logistics and overall management. I am pleased to welcome Mr. Ty Wilkinson to Greenheart as our minority partner. Mr. Wilkinson shares our respect for the people of Suriname and the land and will be appointed Chief Executive Officer of this joint venture and be responsible for operating in a sustainable and responsible manner. This acquisition further advances Greenheart's strategy of becoming a global agri-forestry company. We will continue to actively seek well-priced and sustainable concessions in Suriname and neighboring regions in the coming months."

[Emphasis added.]

115. In its 2010 AIF, filed on SEDAR on March 31, 2011, Sino stated:

We hold a majority interest in Greenheart Group which, together with its subsidiaries, owns certain rights and manages approximately 312,000 hectares of hardwood forest concessions in the Republic of Suriname, South America ("Suriname") and 11,000 hectares of a radiata pine plantation on 13,000 hectares of freehold land in New Zealand as at March 31, 2011. We believe that our ownership in Greenheart Group will strengthen our global sourcing network in supplying wood fibre for China in a sustainable and responsible manner.

[Emphasis added.]

- 116. The statements reproduced in the preceding paragraph were false and/or materially misleading when made. Under the Suriname *Forest Management Act*, it is prohibited for one company or a group of companies in which one person or company has a majority interest to control more than 150,000 hectares of land under concession. Therefore, either Greenheart's concessions under management in Suriname did not exceed 150,000 hectares, or Greenheart's concessions under management in Suriname violated the laws of Suriname, which was a material fact not disclosed in any of the Impugned Documents.
- 117. In each of the October 2010 Offering Memorandum, the 2010 Annual MD&A, the 2010 AIF. Sino represented that Greenheart had well in excess of 150,000 hectares of concession

under management in Suriname without however disclosing that Suriname law imposed a limit of 150,000 hectares on Greenheart and its subsidiaries.

- 118. Finally, Vista's forestry concessions are located in a region of Suriname populated by the Saramaka, an indigenous people. Pursuant to the American Convention on Human Rights and a decision of the Inter-American Court of Human Rights, the Saramaka people must have effective control over their land, including the management of their reserves, and must be effectively consulted by the State of Suriname. Sino has not disclosed in any of the Impugned Documents where it has discussed Greenheart and/or Suriname assets that Vista's purported concessions in Suriname, if they exist at all, are impaired due to the unfulfilled rights of the indigenous people of Suriname, in violation of GAAP. The Impugned Documents that omitted that disclosure were the 2010 Annual MD&A, the 2010 Audited Annual Financial Statements, and the 2010 AIF.
  - (iii) Sino overstates its Jiangxi Forestry Assets
- 119. On June 11, 2009, Sino issued a press release in which it stated:

Sino-Forest Corporation (TSX: TRE), a leading commercial forest plantation operator in China, announced today that its wholly-owned subsidiary, Sino-Panel (China) Investments Limited ("Sino-Panel"), has entered into a Master Agreement for the Purchase of Pine and Chinese Fir Plantation Forests (the "Jiangxi Master Agreement") with Jiangxi Zhonggan Industrial Development Company Limited ("Jiangxi Zhonggan"), which will act as the authorized agent for the original plantation rights holders.

Under the Jiangxi Master Agreement, Sino-Panel will, through PRC subsidiaries of Sino-Forest, acquire between 15 million and 18 million cubic metres (m<sub>3</sub>) of wood fibre located in plantations in Jiangxi Province over a three-year period with a price not to exceed RMB300 per m<sub>3</sub>, to the extent permitted under the relevant PRC laws and regulations. The plantations in which such amount of wood fibre to acquire is between 150,000 and 300,000 hectares to achieve an estimated average wood fibre yield of approximately 100 m<sub>3</sub> per hectare, and include tree species such as pine, Chinese fir and others. Jiangxi Zhonggan will ensure plantation forests sold to Sino-Panel and its PRC subsidiaries are non-state-owned, non-natural, commercial plantation forest trees.

In addition to securing the maximum tree acquisition price, Sino-Panel has pre-emptive rights to lease the underlying plantation land at a price, permitted under the relevant PRC laws and regulations, not to exceed RMB450 per hectare per annum for 30 years from the

time of harvest. The land lease can also be extended to 50 years as permitted under PRC laws and regulations. The specific terms and conditions of purchasing or leasing are to be determined upon the execution of definitive agreements between the PRC subsidiaries of Sino-Panel and Jiangxi Zhonggan upon the authorisation of original plantation rights holders, and subject to the requisite governmental approval and in compliance with the relevant PRC laws and regulations.

Sino-Forest Chairman and CEO Allen Chan said, "We are fortunate to have been able to capture and support investment opportunities in China's developing forestry sector by locking up a large amount of fibre at competitive prices. The Jiangxi Master Agreement is Sino-Forest's fifth, long-term, fibre purchase agreement during the past two years. These five agreements cover a total plantation area of over one million hectares in five of China's most densely forested provinces."

[Emphasis added.]

- 120. According to Sino's 2010 Annual MD&A, as of December 31, 2010, Sino had acquired 59,700 ha of plantation trees from Jiangxi Zhonggan Industrial Development Company Limited ("Zhonggan") for US\$269.1 million under the terms of the master agreement. (In its interim report for the second quarter of 2011, which was issued after the Class Period, Sino claims that, as at June 30, 2011, this number had increased to 69,100 ha, for a purchase price of US\$309.6 million).
- 121. However, as was known to Sino, Chan, Poon and Horsley, and as ought to have been known to the remaining Individual Defendants, BDO, E&Y and Pöyry, Sino's plantation acquisitions through Zhonggan are materially smaller than Sino has claimed.
- (iv) Poyry makes Misrepresentations in relation to Sino's Forestry Assets

  122. As particularized above, Sino overstated its forestry assets in Yunnan and Jiangxi

  Provinces in the PRC and in Suriname. Accordingly, Sino's total assets are overstated to a

  material degree in all of the Impugned Documents, in violation of GAAP, and each such
  statement of Sino's total assets constitutes a misrepresentation.

- 123. In addition, during the Class Period, Pöyry and entities affiliated with it made statements that are misrepresentations in regard to Sino's Yunnan Province "assets." namely:
  - (a) In a report dated March 14, 2008, filed on SEDAR on March 31, 2008 (the "2008 Valuations"), Pöyry: (a) stated that it had determined the valuation of the Sino forest assets to be US\$3.2 billion as at 31 December 2007; (b) provided tables and figures regarding Yunnan; (c) stated that "Stands in Yunnan range from 20 ha to 1000 ha," that "In 2007 Sino-Forest purchased an area of mixed broadleaf forest in Yunnan Province," that "Broadleaf forests already acquired in Yunnan are all mature," and that "Sino-Forest is embarking on a series of forest acquisitions/expansion efforts in Hunan, Yunnan and Guangxi;" and (d) provided a detailed discussion of Sino's Yunnan "holdings" at Appendixes 3 and 5. Pöyry's 2008 Valuations were incorporated in Sino's 2007 Annual MD&A, amended 2007 Annual MD&A, 2007 AIF, each of the Q1, Q2, and Q3 2008 MD&As, Annual 2008 MD&A, amended Annual 2008 MD&A, each of the Q1, Q2 and Q3 2009, annual 2009 MD&A, and July 2008 and December 2009 Offering Memoranda;
  - (b) In a report dated April 1, 2009 and filed on SEDAR on April 2, 2009 (the "2009 Valuations"), Pöyry stated that "[t]he area of forest owned in Yunnan has quadrupled from around 10 000 ha to almost 40 000 ha over the past year," provided figures and tables regarding Yunnan, and stated that "Sino-Forest has increased its holding of broadleaf crops in Yunnan during 2008, with this province containing nearly 99% of its broadleaf resource." Pöyry's 2009 Valuations were incorporated in Sino's 2008 AIF, each of the Q1, Q2, Q3 2009 MD&As, Annual 2009 MD&A, June 2009 Offering Memorandum, and June 2009 and December 2009 Prospectuses;
  - (c) In a "Final Report" dated April 23, 2010, filed on SEDAR on April 30, 2010 (the "2010 Valuations"), Pöyry stated that "Guangxi, Hunan and Yunnan are the three largest provinces in terms of Sino-Forest's holdings. The largest change in area by province, both in absolute and relative terms [sic] has been Yunnan, where the

area of forest owned has almost tripled, from around 39 000 ha to almost 106 000 ha over the past year," provided figures and tables regarding Yunnan, stated that "Yunnan contains 106 000 ha, including 85 000 ha or 99% of the total broadleaf forest," stated that "the three provinces of Guangxi, Hunan and Yunnan together contain 391 000 ha or about 80% of the total forest area of 491 000 ha" and that "[a]lmost 97% of the broadleaf forest is in Yunnan," and provided a detailed discussion of Sino's Yunnan "holdings" at Appendixes 3 and 4. Pöyry's 2010 Valuations were incorporated in Sino's 2009 AIF, the annual 2009 MD&A, each of the Q1, Q2 and Q3 2010 MD&As, and the October 2010 Offering Memorandum;

- (d) In a "Summary Valuation Report" regarding "Valuation of Purchased Forest Crops as at 31 December 2010" and dated May 27, 2011, Pöyry provided tables and figures regarding Yunnan, stated that "[t]he major changes in area by species from December 2009 to 2010 has been in Yunnan pine, with acquisitions in Yunnan and Sichuan provinces" and that "[a]nalysis of [Sino's] inventory data for broadleaf forest in Yunnan, and comparisons with an inventory that Pöyry undertook there in 2008 supported the upwards revision of prices applied to the Yunnan broadleaf large size log," and stated that "[t]he yield table for Yunnan pine in Yunnan and Sichuan provinces was derived from data collected in this species in these provinces by Pöyry during other work;" and
- (e) In a press release titled "Summary of Sino-Forest's China Forest Asset 2010 Valuation Reports" and which was "jointly prepared by Sino-Forest and Pöyry to highlight key findings and outcomes from the 2010 valuation reports," Pöyry reported on Sino's "holdings" and estimated the market value of Sino's forest assets on the 754,816 ha to be approximately US\$3.1 billion as at December 31, 2010.

## C. Misrepresentations relating to Sino's Related Party Transactions

(i) Related Party Transactions Generally

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- 124. Under GAAP and GAAS, a "related party" exists "when one party has the ability to exercise directly or indirectly, control, joint control or significant influence over the other." (CICA Handbook 3840.03) Examples include a parent-subsidiary relationship or an entity that is economically dependent upon another.
- 125. Related parties raise the concern that transactions may not be conducted at arm's length, and pricing or other terms may not be determined at fair market values. For example, when a subsidiary "sells" an asset to its parent at a given price, it may not be appropriate that that asset be reported on the balance sheet or charged against the earnings of the parent at that price. Where transactions are conducted between arm's length parties, this concern is generally not present.
- 126. The existence of related party transactions is important to investors irrespective of the reported dollar values of the transactions because the transactions may be controlled, manipulated and/or concealed by management (for example, for corporate purposes or because fraudulent activity is involved), and because such transactions may be used to benefit management or persons close to management at the expense of the company, and therefore its shareholders.
  - (ii) Sino fails to disclose that Zhonggan was a Related Party
- 127. Irrespective of the true extent of Zhonggan's transactions in Jiangxi forestry plantations, Sino failed to disclose, in violation of GAAP, that Zhonggan was a related party of Sino. More particularly, according to AIC records, the legal representative of Zhonggan is Lam Hong Chiu, who is an executive vice president of Sino. Lam Hong Chiu is also a director and a 50%

shareholder of China Square Industrial Limited, a BVI corporation which, according to AIC records, owns 80% of the equity of Zhonggan.

128. The Impugned Documents that omitted that disclosure were the Q2 2009 MD&A, the Q2 2009 interim financial statements, the Q3 2009 MD&A, the Q3 2009 interim financial statements, the December 2009 Prospectus, the 2009 Annual MD&A, the 2009 Audited Annual Financial Statements, the 2009 AIF, the Q1 2010 MD&A, the Q1 2010 interim financial statements, the Q2 2010 MD&A, the Q2 2010 interim financial statements, the Q3 2010 MD&A, the Q3 2010 interim financial statements, the Q3 2010 Audited Annual Financial Statements, and the 2010 AIF.

(iii) Sino fails to disclose that Homix was a Related Party

129. On January 12, 2010, Sino issued a press release in which it announced the acquisition by one of its wholly-owned subsidiaries of Homix Limited ("Homix"), which it described as a company engaged in research and development and manufacturing of engineered-wood products in China, for an aggregate amount of US\$7.1 million. That press release stated:

HOMIX has an R&D laboratory and two engineered-wood production operations based in Guangzhou and Jiangsu Provinces, covering eastern and southern China wood product markets. The company has developed a number of new technologies with patent rights, specifically suitable for domestic plantation logs including poplar and eucalyptus species. HOMIX specializes in curing, drying and dyeing methods for engineered wood and has the know-how to produce recomposed wood products and laminated veneer lumber. Recomposed wood technology is considered to be environment-friendly and versatile as it uses fibre from forest plantations, recycled wood and/or wood residue. This reduces the traditional use of large-diameter trees from natural forests. There is growing demand for recomposed wood technology as it reduces cost for raw material while increases the utilization and sustainable use of plantation fibre for the production of furniture and interior/exterior building materials.

[...]

Mr. Allen Chan, Sino-Forest's Chairman & CEO, said, "As we continue to ramp up our replanting programme with improved eucalyptus species, it is important for Sino-Forest to continue investing in the research and development that maximizes all aspects of the

forest product supply chain. Modernization and improved productivity of the wood processing industry in China is also necessary given the country's chronic wood fibre deficit. Increased use of technology improves operation efficiency, and maximizes and broadens the use of domestic plantation wood, which reduces the need for logging domestic natural forests and for importing logs from strained tropical forests. HOMIX has significant technological capabilities in engineered-wood processing."

Mr. Chan added, "By acquiring HOMIX, we intend to use six-year eucalyptus fibre instead of 30-year tree fibre from other species to produce quality lumber using recomposed technology. We believe that this will help preserve natural forests as well as improve the demand for and pricing of our planted eucalyptus trees."

- 130. Sino's 2009 Audited Annual Financial Statements, Q1/2010 Unaudited Interim Financial Statements, 2010 Audited Annual Financial Statements, the MD&As related to each of the aforementioned financial statements, and Sino's AIFs for 2009 and 2010, each discussed the acquisition of Homix, but nowhere disclosed that Homix was in fact a related party of Sino.
- 131. More particularly, Hua Chen, a Senior Vice President, Administration & Finance, of Sino in the PRC, and who joined Sino in 2002, is a 30% shareholder of an operating subsidiary of Homix, Jiangsu Dayang Wood Co., Ltd. ("Jiangsu")
- 132. In order to persuade current and prospective Sino shareholders that there was a commercial justification for the Homix acquisition, Sino misrepresented Homix's patent designs registered with the PRC State Intellectual Property Office. In particular, in its 2009 Annual Report, Sino stated:

## **HOMIX** acquisition

In accordance with our strategy to focus on research and development and to improve the end-use of our wood fibre, we acquired HOMIX Ltd. in January 2010 for \$7.1 million. This corporate acquisition is small but strategically important adding valuable intellectual property rights and two engineered-wood processing facilities located in Guangdong and Jiangsu Provinces to our operations. Homix has developed environment-friendly technology, an efficient process using recomposed technology to convert small-diameter plantation logs into building materials and furniture. Since we plan to grow high volumes of eucalypt and other FGHY species, this acquisition will help us achieve our long-term objectives of maximizing the use of our fibre, supplying a

variety of downstream customers and enhancing economic rural development. [Emphasis added]

- 133. However, Homix itself then had no patent designs registered with the PRC State Intellectual Property Office. At that time, Homix had two subsidiaries, Jiangsu and Guangzhou Pany Dacheng Wood Co. The latter then had no patent designs registered with the PRC State Intellectual Property Office, while Jiangsu had two patent designs. However, each such design was for wood dyeing, and not for the conversion of small-diameter plantation logs into building materials and furniture.
  - (iv) Sino fails to disclose that Yunan Shunxuan was a Related Party
- 134. In addition, during the Class Period, Sino purportedly purchased approximately 1,600 hectares of timber in Yunnan province from Yunnan Shunxuan Forestry Co. Ltd. Yunnan Shunxuan was part of Sino, acting under a separate label. Accordingly, it was considered a related party for the purposes of the GAAP disclosure requirements, a fact that Sino failed to disclose.
- 135. The Impugned Documents that omitted that disclosure were the 2009 Annual MD&A, the 2009 Audited Annual Financial Statements, the 2009 AIF, the Q1 2010 MD&A, the Q1 2010 interim financial statements, the Q2 2010 MD&A, the Q2 2010 interim financial statements, the Q3 2010 MD&A, the Q3 2010 interim financial statements, the 2010 Annual MD&A, the 2010 Audited Annual Financial Statements, and the 2010 AIF.
- 136. Sino's failure to disclose that Yunnan Shunxuan was a related party was a violation of GAAP, and a misrepresentation.
  - (v) Sino fails to disclose that Yuda Wood was a Related Party
- 137. Huaihua City Yuda Wood Co. Ltd., based in Huaihua City, Hunan Province ("Yuda Wood"), was a major supplier of Sino at material times. Yuda Wood was founded in April 2006

and, from 2007 until 2010, its business with Sino totalled approximately 152,164 Ha and RMB 4.94 billion.

- 138. During that period, Yuda Wood was a related party of Sino. Indeed, in the Second Report, the IC acknowledged that "there is evidence suggesting close cooperation [between Sino and Yuda Wood] (including administrative assistance, possible payment of capital at the time of establishment, joint control of certain of Yuda Wood's RMB bank accounts and the numerous emails indicating coordination of funding and other business activities)" [emphasis added.]
- 139. The fact that Yuda Wood was a related party of Sino during the Class Period was a material fact and was required to be disclosed under GAAP, but, during the Class Period, that fact was not disclosed by Sino in any of the Impugned Documents, or otherwise.
  - (vi) Sino fails to Disclose that Major Suppliers were Related Parties
- 140. At material times, Sino had at least thirteen suppliers where former Sino employees, consultants or secondees are or were directors, officers and/or shareholders of one or more such suppliers. Due to these and other connections between these suppliers and Sino, some or all of such suppliers were in fact undisclosed related parties of Sino.
- 141. Including Yuda Wood, the thirteen suppliers referenced above accounted for 43% of Sino's purported plantation purchases between 2006 and the first quarter of 2011.
- 142. In none of the Impugned Documents did Sino disclose that any of these suppliers were related parties, nor did it disclose sufficient particulars of its relations with such suppliers as would have enabled the investing public to ascertain that those suppliers were related parties.

- D. Misrepresentations relating to Sino's Relations with Forestry Bureaus and its Purported Title to Forestry Assets in the PRC
- 143. In at least two instances during the Class Period, PRC forestry bureau officials were either concurrently or subsequently employees of, or consultants to, Sino. One forestry bureau assigned employees to Sino and other companies to assist in the development of the forestry industry in its jurisdiction.
- 144. In addition, a vice-chief of the forestry bureau was assigned to work closely with Sino, and while that vice chief still drew a basic salary from the forestry bureau, he also acted as a consultant to Sino in the conduct of Sino's business. This arrangement was in place for several years. That vice-chief appeared on Sino's payroll from January 2007 with a monthly payment of RMB 15,000, which was significant compared with his forestry bureau salary.
- 145. In addition, at material times, Sino and/or its subsidiaries and/or its suppliers made cash payments and gave "gifts" to forestry bureau officals, which potentially constituted a serious criminal offence under the laws of the PRC. At least some of these payments and gifts were made or given in order to induce the recipients to issue "confirmation letters" in relation to Sino's purported holdings in the PRC of standing timber. These practices utterly compromised the integrity of the process whereby those "confirmation letters" were obtained.
- 146. Further, a chief of a forestry bureau who had authorized the issuance of confirmations to Sino was arrested due to corruption charges. That forestry bureau had issued confirmations only to Sino and to no other companies. Subsequent to the termination of that forestry bureau chief, that forestry bureau did not issue confirmations to any company.
- 147. The foregoing facts were material because: (1) they undermined the reliability (if any) of the documentation upon which Sino relied and continues to rely to establish its ownership of

standing timber; and (2) the corruption in which Sino was engaged exposed Sino to potential criminal penalties, including substantial fines, as well as a risk of severe reputational damage in Sino's most important market, the PRC.

148. However, none of these facts was disclosed in any of the Impugned Documents. On the contrary, Sino only made the following disclosure regarding former government officials in its 2007 Annual Report (and in no other Impugned Document), which was materially incomplete, and a misrepresentation:

To ensure successful growth, we have trained and promoted staff from within our organization, and hired knowledgeable people with relevant working experience and industry expertise – some joined us from forestry bureaus in various regions and provinces and/or state-owned tree farms. [...] 4. Based in Heyuan, Guangdong, Deputy GM responsible for Heyuan plantations, previously with forestry bureau; studied at Yangdongxian Dangxiao [Mr. Liang] 5. Based in Hunan, Plantation controller, graduated from Hunan Agricultural University, previously Assistant Manager of state-owned farm trees in Hunan [Mr. Xie].

- 149. In respect of Sino's purported title to standing timber in the PRC, Sino possessed Plantation Rights Certificates, or registered title, only in respect of 18% of its purported holdings of standing timber as at December 31, 2010, a fact nowhere disclosed by Sino during the Class Period. This fact was highly material to Sino, inasmuch as standing timber comprised a large proportion of Sino's assets throughout the Class Period, and in the absence of Plantation Rights Certificates, Sino could not establish its title to that standing timber.
- 150. Rather than disclose this highly material fact, Sino made the following misrepresentations in the following Impugned Documents:
  - (a) In the 2008 AIF: "We have obtained the plantation rights certificates or requisite approvals for acquiring the relevant plantation rights for most of the purchased tree plantations and planted tree plantations currently under our management, and we are in the process of applying for the plantation rights

- certificates for those plantations for which we have not obtained such certificates" [emphasis added];
- (b) In the 2009 AIF: "We have obtained the plantation rights certificates or requisite approvals for acquiring the relevant plantation rights for most of the purchased plantations and planted plantations currently under our management, and we are in the process of applying for the plantation rights certificates for those plantations for which we have not obtained such certificates" [emphasis added]; and
- (c) In the 2010 AIF: "We have obtained the plantation rights certificates or requisite approvals for acquiring the relevant plantation rights for most of the purchased plantations and planted plantations currently under our management, and we are in the process of applying for the plantation rights certificates for those plantations for which we have not obtained such certificates" [emphasis added].
- 151. In the absence of Plantation Rights Certificates, Sino relies principally on the purchase contracts entered into by its BVI subsidiaries ("BVIs") in order to demonstrate its ownership of standing timber.
- 152. However, under PRC law, those contracts are void and unenforceable.
- 153. In the alternative, if those contracts are valid and enforceable, they are enforceable only as against the counterparties through which Sino purported to acquire the standing timber, and not against the party who has registered title (if any) to the standing timber. Because some or all of those counterparties were or became insolvent, corporate shells or thinly capitalized, then any claims that Sino would have against those counterparties under PRC law, whether for unjust enrichment or otherwise, were of little to no value, and certainly constituted no substitute for registered title to the standing timber which Sino purported to own.

- 154. Sino never disclosed these material facts during the Class Period, whether in the Impugned Documents or otherwise. On the contrary, Sino made the following misrepresentations in relation to its purported title to standing timber:
  - (a) In the July 2008 Offering Memorandum, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased plantations";
  - (b) In the June 2009 Offering Memorandum, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased plantations";
  - (c) In the October 2010 Offering Memorandum, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased plantations";
  - (d) In the 2006 AIF, Sino stated "Based on the supplemental purchase contracts and the plantation rights certificates issued by the relevant forestry departments, we have the legal right to own our purchased tree plantations";
  - (e) In the 2007 AIF, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry departments, we have the legal right to own our purchased tree plantations";
  - (f) In the 2008 AIF, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased tree plantations";

- (g) In the 2009 AIF, Sino stated "Based on the relevant purchase contracts and the approvals issued by the local forestry bureaus, we legally own our purchased plantations";
- (h) In the December 2009 Offering Memorandum, Sino stated "Based on the relevant purchase contracts and the approvals issued by the local forestry bureaus, we legally own our purchased plantations"; and
- (i) In the 2010 AIF, Sino stated "Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased plantations."
- 155. In addition, during the Class Period, Sino never disclosed the material fact, belatedly revealed in the Second Report, that "in practice it is not able to obtain Plantation Rights Certificates for standing timber purchases when no land transfer rights are transferred" [emphasis added].
- 156. On the contrary, during the Class Period, Sino made the following misrepresentation in each of the 2006 and 2007 AIFs:

Since 2000, the PRC has been improving its system of registering plantation land ownership, plantation land use rights and plantation ownership rights and its system of issuing certificates to the persons having plantation land use rights, to owners owning the plantation trees and to owners of the plantation land. In April 2000, the PRC State Forestry Bureau announced the "Notice on the Implementation of Nationwide Uniform Plantation Right Certificates" (Lin Zi Fa [2000] No. 159) on April 19, 2000 (the "Notice"). Under the Notice, a new uniform form of plantation rights certificate is to be used commencing from the date of the Notice. The same type of new form plantation rights certificate will be issued to the persons having the right to use the plantation land, to persons who own the plantation land and plantation trees, and to persons having the right to use plantation trees.

[Emphasis added]

- 157. Under PRC law, county and provincial forestry bureaus have no authority to issue confirmation letters. Such letters cannot be relied upon in a court of law to resolve a dispute and are not a guarantee of title. Notwithstanding this, during the Class Period, Sino made the following misrepresentations:
  - (a) In the 2006 AIF: "In addition, for the purchased tree plantations, we have obtained confirmations from the relevant forestry bureaus that we have the legal right to own the purchased tree plantations for which we have not received certificates" [emphasis added]; and
  - (b) In the 2007 AIF: "For our Purchased Tree Plantations, we have applied for the relevant Plantation Rights Certificates with the competent local forestry departments. As the relevant locations where we purchased our Purchased Tree Plantations have not fully implemented the new form Plantation Rights Certificate, we are not able to obtain all the corresponding Plantation Rights Certificates for our Purchased Tree Plantations. In this connection, we obtained confirmation on our ownership of our Purchased Tree Plantations from the relevant forestry departments." [emphasis added]

# E. Misrepresentations relating to Sino's Relationships with its AIs

- 158. In addition to the misrepresentations alleged above in relation to Sino's AIs, including those alleged in Section VI.C hereof (*Misrepresentations relating to Sino's Related Party Transactions*), Sino made the following misrepresentations during the Class Period in relation to its relationships with it AIs.
- (i) Sino Misrepresents the Degree of its Reliance on its AIs159. On March 30, 2007, Sino issued and filed on SEDAR its 2006 AIF. In that AIF, Sino
  - ...PRC laws and regulations require foreign companies to obtain licenses to engage in any business activities in the PRC. As a result of these requirements, we currently engage in our trading activities through PRC authorized intermediaries that have the requisite business licenses. There is no assurance that the PRC government will not take action to restrict our ability to engage in trading activities through our authorized intermediaries. In order to reduce our reliance on the authorized intermediaries, we intend to use a WFOE in the PRC to enter into contracts directly with suppliers of raw timber, and then process the raw timber, or engage others to process raw timber on its behalf, and sell logs, wood chips and wood-based products to customers, although it would not be able to engage in pure trading activities.

[Emphasis added.]

stated:

- 160. In its 2007 AIF, which Sino filed on March 28, 2008, Sino again declared its intention to reduce its reliance upon AIs.
- 161. These statements were false and/or materially misleading when made, inasmuch as Sino had no intention to reduce materially its reliance on AIs, because its AIs were critical to Sino's ability to inflate its revenue and net income. Rather, these statements had the effect of mitigating any investor concern arising from Sino's extensive reliance upon AIs.
- 162. Throughout the Class Period, Sino continued to depend heavily upon AIs for its purported sales of standing timber. In fact, contrary to Sino's purported intention to reduce its reliance on its AIs, Sino's reliance on its AIs in fact *increased* during the Class Period.

- (ii) Sino Misrepresents the Tax-related Risks Arising from its use of AIs
- 163. Throughout the Class Period, Sino materially understated the tax-related risks arising from its use of Als.
- 164. Tax evasion penalties in the PRC are severe. Depending on whether the PRC authorities seek recovery of unpaid taxes by means of a civil or criminal proceeding, its claims for unpaid tax are subject to either a five- or ten-year limitation period. The unintentional failure to pay taxes is subject to a 0.05% per day interest penalty, while an intentional failure to pay taxes is punishable with fines of up to five times the unpaid taxes, and confiscation of part or all of the criminal's personal properties maybe also imposed.
- 165. Therefore, because Sino professed to be unable to determine whether its AIs have paid required taxes, the tax-related risks arising from Sino's use of AIs were potentially devastating. Sino failed, however, to disclose these aspects of the PRC tax regime in its Class Period disclosure documents, as alleged more particularly below.
- 166. Based upon Sino's reported results, Sino's tax accruals in all of its Impugned Documents that were interim and annual financial statements were materially deficient. For example, depending on whether the PRC tax authorities would assess interest at the rate of 18.75% per annum, or would assess no interest, on the unpaid income taxes of Sino's BVI subsidiaries, and depending also on whether one assumes that Sino's AIs have paid no income taxes or have paid 50% of the income taxes due to the PRC, then Sino's tax accruals in its 2007, 2008, 2009 and 2010 Audited Annual Financial Statements were understated by, respectively, US\$10 million to US\$150 million, US\$50 million to US\$260 million, US\$81 million to US\$371 million, and US\$83 million to US\$493 million. Importantly, were one to consider the impact of unpaid taxes other than unpaid income taxes (for example, unpaid value-added taxes), then the amounts by

which Sino's tax accruals were understated in these financial statements would be substantially larger.

- 167. The aforementioned estimates of the amounts by which Sino's tax accruals were understated also assume that the PRC tax authorities only impose interest charges on Sino's BVI Subsidiaries and impose no other penalties for unpaid taxes, and assume further that the PRC authorities seek back taxes only for the preceding five years. As indicated above, each of these assumptions is likely to be unduly optimistic. In any case, Sino's inadequate tax accruals violated GAAP, and constituted misrepresentations.
- 168. Sino also violated GAAP in its 2009 Audited Annual Financial Statements by failing to apply to its 2009 financial results the PRC tax guidance that was issued in February 2010. Although that guidance was issued after year-end 2009, GAAP required that Sino apply that guidance to its 2009 financial results, because that guidance was issued in the subsequent events period.
- 169. Based upon Sino's reported profit margins on its dealings with AIs, which margins are extraordinary both in relation to the profit margins of Sino's peers, and in relation to the limited risks that Sino purports to assume in its transactions with its AIs, Sino's AIs are not satisfying their tax obligations, a fact that was either known to the Defendants or ought to have been known. If Sino's extraordinary profit margins are real, then Sino and its AIs must be dividing the gains from non-payment of taxes to the PRC.
- 170. During the Class Period, Sino never disclosed the true nature of the tax-related risks to which it was exposed. This omission, in violation of GAAP, rendered each of the following statements a misrepresentation:

- (a) In the 2006 Annual Financial Statements, note 11 [b] "Provision for tax related liabilities" and associated text;
- (b) In the 2006 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (c) In the AIF dated March 30, 2007, the section "Estimation of the Company's provision for income and related taxes," and associated text;
- (d) In the Q1 and Q2 2007 Financial Statements, note 5 "Provision for Tax Related Liabilities," and associated text;
- (e) In the Q3 2007 Financial Statements, note 6 "Provision for Tax Related Liabilities," and associated text;
- (f) In the 2007 Annual Financial Statements, note 13 [b] "Provision for tax related liabilities," and associated text;
- (g) In the 2007 Annual MD&A and Amended 2007 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (h) In the AIF dated March 28, 2008, the section "Estimation of the Corporation's provision for income and related taxes," and associated text;
- (i) In the Q1, Q2 and Q3 2008 Financial Statements, note 12 "Provision for Tax Related Liabilities," and associated text;
- (j) In the Q1, Q2 and Q3 2008 MD&As, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (k) In the July 2008 Offering Memorandum, the subsection "Taxation" in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations," and associated text;

- (l) In the 2008 Annual Financial Statements, note 13 [d] "Provision for tax related liabilities," and associated text;
- (m) In the 2008 Annual MD&A and Amended 2008 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (n) In the AIF dated March 31, 2009, the section "We may be liable for income and related taxes to our business and operations, particularly our BVI Subsidiaries, in amounts greater than the amounts we have estimated and for which we have provisioned," and associated text;
- (o) In the Q1, Q2 and Q3 2009 Financial Statements, note 13 "Provision for Tax Related Liabilities," and associated text;
- (p) In the Q1, Q2 and Q3 2009 MD&As, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (q) In the 2009 Annual Financial Statements, note 15 [d] "Provision for tax related liabilities," and associated text;
- (r) In the 2009 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (s) In the AIF dated March 31, 2010, the section "We may be liable for income and related taxes to our business and operations, particularly our BVI Subsidiaries, in amounts greater than the amounts we have estimated and for which we have provisioned," and associated text;
- (t) In the Q1 and Q2 2010 Financial Statements, note 14 "Provision for Tax Related Liabilities," and associated text;
- (u) In the Q1 and Q2 2010 MD&As, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;

- (v) In the Q3 2010 Financial Statements, note 14 "Provision and Contingencies for Tax Related Liabilities," and associated text; and
- (w) In the Q3 2010 MD&As, the subsection "Provision and Contingencies for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
- (x) In the October 2010 Offering Memorandum, the subsection "Taxation" in the section "Selected Financial Information," and associated text;
- (y) In the 2010 Annual Financial Statements, note 18 "Provision and Contingencies for Tax Related Liabilities," and associated text;
- (z) In the 2010 Annual MD&A, the subsection "Provision and Contingencies for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text; and
- (aa) In the AIF dated March 31, 2011, the section "We may be liable for income and related taxes to our business and operations, particularly our BVI Subsidiaries, in amounts greater than the amounts we have estimated and for which we have provisioned," and associated text.
- 171. In every Impugned Document that is a financial statement, the line item "Accounts payable and accrued liabilities" and associated figures on the Consolidated Balance Sheets fails to properly account for Sino's tax accruals and is a misrepresentation, and a violation of GAAP.
- 172. During the Class Period, Sino also failed to disclose in any of the Impugned Documents that were AIFs, MD&As, financial statements, Prospectuses or Offering Memoranda, the risks relating to the repatriation of its earnings from the PRC. In 2010, Sino added two new sections to its AIF regarding the risk that it would not be able to repatriate earnings from its BVI subsidiaries (which deal with the AIs). The amount of retained earnings that may not be able to be repatriated is stated therein to be US\$1.4 billion. Notwithstanding this disclosure, Sino did not

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disclose in these Impugned Documents that it would be unable to repatriate *any* earnings absent proof of payment of PRC taxes, which it has admitted that it lacks.

- (iii) Sino Misrepresents its Accounting Treatment of its Als
- 173. In addition, there are material discrepancies in Sino's descriptions of its accounting treatment of its AIs. Beginning in the 2003 AIF, Sino described its AIs as follows:

Because of the provisions in the Operational Procedures that specify when we and the authorized intermediary assume the risks and obligations relating to the raw timber or wood chips, as the case may be, we treat these transactions for accounting purposes as providing that we take title to the raw timber when it is delivered to the authorized intermediary. Title then passes to the authorized intermediary once the timber is processed into wood chips. Accordingly, we treat the authorized intermediaries for accounting purposes as being both our suppliers and customers in these transactions.

[Emphasis added.]

174. Sino's disclosures were consistent in that regard up to and including Sino's first AIF issued in the Class Period (the 2006 AIF), which states:

Because of the provisions in the Operational Procedures that specify when we and the AI assume the risks and obligations relating to the raw timber or wood chips, as the case may be, we treat these transactions for accounting purposes as providing that we take title to the raw timber when it is delivered to the AI. Title then passes to the AI once the timber is processed into wood chips. Accordingly, we treat the AI for accounting purposes as being both our supplier and customer in these transactions.

[Emphasis added.]

- 175. In subsequent AIFs, Sino ceased without explanation to disclose whether it treated AIs for accounting purposes as being both the supplier and the customer.
- 176. Following the issuance of Muddy Waters' report on the last day of the Class Period, however, Sino declared publicly that Muddy Waters was "wrong" in its assertion that, for accounting purposes, Sino treated its AIs as being both supplier and customer in transactions. This claim by Sino implies either that Sino misrepresented its accounting treatment of AIs in its

2006 AIF (and in its AIFs for prior years), or that Sino changed its accounting treatment of its AIs after the issuance of its 2006 AIF. If the latter is true, then Sino was obliged by GAAP to disclose its change in its accounting treatment of its AIs. It failed to do so.

## F. Misrepresentations relating to Sino's Cash Flow Statements

- 177. Given the nature of Sino's operations, that of a frequent trader of standing timber, Sino improperly accounted for its purchases of timber assets as "Investments" in its Consolidated Statements Of Cash Flow. In fact, such purchases are "Inventory" within the meaning of GAAP, given the nature of Sino's business.
- 178. Additionally, Sino violated the GAAP 'matching' principle in treating timber asset purchases as "Investments" and the sale of timber assets as "Inventory": cash flow that came into the company was treated as cash flow from operations, but cash flow that was spent by Sino was treated as cash flow for investments. As a result, "Additions to timber holding" was improperly treated as a "Cash Flows Used In Investing Activities" instead of "Cash Flows From Operating Activities" and the item "Depletion of timber holdings included in cost of sales" should not be included in "Cash Flows From Operating Activities," because it is not a cash item.
- 179. The effect of these misstatements is that Sino's Cash Flows From Operating Activities were materially overstated throughout the Class Period, which created the impression that Sino was a far more successful cash generator than it was. Such mismatching and misclassification is a violation of GAAP.
- 180. Cash Flows From Operating Activities are one of the crucial metrics used by the financial analysts who followed Sino's performance. These misstatements were designed to, and did, have the effect of causing such analysts to materially overstate the value of Sino. This material

overstatement was incorporated into various research reports made available to the Class Members, the market and the public at large.

- 181. Matching is a foundational requirement of GAAP reporting. E&Y and BDO were aware, at all material times, that Sino was required to adhere to the matching principle. If E&Y and BDO had conducted GAAS-complaint audits, they would have been aware that Sino's reporting was not GAAP compliant with regard to the matching principle. Accordingly, if they had conducted GAAS-compliant audits, the statements by E&Y and BDO that Sino's reporting was GAAP-compliant were not only false, but were made, at a minimum, recklessly.
- 182. Further, at all material times, E&Y and BDO were aware that misstatements in Cash Flows From Operating Activities would materially impact the market's valuation of Sino.
- 183. Accordingly, in every Impugned Document that is a financial statement, the Consolidated Statements Of Cash Flow are a misrepresentation and, particularly, the Cash Flows From Operating Activities item and associated figures is materially overstated, the "additions to timber holdings" item and figures is required to be listed as Cash Flows From Operating Activities, and the "depletion of timber holdings included in cost of sales" item and figures should not have been included.

# G. Misrepresentations relating to Certain Risks to which Sino was exposed

- (i) Sino is conducting "business activities" in China
- 184. At material times, PRC law required foreign entities engaging in "business activities" in the PRC to register to obtain and maintain a license. Violation of this requirement could have resulted in both administrative sanctions and criminal punishment, including banning the unlicensed business activities, confiscating illegal income and properties used exclusively therefor, and/or an administrative fines of no more than RMB 500,000. Possible criminal punishment included a criminal fine from 1 to 5 times the amount of the profits gained.
- 185. Consequently, were Sino's BVI subsidiaries to have been engaged in unlicensed in "business activities" in the PRC during the Class Period, they would have been exposed to risks that were highly material to Sino.
- 186. Under PRC law, the term "business activities" generally encompasses any for-profit activities, and Sino's BVI subsidiaries were in fact engaged in unlicensed "business activities" in the PRC during the Class Period. However, Sino did not disclose this fact in any of the Impugned Documents, including in its AIFs for 2008-2010, which purported to make full disclosure of the material risks to which Sino was then exposed.
  - (ii) Sino fails to disclose that no proceeds were paid to it by its AIs
- 187. In the Second Report, Sino belatedly revealed that:

In practice, proceeds from the Entrusted Sale Agreements are not paid to SF but are held by the AIs as instructed by SF and subsequently used to pay for further purchases of standing timber by the same or other BVIs. The AIs will continue to hold these proceeds until the Company instructs the AIs to use these proceeds to pay for new BVI standing timber purchases. No proceeds are directly paid to the Company, either onshore or offshore.

[Emphasis added]

- 188. This material fact was never disclosed in any of the Impugned Documents during the Class Period. On the contrary, Sino made the following statements during the Class Period in relation to the proceeds paid to it by its AIs, each of which was materially misleading and therefore a misrepresentation:
  - (a) In the 2005 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of wood chips and standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other PRC liabilities" [emphasis added];
  - (b) In the 2006 Annual MD&A, the subsection "Provision for Tax Related Liabilities" in the section "Critical Accounting Estimates," and associated text;
  - (c) In the 2006 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of wood chips and standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi" [emphasis added];
  - (d) In the 2007 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi;"
  - (e) In the 2008 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi" [emphasis added];
  - (f) In the 2009 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi" [emphasis added]; and

(g) In the 2010 financial statements, Sino stated: "As a result, *the majority* of the accounts receivable arising from sales of standing timber are realized through instructing the debtors to settle the amounts payable on standing timber and other liabilities denominated in Renminbi" [emphasis added].

# H. Misrepresentations relating to Sino's GAAP Compliance and the Auditors' GAAS Compliance

- (i) Sino, Chan and Horsley misrepresent that Sino complied with GAAP
- 189. In each of its Class Period financial statements, Sino represented that its financial reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein.
- 190. In particular, Sino misrepresented in those financial statements that it was GAAP-compliant as follows:
  - (a) In the annual statements filed on March 19, 2007, at Note 1: "These consolidated financial statements Sino-Forest Corporation (the "Company") have been prepared in United States dollars in accordance with Canadian generally accepted accounting principles";
  - (b) In the annual financial statements filed on March 18, 2008, at Note 1: "The consolidated financial statements of Sino-Forest Corporation (the "Company") have been prepared in United States dollars and in accordance with Canadian generally accepted accounting principles";
  - (c) In the annual financial statements filed on March 16, 2009, at note 1: "The consolidated financial statements of Sino-Forest Corporation (the "Company") have been prepared in United States dollars and in accordance with Canadian generally accepted accounting principles";

- (d) In the annual financial statements filed on March 16, 2010, at note 1: "The consolidated financial statements of Sino-Forest Corporation (the "Company") have been prepared in United States dollars and in accordance with Canadian generally accepted accounting principles"; and
- (e) In the annual financial statements filed on March 15, 2011, at note 1: "The consolidated financial statements of Sino-Forest Corporation (the "Company") have been prepared in United States dollars and in accordance with Canadian generally accepted accounting principles".
- 191. In each of its Class Period MD&As, Sino represented that its reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein.
- 192. In particular, Sino misrepresented in those MD&As that it was GAAP-compliant as follows:
  - (a) In the annual MD&A filed on March 19, 2007: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
  - (b) In the quarterly MD&A filed on May 14, 2007: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
  - (c) In the quarterly MD&A filed on August 13, 2007: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
  - (d) In the quarterly MD&A filed on November 12, 2007: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";

- (e) In the annual MD&A filed on March 18, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (f) In the amended annual MD&A filed on March 28, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (g) In the quarterly MD&A filed on May 13, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
- (h) In the quarterly MD&A filed on August 12, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
- (i) In the quarterly MD&A filed on November 13, 2008: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles ("GAAP")";
- (j) In the annual MD&A filed on March 16, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (k) In the amended annual MD&A filed on March 17, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (l) In the quarterly MD&A filed on May 11, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";
- (m) In the quarterly MD&A filed on August 10, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles (GAAP)";

- (n) In the quarterly MD&A filed on November 12, 2009: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")";
- (o) In the annual MD&A files on March 16, 2010: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")";
- (p) In the quarterly MD&A filed on May 12, 2010: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")";
- (q) In the quarterly MD&A filed on August 10, 2010: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")";
- (r) In the quarterly MD&A filed on November 10, 2010: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")"; and
- (s) In the annual MD&A filed on March 15, 2011: "Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian Generally Accepted Accounting Principles ("GAAP")."
- 193. In the Offerings, Sino represented that its reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein.
- 194. In particular, Sino misrepresented in the Offerings that it was GAAP-compliant as follows:
  - (a) In the July 2008 Offering Memorandum: "We prepare our financial statements on a consolidated basis in accordance with accounting principles generally accepted in Canada ("Canadian GAAP")[...]," "Our auditors conduct their audit of our

financial statements in accordance with auditing standards generally accepted in Canada" and "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 [...]";

- (b) In the June 2009 Offering Memorandum: "We prepare our financial statements on a consolidated basis in accordance with accounting principles generally accepted in Canada ("Canadian GAAP")[...]," "Our auditors conduct their audit of our financial statements in accordance with auditing standards generally accepted in Canada," "The audited and unaudited consolidated financial statements were prepared in accordance with Canadian GAAP," "Our audited and consolidated financial statements for the years ended December 31, 2006, 2007 and 2008 and our unaudited interim consolidated financial statements for the three-month periods ended March 31, 2008 and 2009 have been prepared in accordance with Canadian GAAP";
- (c) In the June 2009 Offering Memorandum: "We prepare our financial statements on a consolidated basis in accordance with accounting principles generally accepted in Canada ("Canadian GAAP")[...]," "Our auditors conduct their audit of our financial statements in accordance with auditing standards generally accepted in Canada" and "The audited and unaudited consolidated financial statements were prepared in accordance with Canadian GAAP"; and
- (d) In the October 2010 Offering Memorandum: "We prepare our financial statements on a consolidated basis in accordance with accounting principles generally accepted in Canada ("Canadian GAAP")[...]," "Our auditors conduct their audit of our financial statements in accordance with auditing standards generally accepted in Canada," "The audited and unaudited consolidated financial statements were prepared in accordance with Canadian GAAP," "Our audited and consolidated financial statements for the years ended December 31, 2007, 2008 and 2009 and our unaudited interim consolidated financial statements for the six-

month periods ended June 30, 2009 and 2010 have been prepared in accordance with Canadian GAAP."

- 195. In the Class Period Management's Reports, Chan and Horsley represented that Sino's reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein.
- 196. In particular, Chan and Horsley misrepresented in those Management's Reports that Sino's financial statements were GAAP-compliant as follows:
  - (a) In the annual statements filed on March 19, 2007 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report have been prepared by management in accordance with Canadian generally accepted accounting principles";
  - (b) In the annual financial statements filed on March 18, 2008 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report have been prepared by management in accordance with Canadian generally accepted accounting principles";
  - (c) In the annual financial statements filed on March 16, 2009 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report have been prepared by management in accordance with Canadian generally accepted accounting principles";
  - (d) In the annual financial statements filed on March 16, 2010 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report have been prepared by management in accordance with Canadian generally accepted accounting principles"; and
  - (e) In the annual financial statements filed on March 15, 2011 Chan and Horlsey stated: "The consolidated financial statements contained in this Annual Report

have been prepared by management in accordance with Canadian generally accepted accounting principles."

- (ii) E&Y and BDO misrepresent that Sino complied with GAAP and that they complied with GAAS
- 197. In each of Sino's Class Period annual financial statements, E&Y or BDO, as the case may be, represented that Sino's reporting was GAAP-compliant, which was a misrepresentation for the reasons set out elsewhere herein. In addition, in each such annual financial statement, E&Y and BDO, as the case may be, represented that they had conducted their audit in compliance with GAAS, which was a misrepresentation because they did not in fact conduct their audits in accordance with GAAS.
- 198. In particular, E&Y and BDO misrepresented that Sino's financial statements were GAAP-compliant and that they had conducted their audits in compliance with GAAS as follows:
  - (a) In Sino's annual financial statements filed on March 19, 2007, BDO stated: "We conducted our audit in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles";
  - (b) In the June 2007 Prospectus, BDO stated: "We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents";
  - (c) In Sino's annual financial statements filed on March 18, 2008, E&Y stated: "We conducted our audit in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at

December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. The financial statements as at December 31, 2006 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated March 19, 2007";

- (d) In the July 2008 Offering Memorandum, BDO stated: "We conducted our audit in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles" and E&Y stated "We conducted our audit in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles";
- (e) In Sino's annual financial statements filed on March 16, 2009, E&Y stated: "We conducted our audits in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles";
- (f) In Sino's annual financial statements filed on March 16, 2010, E&Y stated: "We conducted our audits in accordance with Canadian generally accepted auditing standards" and "In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows

- for the years then ended in accordance with Canadian generally accepted accounting principles"; and
- (g) In Sino's annual financial statements filed on March 15, 2011, E&Y stated: "We conducted our audits in accordance with Canadian generally accepted auditing standards." and "In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sino-Forest corporation as at December 31, 2010 and 2009 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles."
- (iii) The Market Relied on Sino's Purported GAAP-compliance and E&Y's and BDO's purported GAAS-compliance in Sino's Financial Reporting
- 199. As a public company, Sino communicated the results it claimed to have achieved to the Class Members via quarterly and annual financial results, among other disclosure documents. Sino's auditors, E&Y and BDO, as the case may be, were instrumental in the communication of Sino's financial information to the Class Members. The auditors certified that the financial statements were compliant with GAAP and that they had performed their audits in compliance with GAAS. Neither was true.
- 200. The Class Members invested in Sino's securities on the critical premise that Sino's financial statements were in fact GAAP-compliant, and that Sino's auditors had in fact conducted their audits in compliance with GAAS. Sino's reported financial results were also followed by analysts at numerous financial institutions. These analysts promptly reported to the market at large when Sino made earnings announcements, and incorporated into their Sino-related analyses and reports Sino's purportedly GAAP-compliant financial results. These analyses and reports, in turn, significantly affected the market price for Sino's securities.

201. The market, including the Class Members, would not have relied on Sino's financial reporting had the auditors disclosed that Sino's financial statements were not reliable or that they had not followed the processes that would have amply revealed that those statements were reliable.

## VII. CHAN'S AND HORSLEY'S FALSE CERTIFICATIONS

- 202. Pursuant to National Instrument 52-109, the defendants Chan, as CEO, and Horsley, as CFO, were required at the material times to certify Sino's annual and quarterly MD&As and Financial Statements as well as the AIFs (and all documents incorporated into the AIFs). Such certifications included statements that the filings "do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made" and that the reports "fairly present in all material respects the financial condition, results of operations and cash flows of the issuer."
- 203. As particularized elsewhere herein, however, the Impugned Documents contained the Representation, which was false, as well as the other misrepresentations alleged above. Accordingly, the certifications given by Chan and Horsley were false and were themselves misrepresentations. Chan and Horsley made such false certifications knowingly or, at a minimum, recklessly.

#### VIII. THE TRUTH IS REVEALED

204. On June 2, 2011, Muddy Waters issued its initial report on Sino, and stated in part therein:

Sino-Forest Corp (TSE: TRE) is the granddaddy of China RTO frauds. It has always been a fraud – reporting excellent results from one of its early joint ventures – even though, because of TRE's default on its investment obligations, the JV never went into operation. TRE just lied.

The foundation of TRE's fraud is a convoluted structure whereby it claims to run most of its revenues through "authorized intermediaries" ("AI"). AIs are supposedly timber trader customers who purportedly pay much of TRE's value added and income taxes. At the same time, these AIs allow TRE a gross margin of 55% on standing timber merely for TRE having speculated on trees.

The sole purpose of this structure is to fabricate sales transactions while having an excuse for not having the VAT invoices that are the mainstay of China audit work. If TRE really were processing over one billion dollars in sales through AIs, TRE and the AIs would be in serious legal trouble. No legitimate public company would take such risks – particularly because this structure has zero upside.

[...]

On the other side of the books, TRE massively exaggerates its assets. TRE significantly falsifies its investments in plantation fiber (trees). It purports to have purchased \$2.891 billion in standing timber under master agreements since 2006 [...]

[...]

Valuation

Because TRE has \$2.1 billion in debt outstanding, which we believe exceeds the potential recovery, we value its equity at less than \$1.00 per share.

205. Muddy Waters' report also disclosed that (a) Sino's business is a fraudulent scheme; (b) Sino systemically overstated the value of its assets; (c) Sino failed to disclose various related party transactions; (d) Sino misstated that it had enforced high standards of governance; (e) Sino misstated that its reliance on the AIs had decreased; (f) Sino misrepresented the tax risk associated with the use of AIs; and (g) Sino failed to disclose the risks relating to repatriation of earnings from PRC.

206. After Muddy Waters' initial report became public, Sino shares fell to \$14.46, at which point trading was halted (a decline of 20.6% from the pre-disclosure close of \$18.21). When

trading was allowed to resume the next day, Sino's shares fell to a close of \$5.23 (a decline of 71.3% from June 1).

207. On November 13, 2011 Sino released the Second Report in redacted form. Therein, the Committee summarized its findings:

# B. Overview of Principal Findings

The following sets out a very high level overview of the IC's principal findings and should be read in conjunction with the balance of this report.

Timber Ownership

[...]

The Company does not obtain registered title to BVI purchased plantations. In the case of the BVIs' plantations, the IC has visited forestry bureaus, Suppliers and AIs to seek independent evidence to establish a chain of title or payment transactions to verify such acquisitions. The purchase contracts, set-off arrangement documentation and forestry bureau confirmations constitute the documentary evidence as to the Company's contractual or other rights. The IC has been advised that the Company's rights to such plantations could be open to challenge. However, Management has advised that, to date, it is unaware of any such challenges that have not been resolved with the Suppliers in a manner satisfactory to the Company.

Forestry Bureau Confirmations and Plantation Rights Certificates

Registered title, through Plantation Rights Certificates is not available in the jurisdictions (i.e. cities and counties) examined by the IC Advisors for standing timber that is held without land use/lease rights. Therefore the Company was not able to obtain Plantation Rights Certificates for its BVIs standing timber assets in those areas. In these circumstances, the Company sought confirmations from the relevant local forestry bureau acknowledging its rights to the standing timber.

The IC Advisors reviewed forestry bureau confirmations for virtually all BVIs assets and non-Mandra WFOE purchased plantations held as at December 31, 2010. The IC Advisors, in meetings organized by Management, met with a sample of forestry bureaus with a view to obtaining verification of the Company's rights to standing timber in those jurisdictions. The result of such meetings to date have concluded with the forestry bureaus or related entities having issued new confirmations as to the Company's contractual rights to the Company in respect of 111,177 Ha. as of December 31, 2010 and 133,040 Ha. as of March 31, 2011, and have acknowledged the issuance of existing confirmations issued to the

Company as to certain rights, among other things, in respect of 113,058 Ha. as of December 31, 2010.

Forestry bureau confirmations are not officially recognized documents and are not issued pursuant to a legislative mandate or, to the knowledge of the IC, a published policy. It appears they were issued at the request of the Company or its Suppliers. The confirmations are not title documents, in the Western sense of that term, although the IC believes they should be viewed as comfort indicating the relevant forestry bureau does not dispute SF's claims to the standing timber to which they relate and might provide comfort in case of disputes. The purchase contracts are the primary evidence of the Company's interest in timber assets.

In the meetings with forestry bureaus, the IC Advisors did not obtain significant insight into the internal authorization or diligence processes undertaken by the forestry bureaus in issuing confirmations and, as reflected elsewhere in this report, the IC did not have visibility into or complete comfort regarding the methods by which those confirmations were obtained. It should be noted that several Suppliers observed that SF was more demanding than other buyers in requiring forestry bureau confirmations.

#### Book Value of Timber

Based on its review to date, the IC is satisfied that the book value of the BVIs timber assets of \$2.476 billion reflected on its 2010 Financial Statements and of SP WFOE standing timber assets of \$298.6 million reflected in its 2010 Financial Statements reflects the purchase prices for such assets as set out in the BVIs and WFOE standing timber purchase contracts reviewed by the IC Advisors. Further, the purchase prices for such BVIs timber assets have been reconciled to the Company's financial statements based on set-off documentation relating to such contracts that were reviewed by the IC. However, these comments are also subject to the conclusions set out above under "Timber Ownership" on title and other rights to plantation assets.

The IC Advisors reviewed documentation acknowledging the execution of the set-off arrangements between Suppliers, the Company and AIs for the 2006-2010 period. However, the IC Advisors were unable to review any documentation of AIs or Suppliers which independently verified movements of cash in connection with such set-off arrangements between Suppliers, the Company and the AIs used to settle purchase prices paid to Suppliers by AIs on behalf of SF. We note also that the independent valuation referred to in Part VIII below has not yet been completed.

#### Revenue Reconciliation

As reported in its First Interim Report, the IC has reconciled reported 2010 total revenue to the sales prices in BVIs timber sales contracts, together with macro customer level data from other businesses. However, the IC was unable to review any documentation of AIs or Suppliers which independently verified movements

of cash in connection with set-off arrangements used to settle purchase prices paid, or sale proceeds received by, or on behalf of SF.

## Relationships

- Yuda Wood: The IC is satisfied that Mr. Huang Ran is not currently an employee of the Company and that Yuda Wood is not a subsidiary of the Company. However, there is evidence suggesting close cooperation (including administrative assistance, possible payment of capital at the time of establishment, joint control of certain of Yuda Wood's RMB bank accounts and the numerous emails indicating coordination of funding and other business activities). Management has explained these arrangements were mechanisms that allowed the Company to monitor its interest in the timber transactions. Further, Huang Ran (a Yuda Wood employee) has an ownership and/or directorship in a number of Suppliers (See Section VI.B). The IC Advisors have been introduced to persons identified as influential backers of Yuda Wood but were unable to determine the relationships, if any, of such persons with Yuda Wood, the Company or other Suppliers or AIs. Management explanations of a number of Yuda Wood-related emails and answers to E&Y's questions are being reviewed by the IC and may not be capable of independent verification.
- Other: The IC's review has identified other situations which require further review. These situations suggest that the Company may have close relationships with certain Suppliers, and certain Suppliers and AIs may have crossownership and other relationships with each other. The IC notes that in the interviews conducted by the IC with selected AIs and Suppliers, all such parties represented that they were independent of SF. Management has very recently provided information and analysis intended to explain these situations. The IC is reviewing this material from Management and intends to report its findings in this regard in its final report to the Board. Some of such information and explanations may not be capable of independent verification.
- Accounting Considerations: To the extent that any of SF's purchase and sale transactions are with related parties for accounting purposes, the value of these transactions as recorded on the books and records of the Company may be impacted.

[...]

#### **BVI Structure**

The BVI structure used by SF to purchase and sell standing timber assets could be challenged by the relevant Chinese authorities as the undertaking of "business activities" within China by foreign companies, which may only be undertaken by entities established within China with the requisite approvals. However, there is no clear definition of what constitutes "business activities" under Chinese law and there are different views among the IC's Chinese counsel and the Company's Chinese counsel as to whether the purchase and sale of timber in China as

undertaken by the BVIs could be considered to constitute "business activities" within China. In the event that the relevant Chinese authorities consider the BVIs to be undertaking "business activities" within China, they may be required to cease such activities and could be subject to other regulatory action. As regularization of foreign businesses in China is an ongoing process, the government has in the past tended to allow foreign companies time to restructure their operations in accordance with regulatory requirements (the cost of which is uncertain), rather than enforcing the laws strictly and imposing penalties without notice. See Section II.B.2

#### C. Challenges

Throughout its process, the IC has encountered numerous challenges in its attempts to implement a robust independent process which would yield reliable results. Among those challenges are the following:

- (a) Chinese Legal Regime for Forestry:
- national laws and policies appear not yet to be implemented at all local levels;
- in practice, none of the local jurisdictions tested in which BVIs hold standing timber appears to have instituted a government registry and documentation system for the ownership of standing timber as distinct from a government registry system for the ownership of plantation land use rights;
- the registration of plantation land use rights, the issue of Plantation Rights Certificates and the establishment of registries, is incomplete in some jurisdictions based on the information available to the IC;
- as a result, title to standing timber, when not held in conjunction with a land use right, cannot be definitively proven by reference to a government maintained register; and
- Sino-Forest has requested confirmations from forestry bureaus of its acquisition of timber holdings (excluding land leases) as additional evidence of ownership. Certain forestry bureaus and Suppliers have indicated the confirmation was beyond the typical diligence practice in China for acquisition of timber holdings.
- (b) Obtaining Information from Third Parties: For a variety of reasons, all of them outside the control of the IC, it is very difficult to obtain information from third parties in China. These reasons include the following:
- many of the third parties from whom the IC wanted information (e.g., AIs, Suppliers and forestry bureaus) are not compellable by the Company or Canadian legal processes;
- third parties appeared to have concerns relating to disclosure of information regarding their operations that could become public or fall into the hands of

Chinese government authorities: many third parties explained their reluctance to provide requested documentation and information as being "for tax reasons" but declined to elaborate; and

• awareness of MW allegations, investigations and information gathering by the OSC and other parties, and court proceedings; while not often explicitly articulated, third parties had an awareness of the controversy surrounding SF and a reluctance to be associated with any of these allegations or drawn into any of these processes.

[...]

- (e) Corporate Governance/Operational Weaknesses: Management has asserted that business in China is based upon relationships. The IC and the IC Advisors have observed this through their efforts to obtain meetings with forestry bureaus, Suppliers and AIs and their other experience in China. The importance of relationships appears to have resulted in dependence on a relatively small group of Management who are integral to maintaining customer relationships, negotiating and finalizing the purchase and sale of plantation fibre contracts and the settlement of accounts receivable and accounts payable associated with plantation fibre contracts. This concentration of authority or lack of segregation of duties has been previously disclosed by the Company as a control weakness. As a result and as disclosed in the 2010 MD&A, senior Management in their ongoing evaluation of disclosure controls and procedures and internal controls over financial reporting, recognizing the disclosed weakness, determined that the design and controls were ineffective. The Chairman and Chief Financial Officer provided annual and quarterly certifications of their regulatory filings. Related to this weakness the following challenges presented themselves in the examination by the IC and the IC Advisors:
- operational and administration systems that are generally not sophisticated having regard to the size and complexity of the Company's business and in relation to North American practices; including:
  - incomplete or inadequate record creation and retention practices;
  - contracts not maintained in a central location;
  - significant volumes of data maintained across multiple locations on decentralized servers;
  - data on some servers in China appearing to have been deleted on an irregular basis, and there is no back-up system;
  - no integrated accounting system: accounting data is not maintained on a single, consolidated application, which can require extensive manual procedures to produce reports; and

- a treasury function that was centralized for certain major financial accounts, but was not actively involved in the control or management of numerous local operations bank accounts;
- no internal audit function although there is evidence the Company has undertaken and continues to assess its disclosure controls and procedures and internal controls over financial reporting using senior Management and independent control consultants;
- SF employees conduct Company affairs from time to time using personal devices and non-corporate email addresses which have been observed to be shared across groups of staff and changed on a periodic and organized basis; this complicated and delayed the examination of email data by the IC Advisors; and
- lack of full cooperation/openness in the ICs examination from certain members of Management.
- (f) Complexity, Lack of Visibility into, and Limitations of BVIs Model: The use of AIs and Suppliers as an essential feature of the BVIs standing timber business model contributes to the lack of visibility into title documentation, cash movements and tax liability since cash settlement in respect of the BVIs standing timber transactions takes place outside of the Company's books.
- (g) Cooperation and openness of the Company's executives throughout the process: From the outset, the IC Advisors sought the full cooperation and support of Allen Chan and the executive management team. Initially, the executive management team appeared ill-prepared to address the IC's concerns in an organized fashion and there was perhaps a degree of culture shock as Management adjusted to the IC Advisors' examination. In any event, significant amounts of material information, particularly with respect to the relationship with Yuda Wood, interrelationships between AIs and/or Suppliers, were not provided to the IC Advisors as requested. In late August 2011 on the instructions of the IC, interviews of Management were conducted by the IC Advisors in which documents evidencing these connections were put to the Management for explanation. As a result of these interviews (which were also attended by BJ) the Company placed certain members of Management on administrative leave upon the advice of Company counsel. At the same time the OSC made allegations in the CTO of Management misconduct.

[...]

(h) Independence of the IC Process: The cooperation and collaboration of the IC with Management (operating under the direction of the new Chief Executive Officer) and with Company counsel in completing certain aspects of the IC's mandate has been noted by the OSC and by E&Y. Both have questioned the degree of independence of the IC from Management as a result of this interaction. The IC has explained the practical impediments to its work in the context of the distinct business culture (and associated issues of privacy) in the

forestry sector in China in which the Company operates. Cooperation of third parties in Hong Kong and China, including employees, depends heavily on relationships and trust. As noted above, the Company's placing certain members of Management on administrative leave, as well as the OSC's allegations in the CTO, further hampered the IC's ability to conduct its process. As a result, the work of the IC was frequently done with the assistance of, or in reliance on, the new Chief Executive Officer and his Management team and Company counsel. Given that Mr. Martin was, in effect, selected by the IC and BJ was appointed in late June 2011, the IC concluded that, while not ideal, this was a practical and appropriate way to proceed in the circumstances. As evidenced by the increased number of scheduled meetings with forestry bureaus, Suppliers and AIs, and, very recently, the delivery to the IC of information regarding AIs and Suppliers and relationships among the Company and such parties, it is acknowledged that Mr. Martin's involvement in the process has been beneficial. It is also acknowledged that in executing his role and assisting the IC he has had to rely on certain of the members of Management who had been placed on administrative leave.

## [Emphasis added]

208. On January 31, 2012, Sino released the Final Report. In material part, it read:

This Final Report of the IC sets out the activities undertaken by the IC since mid-November, the findings from such activities and the IC's conclusions regarding its examination and review. The IC's activities during this period have been limited as a result of Canadian and Chinese holidays (Christmas, New Year and Chinese New Year) and the extensive involvement of IC members in the Company's Restructuring and Audit Committees, both of which are advised by different advisors than those retained by the IC. The IC believes that, notwithstanding there remain issues which have not been fully answered, the work of the IC is now at the point of diminishing returns because much of the information which it is seeking lies with non-compellable third parties, may not exist or is apparently not retrievable from the records of the Company.

In December 2011, the Company defaulted under the indentures relating to its outstanding bonds with the result that its resources are now more focused on dealing with its bondholders. This process is being overseen by the Restructuring Committee appointed by the Board. Pursuant to the Waiver Agreement dated January 18, 2012 between the Company and the holders of a majority of the principal amount of its 2014 Notes, the Company agreed, among other things, that the final report of the IC to the Board would be made public by January 31, 2012.

Given the circumstances described above, the IC understands that, with the delivery of this Final Report, its review and examination activities are terminated. the IC does not expect to undertake further work other than assisting with responses to regulators and the RCMP as required and engaging in such further specific activities as the IC may deem advisable or the Board may instruct. The

IC has asked the IC Advisors to remain available to assist and advise the IC upon its instructions.

[...]

#### II. RELATIONSHIPS

The objectives of the IC's examination of the Company's relationships with its AIs and Suppliers were to determine, in light of the MW allegations, if such relationships are arm's length and to obtain, if possible, independent verification of the cash flows underlying the set-off transactions described in Section II.A of the Second Interim Report. That the Company's relationships with its AIs and Suppliers be arm's length is relevant to SF's ability under GAAP to:

- book its timber assets at cost in its 2011 and prior years' financial statements, both audited and unaudited
- recognize revenue from standing timber sales as currently reflected in its 2011 and prior years' financial statements, both audited and unaudited.

#### A. Yuda Wood

Yuda Wood was founded in April 2006 and was until 2010 a Supplier of SF. Its business with SF from 2007 to 2010 totalled approximately 152,164 Ha and RMB 4.94 billion. Section VI.A and Schedule VI.A.2(a) of the Second Interim Report described the MW allegations relating to Yuda Wood, the review conducted by the IC and its findings to date. The IC concluded that Huang Ran is not currently an employee, and that Yuda Wood is not a subsidiary, of the Company. However, there is evidence suggesting a close cooperation between SF and Yuda Wood which the IC had asked Management to explain. At the time the Second Interim Report was issued, the IC was continuing to review Management's explanations of a number of Yuda Wood-related emails and certain questions arising therefrom.

Subsequent to the issuance of its Second Interim Report in mid-November, the IC, with the assistance of the IC Advisors, has reviewed the Management responses provided to date relating to Yuda Wood and has sought further explanations and documentary support for such explanations. This was supplementary to the activities of the Audit Committee of SF and its advisors who have had during this period primary carriage of examining Management's responses on the interactions of SF and Yuda Wood. While many answers and explanations have been obtained, the IC believes that they are not yet sufficient to allow it to fully understand the nature and scope of the relationship between SF and Yuda Wood. Accordingly, based on the information it has obtained, the IC is still unable to independently verify that the relationship of Yuda Wood is at arm's length to SF. It is to be noted that Management is of the view that Yuda Wood is unrelated to SF for accounting purposes. The IC remains satisfied that Yuda is not a subsidiary of SF. Management continues to undertake work related to Yuda

Wood, including seeking documentation from third parties and responding to e-mails where the responses are not yet complete or prepared. Management has provided certain banking records to the Audit Committee that the Audit Committee advises support Management's position that SF did not capitalize Yuda Wood (but that review is not yet completed). The IC anticipates that Management will continue to work with the Audit Committee, Company counsel and E&Y on these issues.

#### B. Other Relationships

Section VI.B.1 of the Second Interim Report described certain other relationships which had been identified in the course of the IC's preparation for certain interviews with AIs and Suppliers. These relationships include (i) thirteen Suppliers where former SF employees, consultants or secondees are or have been directors, officers and/or shareholders (including Yuda Wood); (ii) an AI with a former SF employee in a senior position; (iii) potential relationships between AIs and Suppliers; (iv) set-off payments for BVI standing timber purchases being made by companies that are not AIs and other setoff arrangements involving non-AI entities; (v) payments by AIs to potentially connected Suppliers; and (vi) sale of standing timber to an AI potentially connected to a Supplier of that timber. Unless expressly addressed herein, the IC has no further update of a material nature on the items raised above.

On the instructions of the IC, the IC Advisors gave the details of these possible relationships to Management for further follow up and explanation. Just prior to the Second Interim Report, Management provided information regarding AIs and Suppliers relationships among the Company and such parties.

This information was in the form of a report dated November 10, 2011, subsequently updated on November 21, 2011 and January 20, 2012 (the latest version being the "Kaitong Report") prepared by Kaitong Law Firm ("Kaitong"), a Chinese law firm which advises the Company. The Kaitong Report has been separately delivered to the Board. Kaitong has advised that much of the information in the Kaitong Report was provided by Management and has not been independently verified by such law firm or the IC.

[...]

The Kaitong Report generally describes certain relationships amongst AIs and Suppliers and certain relationships between their personnel and Sino-Forest, either identified by Management or through SAIC and other searches. The Kaitong Report also specifically addresses certain relationships identified in the Second Interim Report. The four main areas of information in the Kaitong Report are as follows and are discussed in more detail below:

(i) Backers to Suppliers and AIs: The Kaitong Report explains the concept of "backers" to both Suppliers and AIs. The Kaitong Report suggests that backers are individuals with considerable influence in political, social or business circles,

or all three. The Kaitong Report also states that such backers or their identified main business entities do not generally appear in SAIC filings by the Suppliers or AIs as shareholders thereof and, in most instances, in any other capacity.

- (ii) Suppliers and AIs with Former SF Personnel: The appendices to the Kaitong Report list certain Suppliers that have former SF personnel as current shareholders.
- (iii) Common Shareholders Between Suppliers and AIs: The Kaitong Report states that there are 5 Suppliers and 3 AIs with current common shareholders but there is no cross majority ownership positions between Suppliers and AIs.
- (iv) Transactions Involving Suppliers and AIs that have Shareholders in common: The Kaitong Report states that, where SF has had transactions with Suppliers and AIs that have certain current shareholders in common as noted above, the subject timber in those transactions is not the same; that is, the timber which SF buys from such Suppliers and the timber which SF sells to such AIs are located in different counties or provinces.

The IC Advisors have reviewed the Kaitong Report on behalf of the IC. The IC Advisors liaised with Kaitong and met with Kaitong and current and former Management. A description of the Kaitong Report and the IC's findings and comments are summarized below. By way of summary, the Kaitong Report provides considerable information regarding relationships among Suppliers and AIs, and between them and SF, but much of this information related to the relationship of each backer with the associated Suppliers and AIs is not supported by any documentary or other independent evidence. As such, some of the information provided is unverified and, particularly as it relates to the nature of the relationships with the backers, is viewed by the IC to be likely unverifiable by it.

## 1. Backers to Suppliers and AIs

[...]

Given the general lack of information on the backers or the nature and scope of the relationships between the Suppliers or AIs and their respective backers and the absence of any documentary support or independent evidence of such relationships, the IC has been unable to reach any conclusion as to the existence, nature or importance of such relationships. As a result, the IC is unable to assess the implications, if any, of these backers with respect to SF's relationships with its Suppliers or AIs. Based on its experience to date, including interviews with Suppliers and AIs involving persons who have now been identified as backers in the Kaitong Report, the IC believes that it would be very difficult for the IC Advisors to arrange interviews with either the AIs or Suppliers or their respective backers and, if arranged, that such interviews would yield very little, if any, verifiable information to such advisors. The IC understands Management is continuing to seek meetings with its AIs and Suppliers with the objective of

obtaining information, to the extent such is available, that will provide further background to the relationships to the Audit Committee.

[...]

# 2. Suppliers and AIs with Former SF Personnel

The Appendices to the Kaitong Report list the Suppliers with former SF personnel as current shareholders. According to the information previously obtained by the IC Advisors, the identification of former SF personnel indicated in the Kaitong Report to be current shareholders of past or current Suppliers is correct.

## (a) Suppliers with former SF personnel

The Kaitong Report, which is limited to examining Suppliers where ex-SF employees are current shareholders as shown in SAIC filings, does not provide material new information concerning Suppliers where former SF employees were identified by the IC in the Second Interim Report as having various past or present connections to current or former Suppliers except that the Kaitong Report provides an explanation of two transactions identified in the Second Interim Report. These involved purchases of standing timber by SF from Suppliers controlled by persons who were employees of SF at the time of these transactions. Neither of the Suppliers have been related to an identified backer in the Kaitong Report. The explanations are similar indicating that neither of the SF employees was an officer in charge of plantation purchases or one of SF's senior management at the time of the transactions. The employees in question were Shareholder #14 in relation to a RMB 49 million purchase from Supplier #18 in December 2007 (shown in SAIC filings to be 100% owned by him) and Shareholder #20 in relation to a RMB 3.3 million purchase from Supplier #23 (shown in SAIC filings to be 70% owned by him) in October 2007. The Kaitong Report indicates Shareholder #20 is a current employee of SF who then had responsibilities in SF's wood board production business.

The IC is not aware that the employees' ownership positions were brought to the attention of the Board at the time of the transactions or, subsequently, until the publication of the Second Interim Report and understands the Audit Committee will consider such information.

## (b) AIs with former SF personnel

The Kaitong Report indicates that no SF employees are listed in SAIC filing reports as current shareholders of AIs. Except as noted herein, the IC agrees with this statement. The Kaitong Report does not address the apparent role of an exemployee Officer #3 who was introduced to the IC as the person in charge of AI #2 by Backer #5 of AI Conglomerate #1. Backer #5 is identified in the Kaitong Report as a backer of two AIs, including AI#2. (The Kaitong Report properly does not include AI #14. as an AI for this purpose, whose 100% shareholder is former SF employee Officer #3. However, the IC is satisfied that the activities of

this entity primarily relate to certain onshoring transactions that facilitated the transfer of SF BVI timber assets to SF WFOE subsidiaries.)

There was one other instance where a past shareholding relationship has been identified between an AI #10 and persons who were previously or are still shown on the SF human resources records, Shareholder #26 and Shareholder #27. Management has explained that such entity sold wood board processing and other assets to SF and that the persons associated with that company consulted with SF after such sale in relation to the purchased wood board processing assets. Such entity subsequently also undertook material timber purchases as an AI of SF in 2007-2008 over a time period in which such persons are shown as shareholders of such AI in the SAIC filing reviewed (as to 47.5% for Shareholder #26 and as to 52.5% for Shareholder #27). That time period also intersects the time that Shareholder #26 is shown in such human resources records and partially intersects the time that Shareholder #27 is shown on such records. Management has also explained that Shareholder #26 subsequent to the time of such AI sales became an employee of a SF wood board processing subsidiary. Management has provided certain documentary evidence of its explanations. The IC understands that the Audit Committee will consider this matter.

## 3. Common Shareholders between Supplier and AIs

The Kaitong Report states that there are 5 Suppliers and 3 Als that respectively have certain common current shareholders but also states that there is no cross control by those current shareholders of such Suppliers or AIs based on SAIC filings. The Kaitong Report correctly addresses current cross shareholdings in Suppliers and AIs based on SAIC filings but does not address certain other shareholdings. With the exception of one situation of cross control in the past, the IC has not identified a circumstance in the SAIC filings reviewed where the same person controlled a Supplier at the time it controlled a different AI. The one exception is that from April 2002 to February 2006, AI #13 is shown in SAIC filings as the 90% shareholder of Supplier/AI #14. AI #13 did business with SF BVIs from 2005 through 2007 and Supplier/AI #14 supplied SF BVIs from 2004 through 2006. However, the IC to date has only identified one contract involving timber bought from Supplier/AI #14 that was subsequently sold to AI #13. It involved a parcel of 2,379 Ha. timber sold to AI #13 in December 2005 that originated from a larger timber purchase contract with Supplier/AI #14 earlier that year. Management has provided an explanation for this transaction. The IC understands that the Audit Committee will consider this matter.

# 4. Transactions involving Suppliers and AIs with Current Shareholders in Common

The Kaitong Report states that where SF has had transactions with 5 Suppliers and 3 AIs that have current shareholders in common (but no one controlling shareholder) as shown in SAIC filings, the subject timber in the transactions they

each undertook with SF is not the same; that is, the timber which SF buys from the Suppliers and the timber which SF sells to the AIs where the Supplier and AI have a current common shareholder were located in different areas and do not involve the same plots of timber. The Kaitong Report further states that where SF has had transactions with 5 Suppliers and 3 AIs with current shareholders in common as shown in SAIC filings, SF had transactions with those AIs prior to having transactions with those Suppliers, thus SF was not overstating its transactions by buying and selling to the same counterparties.

[...]

The Kaitong Report does not specifically address historical situations involving common shareholders and potential other interconnections between AIs and Suppliers that may appear as a result of the identification of backers. There is generally no ownership connection shown in SAIC filings between backers and the Suppliers and AIs associated with such backers in the Kaitong Report.

[...]

#### VI. OUTSTANDING MATTERS

As noted in Section I above, the IC understands that with the delivery of this report, its examination and review activities are terminated. The IC would expect its next steps may include only:

- (a) assisting in responses to regulators and RCMP as required; and
- (b) such other specific activities as it may deem advisable or the Board may instruct.

[Emphasis added]

#### IX. SINO REWARDS ITS EXPERTS

209. Bowland, Hyde and West are former E&Y partners and employees. They served on Sino's Audit Committee but purported to exercise oversight of their former E&Y colleagues. In addition, Sino's Vice-President, Finance (Corporate), Thomas M. Maradin, is a former E&Y employee.

- 210. The charter of Sino's Audit Committee required that Ardell, Bowland, Hyde and West "review and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the Auditor." Sino's practice of appointing E&Y personnel to its board and paying them handsomely (for example, Hyde was paid \$163,623 by Sino in 2010, \$115,962 in 2009, \$57,000 in 2008 and \$55,875 in 2007, plus options and other compensation) undermined the Audit Committee's oversight of E&Y.
- 211. E&Y's independence was impaired by the significant non-audit fees it was paid during 2008-2010, which total \$712,000 in 2008, \$1,225,000 in 2009 and \$992,000 in 2010.
- 212. Further, Andrew Fyfe, the former Asia-Pacific President for Pöyry Forestry Industry Ltd, was appointed Chief Operating Officer of Greenheart, and is the director of several Sino subsidiaries. Fyfe signed the Pöyry valuation report dated June 30, 2004, March 22, 2005, March 23, 2006, March 14, 2008 and April 1, 2009.
- 213. George Ho, Sino's Vice President, Finance (China), is a former Senior Manager of the BDO.

#### X. THE DEFENDANTS' RELATIONSHIP TO THE CLASS

- 214. By virtue of their purported accounting, financial and/or managerial acumen and qualifications, and by virtue of their having assumed, voluntarily and for profit, the role of gatekeepers, the Defendants had a duty at common law, informed by the Securities Legislation and/or the *CBCA*, to exercise care and diligence to ensure that the Impugned Documents fairly and accurately disclosed Sino's financial condition and performance in accordance with GAAP.
- 215. Sino is a reporting issuer and had an obligation to make timely, full, true and accurate disclosure of material facts and changes with respect to its business and affairs.

- 216. The Individual Defendants, by virtue of their positions as senior officers and/or directors of Sino, owed a duty to the Class Members to ensure that public statements on behalf of Sino were not untrue, inaccurate or misleading. The continuous disclosure requirements in Canadian securities law mandated that Sino provide the Impugned Documents, including quarterly and annual financial statements. These documents were meant to be read by Class Members who acquired Sino's Securities in the secondary market and to be relied on by them in making investment decisions. This public disclosure was prepared to attract investment, and Sino and the Individual Defendants intended that Class Members would rely on public disclosure for that purpose. With respect to Prospectuses and Offering Memoranda, these documents were prepared for primary market purchasers. They include detailed content as mandated under Canadian securities legislation, national instruments and OSC rules. They were meant to be read by the Class Members who acquired Sino's Securities in the primary market, and to be relied on by them in making decisions about whether to purchase the shares or notes under the Offerings to which these Prospectuses and Offering Memoranda related.
- 217. Chan and Horsley had statutory obligations under Canadian securities law to ensure the accuracy of disclosure documents and provided certifications in respect of the annual reports, financial statements and Prospectuses during the Class Period. The other Individual Defendants were directors of Sino during the Class Period and each had a statutory obligation as a director under the *CBCA* to manage or supervise the management of the business and affairs of Sino. These Individual Defendants also owed a statutory duty of care to shareholders under section 122 of the *CBCA*. In addition, Poon, along with Chan, co-founded Sino and has been its president since 1994. He is intimately aware of Sino's operations and as a long-standing senior officer, he

had an obligation to ensure proper disclosure. Poon authorized, permitted or acquiesced in the release of the Impugned Documents.

- 218. BDO and E&Y acted as Sino's auditors and provided audit reports in Sino's annual financial statements that were directed to shareholders. These audit reports specified that BDO and E&Y had conducted an audit in accordance with GAAS, which was untrue, and included their opinions that the financial statements presented fairly, in all material respects, the financial position of Sino, the results of operations and Sino's cash flows, in accordance with GAAP. BDO and E&Y knew and intended that Class Members would rely on the audit reports and assurances about the material accuracy of the financial statements.
- 219. Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD each signed one or more of the Prospectuses and certified that, to the best of its knowledge, information and belief, the particular prospectus, together with the documents incorporated therein by reference, constituted full, true and plain disclosure of all material facts relating to the securities offered thereby. These defendants knew that the Class Members who acquired Sino's Securities in the primary market would rely on these assurances and the trustworthiness that would be credited to the Prospectuses because of their involvement. Further, those Class Members that purchased shares under these Prospectuses purchased their shares from these defendants as principals.
- 220. Credit Suisse USA, TD and Banc of America acted as initial purchasers or dealer managers for one or more of the note Offerings. These defendants knew that persons purchasing these notes would rely on the trustworthiness that would be credited to the Offering Memoranda because of their involvement.

#### XI. THE PLAINTIFFS' CAUSES OF ACTION

## A. Negligent Misrepresentation

- 221. As against all Defendants except Pöyry and the Underwriters, and on behalf of all Class Members who acquired Sino's Securities in the secondary market, the Plaintiffs plead negligent misrepresentation for all of the Impugned Documents except the Offering Memoranda.
- 222. Labourers and Wong, on behalf of Class Members who purchased Sino Securities in one of the distributions to which a Prospectus related, plead negligent misrepresentation as against Sino, Chan, Horsley, Poon, Wang, Martin, Mak, Murray, Hyde, BDO, E&Y, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD for the Prospectuses.
- 223. Grant, on behalf of Class Members who purchased Sino Securities in one of the distributions to which an Offering Memorandum related, pleads negligent misrepresentation as against Sino, BDO and E&Y for the Offering Memoranda.
- 224. In support of these claims, the sole misrepresentation that the Plaintiffs plead is the Representation. The Representation is contained in the language relating to GAAP particularized above, and was untrue for the reasons particularized elsewhere herein.
- 225. The Impugned Documents were prepared for the purpose of attracting investment and inducing members of the investing public to purchase Sino securities. The Defendants knew and intended at all material times that those documents had been prepared for that purpose, and that the Class Members would rely reasonably and to their detriment upon such documents in making the decision to purchase Sino securities.
- 226. The Defendants further knew and intended that the information contained in the Impugned Documents would be incorporated into the price of Sino's publicly traded securities

such that the trading price of those securities would at all times reflect the information contained in the Impugned Documents.

- 227. As set out elsewhere herein, the Defendants, other than Pöyry, Credit Suisse USA and Banc of America, had a duty at common law to exercise care and diligence to ensure that the Impugned Documents fairly and accurately disclosed Sino's financial condition and performance in accordance with GAAP.
- 228. These Defendants breached that duty by making the Representation as particularized above.
- 229. The Plaintiffs and the other Class Members directly or indirectly relied upon the Representation in making a decision to purchase the securities of Sino, and suffered damages when the falsity of the Representation was revealed on June 2, 2011.
- 230. Alternatively, the Plaintiffs and the other Class Members relied upon the Representation by the act of purchasing Sino securities in an efficient market that promptly incorporated into the price of those securities all publicly available material information regarding the securities of Sino. As a result, the repeated publication of the Representation in these Impugned Documents caused the price of Sino's shares to trade at inflated prices during the Class Period, thus directly resulting in damage to the Plaintiffs and Class Members.

# B. Statutory Claims, Negligence, Oppression, Unjust Enrichment and Conspiracy

- (i) Statutory Liability-Secondary Market under the Securities Legislation
- 231. The Plaintiffs plead the claim found in Part XXIII.1 of the OSA, and, if required, the equivalent sections of the Securities Legislation other than the OSA, against all Defendants except the Underwriters.

- 232. Each of the Impugned Documents except for the December 2009 and October 2010 Offering Memoranda is a "Core Document" within the meaning of the Securities Legislation.
- 233. Each of these Impugned Documents contained one or more misrepresentations as particularized above. Such misrepresentations and the Representation are misrepresentations for the purposes of the Securities Legislation.
- 234. Each of the Individual Defendants was an officer and/or director of Sino at material times. Each of the Individual Defendants authorized, permitted or acquiesced in the release of some or all of these Impugned Documents.
- 235. Sino is a reporting issuer within the meaning of the Securities Legislation.
- 236. E&Y is an expert within the meaning of the Securities Legislation. E&Y consented to the use of its statements particularized above in these Impugned Documents.
- 237. BDO is an expert within the meaning of the Securities Legislation. BDO consented to the use of its statements particularize above in these Impugned Documents.
- 238. Pöyry is an expert within the meaning of the Securities Legislation. Pöyry consented to the use of its statements particularized above in these Impugned Documents.
- 239. At all material times, each of Sino, Chan, Poon and Horsley, BDO and E&Y knew or, in the alternative, was wilfully blind to the fact, that the Impugned Documents contained the Representation and that the Representation was false, and that the Impugned Documents contained other of the misrepresentations that are alleged above to have been contained therein.
  - (ii) Statutory Liability Primary Market for Sino's Shares under the Securities Legislation
- 240. As against Sino, Chan, Horsley, Wang, Martin, Mak, Murray, Hyde, Pöyry, BDO, E&Y, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD, and on behalf

of those Class Members who purchased Sino shares in one of the distributions to which the June 2009 or December 2009 Prospectuses related, Labourers and Wong assert the cause of action set forth in s. 130 of the *OSA* and, if necessary, the equivalent provisions of the Securities Legislation other than the *OSA*.

- 241. Sino issued the June 2009 and December 2009 Prospectuses, which contained the Representation and the other misrepresentations that are alleged above to have been contained in those Prospectuses or in the Sino disclosure documents incorporated therein by reference.
  - (iii) Statutory Liability Primary Market for Sino's Notes under the Securities Legislation
- 242. As against Sino, and on behalf of those Class Members who purchased or otherwise acquired Sino's notes in one of the offerings to which the July 2008, June 2009, December 2009, and October 2010 Offering Memoranda related, Grant asserts the cause of action set forth in s. 130.1 of the *OSA* and, if necessary, the equivalent provisions of the Securities Legislation other than the *OSA*.
- 243. Sino issued the July 2008, June 2009, December 2009 and October 2010 Offering Memoranda, which contained the Representation and the other misrepresentations that are alleged above to have been contained in those Offering Memoranda or in the Sino disclosure documents incorporated therein by reference.
- (iv) Negligence Simpliciter Primary Market for Sino's Securities

  244. Sino, Chan, Poon, Horsley, Wang, Martin, Mak, Murray, Hyde, BDO, E&Y, Pöyry and the Underwriters (collectively, the "Primary Market Defendants") acted negligently in connection with one or more of the Offerings.
- 245. As against Sino, Chan, Horsley, Poon, Wang, Martin, Mak, Murray, Hyde, BDO, E&Y, Pöyry, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD, and on

behalf of those Class Members who purchased Sino's Securities in one of the distributions to which those Prospectuses related, Labourers and Wong assert negligence simpliciter.

- 246. As against Sino, BDO, E&Y, Pöyry, Credit Suisse USA, Banc of America and TD, and on behalf of those Class Members who purchased Sino's Securities in one of the distributions to which the Offering Memoranda related, Grant asserts negligence simpliciter.
- 247. The Primary Market Defendants owed a duty of care to ensure that the Prospectuses and/or the Offering Memoranda they issued, or authorized to be issued, or in respect of which they acted as an underwriter, initial purchaser or dealer manager, made full, true and plain disclosure of all material facts relating to the Securities offered thereby, or to ensure that their opinions or reports contained in such Prospectuses and Offering Memoranda did not contain a misrepresentation.
- 248. At all times material to the matters complained of herein, the Primary Market Defendants ought to have known that such Prospectuses or Offering Memoranda and the documents incorporated therein by reference were materially misleading in that they contained the Representation and the other misrepresentations particularized above.
- 249. Chan, Poon, Horsley, Wang, Martin, Mak, Murray and Hyde were senior officers and/or directors at the time the Offerings to which the Prospectuses related. These Prospectuses were created for the purposes of obtaining financing for Sino's operations. Chan, Horsley, Martin and Hyde signed each of the Prospectuses and certified that they made full, true and plain disclosure of all material facts relating to the shares offered. Wang, Mak and Murray were directors during one or more of these Offerings and each had a statutory obligation to manage or supervise the management of the business and affairs of Sino. Poon was a director for the June 2007 share Offering and was president of Sino at the time of the June 2009 and December 2009 Offering.

Poon, along with Chan, co-founded Sino and has been the president since 1994. He is intimately aware of Sino's business and affairs.

- 250. The Underwriters acted as underwriters, initial purchasers or dealer managers for the Offerings to which the Prospectuses and Offering Memoranda related. They had an obligation to conduct due diligence in respect of those Offerings and ensure that those Securities were offering at a price that reflected their true value or that such distributions did not proceed if inappropriate. In addition, Dundee, Merrill, Credit Suisse, Scotia, CIBC, RBC, Maison, Canaccord and TD signed one or more of the Prospectuses and certified that to the best of their knowledge, information and belief, the Prospectuses constituted full, true and plain disclosure of all material facts relating to the shares offered.
- 251. E&Y and BDO acted as Sino's auditors and had a duty to maintain or to ensure that Sino maintained appropriate internal controls to ensure that Sino's disclosure documents adequately and fairly presented the business and affairs of Sino on a timely basis.
- 252. Pöyry had a duty to ensure that its opinions and reports reflected the true nature and value of Sino's assets. Pöyry, at the time it produced each of the 2008 Valuations, 2009 Valuations, and 2010 Valuations, specifically consented to the inclusion of those valuations or a summary at any time that Sino or its subsidiaries filed any documents on SEDAR or issued any documents pursuant to which any securities of Sino or any subsidiary were offered for sale.
- 253. The Primary Market Defendants have violated their duties to those Class Members who purchased Sino's Securities in the distributions to which a Prospectus or an Offering Memorandum related.

- 254. The reasonable standard of care expected in the circumstances required the Primary Market Defendants to prevent the distributions to which the Prospectuses or the Offering Memoranda related from occurring prior to the correction of the Representation and the other misrepresentations alleged above to have been contained in the Prospectuses or the Offering Memoranda, or in the documents incorporated therein by reference. Those Defendants failed to meet the standard of care required by causing the Offerings to occur before the correction of such misrepresentations.
- 255. In addition, by failing to attend and participate in Sino board and board committee meetings to a reasonable degree, Murray and Poon effectively abdicated their duties to the Class Members and as directors of Sino.
- 256. Sino, E&Y, BDO and the Individual Defendants further breached their duty of care as they failed to maintain or to ensure that Sino maintained appropriate internal controls to ensure that Sino's disclosure documents adequately and fairly presented the business and affairs of Sino on a timely basis.
- 257. Had the Primary Market Defendants exercised reasonable care and diligence in connection with the distributions to which the Prospectuses related, then securities regulators likely would not have issued a receipt for any of the Prospectuses, and those distributions would not have occurred, or would have occurred at prices that reflected the true value of Sino's shares.
- 258. Had the Primary Market Defendants exercised reasonable care and diligence in connection with the distributions to which the Offering Memoranda related, then those distributions would not have occurred, or would have occurred at prices that reflected the true value of Sino's notes.

- 259. The Primary Market Defendants' negligence in relation to the Prospectuses and the Offering Memoranda resulted in damage to Labourers, Grant and Wong, and to the other Class Members who purchased Sino's Securities in the related distributions. Had those Defendants satisfied their duty of care to such Class Members, then those Class Members would not have purchased the Securities that they acquired under the Prospectuses or the Offering Memoranda, or they would have purchased them at a much lower price that reflected their true value.
- (v) Unjust Enrichment of Chan, Martin, Poon, Horsley, Mak and Murray

  260. As a result of the Representation and the other misrepresentations particularized above,

  Sino's shares traded, and were sold by Chan, Martin, Poon, Horsley, Mak and Murray, at

  artificially inflated prices during the Class Period.
- 261. Chan, Martin, Poon, Horsley, Mak and Murray were enriched by their wrongful acts and omissions during the Class Period, and the Class Members who purchased Sino shares from such Defendants suffered a corresponding deprivation.
- 262. There was no juristic reason for the resulting enrichment of Chan, Martin, Poon, Horsley, Mak and Murray.
- 263. The Class Members who purchased Sino shares from Chan, Martin, Poon, Horsley, Mak and Murray during the Class Period are entitled to the difference between the price they paid to such Defendants for such shares, and the price that they would have paid had the Defendants not made the Representation and the other misrepresentations particularized above, and had not committed the wrongful acts and omissions particularized above.

- (vi) Unjust Enrichment of Sino
- 264. Throughout the Class Period, Sino made the Offerings. Such Offerings were made via various documents, particularized above, that contained the Representation and the misrepresentations particularized above.
- 265. The Securities sold by Sino via the Offerings were sold at artificially inflated prices as a result of the Representation and the others misrepresentations particularized above.
- 266. Sino was enriched by, and those Class Members who purchased the Securities via the Offerings were deprived of, an amount equivalent to the difference between the amount for which the Securities offered were actually sold, and the amount for which such securities would have been sold had the Offerings not included the Representation and the misrepresentations particularized above.
- 267. The Offerings violated Sino's disclosure obligations under the Securities Legislation and the various instruments promulgated by the securities regulators of the Provinces in which such Offerings were made. There was no juristic reason for the enrichment of Sino.
  - (vi) Unjust Enrichment of the Underwriters
- 268. Throughout the Class Period, Sino made the Offerings. Such Offerings were made via the Prospectuses and the Offering Memoranda, which contained the Representation and the other misrepresentations particularized above. Each of the Underwriters underwrote one or more of the Offerings.
- 269. The Securities sold by Sino via the Offerings were sold at artificially inflated prices as a result of the Representation and the other misrepresentations particularized above. The Underwriters earned fees from the Class, whether directly or indirectly, for work that they never

performed, or that they performed with gross negligence, in connection with the Offerings, or some of them.

- 270. The Underwriters were enriched by, and those Class Members who purchased securities via the Offerings were deprived of, an amount equivalent to the fees the Underwriters earned in connection with the Offerings.
- 271. The Offerings violated Sino's disclosure obligations under the Securities Legislation and the various instruments promulgated by the securities regulators of the Provinces in which such Offerings were made. There was no juristic reason for the enrichment of the Underwriters.
- 272. In addition, some or all of the Underwriters also acted as brokers in secondary market transactions relating to Sino securities, and earned trading commissions from the Class Members in those secondary market transactions in Sino's Securities. Those Underwriters were enriched by, and those Class Members who purchased Sino securities through those Underwriters in their capacity as brokers were deprived of, an amount equivalent to the commissions the Underwriters earned on such secondary market trades.
- 273. Had those Underwriters who also acted as brokers in secondary market transactions exercised reasonable diligence in connection with the Offerings in which they acted as Underwriters, then Sino's securities likely would not have traded at all in the secondary market, and the Underwriters would not have been paid the aforesaid trading commissions by the Class Members. There was no juristic reason for that enrichment of those Underwriters through their receipt of trading commissions from the Class Members.

## (vii) Oppression

274. The Plaintiffs and the other Class Members had a reasonable and legitimate expectation that Sino and the Individual Defendants would use their powers to direct the company for Sino's

best interests and, in turn, in the interests of its security holders. More specifically, the Plaintiffs and the other Class Members had a reasonable expectation that:

- (a) Sino and the Individual Defendants would comply with GAAP, and/or cause Sino to comply with GAAP;
- (b) Sino and the Individual Defendants would take reasonable steps to ensure that the Class Members were made aware on a timely basis of material developments in Sino's business and affairs;
- (c) Sino and the Individual Defendants would implement adequate corporate governance procedures and internal controls to ensure that Sino disclosed material facts and material changes in the company's business and affairs on a timely basis;
- (d) Sino and the Individual Defendants would not make the misrepresentations particularized above;
- (e) Sino stock options would not be backdated or otherwise mispriced; and
- (f) the Individual Defendants would adhere to the Code.

## 275. Such reasonable expectations were not met as:

- (a) Sino did not comply with GAAP;
- (b) the Class Members were not made aware on a timely basis of material developments in Sino's business and affairs;
- (c) Sino's corporate governance procedures and internal controls were inadequate;
- (d) the misrepresentations particularized above were made;
- (e) stock options were backdated and/or otherwise mispriced; and
- (f) the Individual Defendants did not adhere to the Code.

- 276. Sino's and the Individual Defendants' conduct was oppressive and unfairly prejudicial to the Plaintiffs and the other Class Members and unfairly disregarded their interests. These defendants were charged with the operation of Sino for the benefit of all of its shareholders. The value of the shareholders' investments was based on, among other things:
  - (a) the profitability of Sino;
  - (b) the integrity of Sino's management and its ability to run the company in the interests of all shareholders;
  - (c) Sino's compliance with its disclosure obligations;
  - (d) Sino's ongoing representation that its corporate governance procedures met with reasonable standards, and that the business of the company was subjected to reasonable scrutiny; and
  - (e) Sino's ongoing representation that its affairs and financial reporting were being conducted in accordance with GAAP.
- 277. This oppressive conduct impaired the ability of the Plaintiffs and other Class Members to make informed investment decisions about Sino's securities. But for that conduct, the Plaintiffs and the other Class Members would not have suffered the damages alleged herein.
  - (viii) Conspiracy
- 278. Sino, Chan, Poon and Horsley conspired with each other and with persons unknown (collectively, the "Conspirators") to inflate the price of Sino's securities. During the Class Period, the Conspirators unlawfully, maliciously and lacking bona fides, agreed together to, among other things, make the Representation and other misrepresentations particularized above, and to profit from such misrepresentations by, among other things, issuing stock options in respect of which the strike price was impermissibly low.

- 279. The Conspirators' predominant purposes in so conspiring were to:
  - (a) inflate the price of Sino's securities, or alternatively, maintain an artificially high trading price for Sino's securities;
  - (b) artificially increase the value of the securities they held; and
  - (c) inflate the portion of their compensation that was dependent in whole or in part upon the performance of Sino and its securities.
- 280. In furtherance of the conspiracy, the following are some, but not all, of the acts carried out or caused to be carried out by the Conspirators:
  - (a) they agreed to, and did, make the Representation, which they knew was false;
  - (b) they agreed to, and did, make the other misrepresentations particularized above, which they knew were false;
  - (c) they caused Sino to issue the Impugned Documents which they knew to be materially misleading;
  - (d) as alleged more particularly below, they caused to be issued stock options in respect of which the strike price was impermissibly low; and
  - (e) they authorized the sale of securities pursuant to Prospectuses and Offering Memoranda that they knew to be materially false and misleading.
- 281. Stock options are a form of compensation used by companies to incentivize the performance of directors, officers and employees. Options are granted on a certain date (the 'grant date') at a certain price (the 'exercise' or 'strike' price). At some point in the future, typically following a vesting period, an options-holder may, by paying the strike price, exercise the option and convert the option into a share in the company. The option-holder will make money as long as the option's strike price is lower than the market price of the security at the

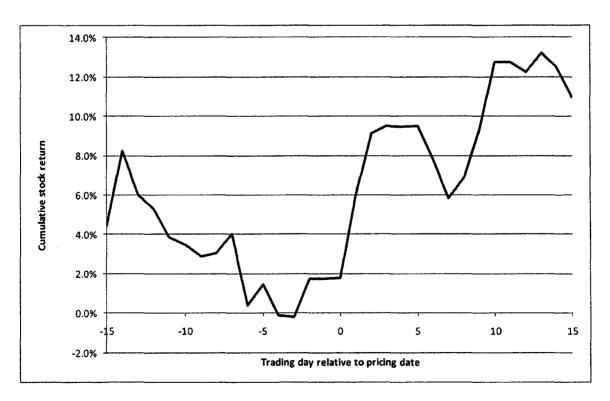
moment that the option is exercised. This enhances the incentive of the option recipient to work to raise the stock price of the company.

- 282. There are three types of option grants:
  - (a) 'in-the-money' grants are options granted where the strike price is lower than the market price of the security on the date of the grant; such options are not permissible under the TSX Rules and have been prohibited by the TSX Rules at all material times;
  - (b) 'at-the-money' grants are options granted where the strike price is equal to the market price of the security on the date of the grant or the closing price the day prior to the grant; and
  - (c) 'out-of-the-money' grants are options granted where the strike price is higher than the market price of the security on the date of the grant.
- 283. Both at-the-money and out-of-the-money options are permissible under the TSX Rules and have been at all material times.
- 284. The purpose of both at-the-money and out-of-the-money options is to create incentives for option recipients to work to raise the share price of the company. Such options have limited value at the time of the grant, because they entitle the recipient to acquire the company's shares at or above the price at which the recipient could acquire the company's shares in the open market. Options that are in-the-money, however, have substantial value at the time of the grant irrespective of whether the company's stock price rises subsequent to the grant date.
- 285. At all material times, the Sino Option Plan (the "Plan") prohibited in-the-money options.
- 286. The Conspirators backdated and/or otherwise mispriced Sino stock options, or caused the backdating and/or mispricing of Sino stock options, in violation of, inter alia: (a) the *OSA* and the rules and regulations promulgated thereunder; (b) the Plan; (c) GAAP; (d) the Code; (e) the TSX

Rules; and (f) the Conspirators' statutory, common law and contractual fiduciary duties and duties of care to Sino and its shareholders, including the Class Members.

287. The Sino stock options that were backdated or otherwise mispriced included those issued on June 26, 1996 to Chan, January 21, 2005 to Horsley, September 14, 2005 to Horsley, June 4, 2007 to Horsley and Chan, August 21, 2007 to Sino insiders other than the Conspirators, November 23, 2007 to George Ho and other Sino insiders, and March 31, 2009 to Sino insiders other than the Conspirators.

288. The graph below shows the average stock price returns for fifteen trading days prior and subsequent to the dates as of which Sino priced its stock options to its insiders. As appears therefrom, on average the dates as of which Sino's stock options were priced were preceded by a substantial decline in Sino's stock price, and were followed by a dramatic increase in Sino's stock price. This pattern could not plausibly be the result of chance.



- 289. The conspiracy was unlawful because the Conspirators knowingly and intentionally committed the foregoing acts when they knew such conduct was in violation of, *inter alia*, the *OSA*, the Securities Legislation other than the *OSA*, the Code, the rules and requirements of the TSX (the "TSX Rules") and the *CBCA*. The Conspirators intended to, and did, harm the Class by causing artificial inflation in the price of Sino's securities.
- 290. The Conspirators directed the conspiracy toward the Plaintiffs and the other Class Members. The Conspirators knew in the circumstances that the conspiracy would, and did, cause loss to the Plaintiffs and the other Class Members. The Plaintiffs and the Class Members suffered damages when the falsity of the Representation and other misrepresentations were revealed on June 2, 2011.

## XII. THE RELATIONSHIP BETWEEN SINO'S DISCLOSURES AND THE PRICE OF SINO'S SECURITIES

- 291. The price of Sino's securities was directly affected during the Class Period by the issuance of the Impugned Documents. The Defendants were aware at all material times of the effect of Sino's disclosure documents upon the price of its Sino's securities.
- 292. The Impugned Documents were filed, among other places, with SEDAR and the TSX, and thereby became immediately available to, and were reproduced for inspection by, the Class Members, other members of the investing public, financial analysts and the financial press.
- 293. Sino routinely transmitted the documents referred to above to the financial press, financial analysts and certain prospective and actual holders of Sino securities. Sino provided either copies of the above referenced documents or links thereto on its website.

- 294. Sino regularly communicated with the public investors and financial analysts via established market communication mechanisms, including through regular disseminations of their disclosure documents, including press releases on newswire services in Canada, the United States and elsewhere. Each time Sino communicated that new material information about Sino financial results to the public the price of Sino securities was directly affected.
- 295. Sino was the subject of analysts' reports that incorporated certain of the material information contained in the Impugned Documents, with the effect that any recommendations to purchase Sino securities in such reports during the Class Period were based, in whole or in part, upon that information.
- 296. Sino's securities were and are traded, among other places, on the TSX, which is an efficient and automated market. The price at which Sino's securities traded promptly incorporated material information from Sino's disclosure documents about Sino's business and affairs, including the Representation, which was disseminated to the public through the documents referred to above and distributed by Sino, as well as by other means.

### XIII. VICARIOUS LIABILITY

## A. Sino and the Individual Defendants

- 297. Sino is vicariously liable for the acts and omissions of the Individual Defendants particularized in this Claim.
- 298. The acts or omissions particularized and alleged in this Claim to have been done by Sino were authorized, ordered and done by the Individual Defendants and other agents, employees and representatives of Sino, while engaged in the management, direction, control and transaction of the business and affairs of Sino. Such acts and omissions are, therefore, not only the acts and omissions of the Individual Defendants, but are also the acts and omissions of Sino.

299. At all material times, the Individual Defendants were officers and/or directors of Sino. As their acts and omissions are independently tortious, they are personally liable for same to the Plaintiffs and the other Class Members.

## B. E&Y

- 300. E&Y is vicariously liable for the acts and omissions of each of its officers, directors, partners, agents and employees as set out above.
- 301. The acts or omissions particularized and alleged in this Claim to have been done by E&Y were authorized, ordered and done by its officers, directors, partners, agents and employees, while engaged in the management, direction, control and transaction of the business and affairs of E&Y. Such acts and omissions are, therefore, not only the acts and omissions of those persons, but are also the acts and omissions of E&Y.

## C. BDO

- 302. BDO is vicariously liable for the acts and omissions of each of its officers, directors, partners, agents and employees as set out above.
- 303. The acts or omissions particularized and alleged in this Claim to have been done by BDO were authorized, ordered and done by its officers, directors, partners, agents and employees, while engaged in the management, direction, control and transaction of the business and affairs of BDO. Such acts and omissions are, therefore, not only the acts and omissions of those persons, but are also the acts and omissions of BDO.

## D. Pöyry

304. Pöyry is vicariously liable for the acts and omissions of each of its officers, directors, partners, agents and employees as set out above.

305. The acts or omissions particularized and alleged in this Claim to have been done by Pöyry were authorized, ordered and done by its officers, directors, partners, agents and employees, while engaged in the management, direction, control and transaction of the business and affairs of Pöyry. Such acts and omissions are, therefore, not only the acts and omissions of those persons, but are also the acts and omissions of Pöyry.

#### E. The Underwriters

- 306. The Underwriters are vicariously liable for the acts and omissions of each of their respective officers, directors, partners, agents and employees as set out above.
- 307. The acts or omissions particularized and alleged in this Claim to have been done by the Underwriters were authorized, ordered and done by each of their respective officers, directors, partners, agents and employees, while engaged in the management, direction, control and transaction of the business and affairs such Underwriters. Such acts and omissions are, therefore, not only the acts and omissions of those persons, but are also the acts and omissions of the respective Underwriters.

## XIV. REAL AND SUBSTANTIAL CONNECTION WITH ONTARIO

- 308. The Plaintiffs plead that this action has a real and substantial connection with Ontario because, among other thing:
  - (a) Sino is a reporting issuer in Ontario;
  - (b) Sino's shares trade on the TSX which is located in Toronto, Ontario;
  - (c) Sino's registered office and principal business office is in Mississauga, Ontario;
  - (d) the Sino disclosure documents referred to herein were disseminated in and from Ontario;
  - (e) a substantial proportion of the Class Members reside in Ontario;

- (f) Sino carries on business in Ontario; and
- (g) a substantial portion of the damages sustained by the Class were sustained by persons and entities domiciled in Ontario.

#### XV. SERVICE OUTSIDE OF ONTARIO

- 309. The Plaintiffs may serve the Notice of Action and Statement of Claim outside of Ontario without leave in accordance with rule 17.02 of the Rules of Civil Procedure, because this claim is:
  - (a) a claim in respect of personal property in Ontario (para 17.02(a));
  - (b) a claim in respect of damage sustained in Ontario (para 17.02(h));
  - (c) a claim authorized by statute to be made against a person outside of Ontario by a proceeding in Ontario (para 17.02(n)); and
  - (d) a claim against a person outside of Ontario who is a necessary or proper party to a proceeding properly brought against another person served in Ontario (para 17.02(o)); and
  - (e) a claim against a person ordinarily resident or carrying on business in Ontario (para 17.02(p)).

## XVI. RELEVANT LEGISLATION, PLACE OF TRIAL, JURY TRIAL AND HEADINGS

- 310. The Plaintiffs plead and rely on the *CJA*, the *CPA*, the Securities Legislation and *CBCA*, all as amended.
- 311. The Plaintiffs propose that this action be tried in the City of Toronto, in the Province of Ontario, as a proceeding under the *CPA*.

- 312. The Plaintiffs will serve a jury notice.
- 313. The headings contained in this Statement of Claim are for convenience only. This Statement of Claim is intended to be read as an integrated whole, and not as a series of unrelated components.

January 26, 2012

#### Siskinds LLP

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

A. Dimitri Lascaris (LSUC#: 50074A)

Tel: 519.660.7844 Fax: 519.660.7845

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Tel: 519.660.7753 Fax: 519.660.7754

Michael G. Robb (LSUC#: 45787G)

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Lawyers for the Plaintiffs

Trustees of the Labourers' Pension Fund of Central and Eastern Canada, et al.

and

**Plaintiffs** 

Sino-Forest Corporation,

et al.

Defendants

Court File No.: CV-11-431153-00CP

## ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

Proceeding under the Class Proceedings Act, 1992

# FRESH AS AMENDED STATEMENT OF CLAIM (NOTICE OF ACTION ISSUED JULY 20, 2011)

#### Siskinds LLP

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Jonathan Ptak (LSUC#: 45773F)

Tel: 416-595.2149 Fax: 416.204.2903 Lawyers for the Plaintiffs This is Exhibit "X" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

### 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 <u>March 19</u>, 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, sencrl ("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 <u>only</u> settles the claims against Pöyry (Beijing) in both the Ontario and Québec proceedings. Pöyry (Beijing) does not admit to any wrongdoing or liability. <u>The settlement does not involve the resolution of any claims against Sino-Forest Corporation or any of the other defendants.</u>

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 <a href="http://cfcanada.fticonsulting.com/sfc/">http://cfcanada.fticonsulting.com/sfc/</a>. 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

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, 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

A copy of the Pöyry (Beijing) settlement agreement and other information about this class action are available on Koskie Minsky LLP's website at <a href="https://www.kmlaw.ca/sinoforestclassaction">www.kmlaw.ca/sinoforestclassaction</a> and Siskinds LLP's website at <a href="https://www.classaction.ca">www.classaction.ca</a>.

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

This is Exhibit "Y" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

Court File No. CV-11-431153-00CP

# ONTARIO SUPERIOR COURT OF JUSTICE

| THE HONOURABLE | ) | TUESDAY, THE 25 <sup>TH</sup> DAY |
|----------------|---|-----------------------------------|
| JUSTICE PERELL | ) | OF SEPTEMBER, 2011                |

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND INTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION RATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

Plainti:Ts

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

Defendants

Proceeding under the Class Proceedings Act, 1992

## **ORDER**

THIS MOTION made by the Plaintiffs for an Order i) certifying this action as a class proceeding for settlement purposes as against Pöyry (Beijing) Consulting Company Limited (the "Settling Defendant"): ii) approving the settlement agreement made as of March 20, 2012, between the plaintiffs and the Settling Defendant (the "Settlement Agreement"): iii) approving the form of notice to class members of the certification of this action and the approval of the

Settlement Agreement ("Long-Form Approval Notice") and the summary notice to class members of the certification of this action and the approval of the Settlement Agreement ("Short-Form Approval Notice") (together, the "Approval Notices"); iv) approving the form of notice to class members of the Approval Notices ("Notice Plan"); and v) dismissing the action as against the Settling Defendant, was heard on September 21, 2012, in Toronto, Ontario.

WHEREAS the Plaintiffs and the Settling Defendant have entered into the Settlement Agreement in respect of the Plaintiffs' claims against the Settling Defendant.

AND WHEREAS notice of the Settlement Approval Hearing in this proceeding was provided pursuant to the Order dated May 17, 2012.

AND WHEREAS the defendant Sino-Forest Corporation ("Sino-Forest") has delivered to counsel for the plaintiffs a list of holders of Sino-Forest's securities as of June 2, 2011 (the "June 2, 2011 Shareholder List"):

AND ON READING the materials filed, including the Settlement Agreement attached to this Order as Schedule "A", and on hearing submissions of counsel for the Plaintiffs, counsel for the Settling Defendant, and counsel for the Non-Settling Defendants (as defined in the Settlement Agreement):

- 1. THIS COURT ORDERS that the plaintiffs are granted leave to bring this motion.
- THIS COURT DECLARES that for the purposes of this Order the definitions set out in the Settlement Agreement apply to and are incorporated into this Order.

- THIS COURT ORDERS that this proceeding be, and hereby is, certified as a class proceeding, for purposes of settlement only, pursuant to the Class Proceedings Act, 1992, SO 1992, c 6. ("CPA") sections 2 and 5.
- 4. THIS COURT ORDERS that the Settlement Class is defined as:

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 residents of Canada or were residents 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;

- 5. THIS COURT ORDERS AND DECLARES that the Trustees of the Labourers' Pension Fund of Central and Eastern Canada, the Trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario. Sjunde AP-Fonden, David Grant and Robert Wong be and hereby are appointed as the representative plaintiffs for the Settlement Class.
- 6. THIS COURT ORDERS AND DECLARES that the claims asserted on behalf of the Settlement Class as against the Settling Defendant are: (a) negligence in connection with Sino-Forest's share and note offerings during the class period: (b) the statutory cause of action in section 130 of the Securities Act, R.S.O. 1990, c.S.5 (\*OSA\*\*) for alleged

misrepresentations in Sino-Forest's June 2009 and December 2009 prospectuses; and (c) the statutory cause of action in Part XXIII.1 of the *OSA* in connection with Sino-Forest's continuous disclosure documents;

7. THIS COURT ORDERS that, for the purposes of settlement, the Ontario Proceeding be and hereby is certified on the basis of the following common issue:

Did the Settling Defendant make misrepresentations as alleged in this Proceeding during the Class Period concerning the assets, business or transactions of Sino-Forest. If so, what damages, if any, did Settlement Class Members suffer?

- 8. THIS COURT ORDERS that NPT Ricepoint Class Action Services be and is hereby appointed as the Opt-Out Administrator for purposes of the proposed settlement and for carrying out the duties assigned to the Opt-Out Administrator under the Settlement Agreement.
- 9. THIS COURT ORDERS that any putative Settlement Class Member may opt out of the Settlement Class in accordance with section 4.1 of the Settlement Agreement.
- THIS COURT ORDERS that any Settlement Class Member who validly opts out of the Settlement Agreement in accordance with paragraph 9 of this Order is not bound by the Settlement Agreement and may no longer participate in any continuation or settlement of the within action.
- THIS COURT ORDERS that the Settlement Agreement, in its entirety (including the Recitals, the Definitions set out in Section 1, and the Schedules), forms part of this Order, shall be implemented in accordance with its terms subject to the terms of this Order, and is binding upon the Plaintiffs, the Settling Defendant, the Opt-Out Administrator and all

Settlement Class Members, including those persons who are minors or mentally incapable, who did not validly opt out of the Settlement Class in accordance with the Settlement Agreement, and that the requirements of Rules 7.04(1) and 7.08(4) of the Rules of Civil Procedure, RRO 1990, Reg 194 are dispensed with in respect of the within action. If there is any inconsistency between the terms of this Order and the Settlement Agreement, the terms of this Order govern.

- 12. THIS COURT ORDERS AND DECLARES that any Settlement Class Member who does not validly opt out of the Settlement Class in accordance with paragraph 9 of this Order shall be deemed to have elected to participate in the settlement and be bound by the terms of the Settlement Agreement and all related court Orders.
- 13. THIS COURT ORDERS AND DECLARES that each Settlement Class Member who does not opt out of the Settlement Class in accordance with paragraph 9 of this Order shall consent and shall be deemed to have consented to the dismissal, without costs and with prejudice, of any other action the Settlement Class Member has commenced against the Releasees, or any of them, in relation to a Released Claim (an "Other Action").
- 14. THIS COURT ORDERS AND DECLARES that each Other Action commenced in Ontario by any Settlement Class Member who does not opt out of the Settlement Class in accordance with paragraph 9 of this Order is dismissed against the Releasees, without costs and with prejudice.
- 15. THIS COURT DECLARES that, subject to the terms of this Order, the settlement as set forth in the Settlement Agreement is fair, reasonable and in the best interests of the Settlement Class Members.

- 16. THIS COURT ORDERS that, subject to the terms of this Order, the Settlement Agreement be and is hereby is approved pursuant to s. 29 of the CPA and that it shall be implemented in accordance with its terms.
- 17. THIS COURT ORDERS that the form and content of the Long-Form Approval Notice, the Short-Form Approval Notice, and the opt out forms attached hereto as Schedules "B", "C", and "D" respectively, be and are hereby approved and shall be published, subject to the right of the plaintiff and the Settling Defendant to make minor non-material amendments to such forms, by mutual agreement, as may be necessary or desirable, or for the purpose of creating an online opt out form at the Opt-Out Administrator's website.
- 18. THIS COURT ORDERS that the Approval Notices shall be disseminated as follows:
  - (a) A copy of the Long-Form Approval Notice will be provided by Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, senerl (together, "Class Counsel") and the Opt-Out Administrator to all individuals or entities that have contacted Class Counsel regarding this action, and to any person that requests it:
  - (b) Within 10 days of the Order of the Québec Court approving the Settlement Agreement (the "Québec Approval Order"), the Long-Form Approval Notice will be posted on the websites of Sino-Forest Corporation (on its main page), Class Counsel, and the Opt-Out Administrator:
  - (e) Within 20 days of the Québec Approval Order, the Long-Form Approval Notice will be sent directly to the addresses of class members listed on the June 2, 2011 Shareholder List;
  - (d) Within 20 days of the Québec Approval Order, the Long-Form Approval Notice will be sent to a list of all brokers known to the Opt-Out Administrator, with a cover letter containing the following statement:

Nominee purchasers are directed, within ten (10) days of the receipt of this Notice (a) to provide the Opt-Out Administrator with lists of names and addresses of beneficial owners; or (b) to request additional copies of the Notice from the Opt-Out Administrator, to mail the Notice to the beneficial owners. Nominee purchasers who elect to send the Notice to their beneficial owners shall send a statement to the Opt-Out Administrator that the mailing was completed as directed

- (e) Within 30 days of the Québec Approval Order, the Short-Form Approval Notice will be published in the following print publications:
  - (1) The Globe and Mail, in English, in one weekday publication;
  - (ii) National Post, in English, in one weekday publication;
  - (iii) La Presse, in French, in one weekday publication; and
  - (iv) Le Soleil, in French, in one weekday publication.
- THIS COURT ORDERS that the cost of distributing the Approval Notices shall be borne solely by the Settling Defendant up to \$100,000 and equally between the plaintiffs and the Settling Defendant for any costs in excess of \$100,000, subject to review or readjustment by agreement between the plaintiffs and the Settling Defendant.
- 20. THIS COURT ORDERS that no Settlement Class Member may opt out of this class proceeding after the date which is sixty (60) days after the date on which the Approval Notices are first published (the "Opt-Out Deadline") except with leave of this court.
- 21. THIS COURT ORDERS that, within fifteen (15) days of the Opt-Out Deadline, the Opt-Out Administrator shall serve on the parties and file with the court an affidavit listing all persons or entities that have opted out.
- 22. THIS COURT ORDERS AND DECLARES that the Court shall retain jurisdiction over the Plaintiffs, the Opt-Out Administrator, the Settlement Class Members, the Pöyry Parties (as defined in paragraph 27 hereof), Pöyry PLC and Pöyry Finland OY for all matters relating to the within proceeding, including the administration, interpretation, effectuation, and/or enforcement of the Settlement Agreement and this Order and that all of these parties are hereby declared to have attorned to the jurisdiction of this Court in relation thereto.

- 23. THIS COURT ORDERS AND DECLARES that approval of the Settlement Agreement is contingent upon the issuance by the Superior Court of Québec of an Order approving the Settlement Agreement. If such Order is not secured in Québec, this Order shall be null and void and without prejudice to the rights of the parties to proceed with this action and any agreement between the parties incorporated in this Order shall be deemed in any subsequent proceedings to have been made without prejudice.
- THIS COURT ORDERS AND ADJUDGES that upon the date the Settlement Agreement becomes final, the Releasors fully, finally, and forever release the Releasees from the Released Claims.
- 25. THIS COURT ORDERS AND DECLARES that, subject to paragraph 30 below, all claims for contribution, indemnity or other claims over, including, without limitation, potential third party claims, at common law, equity or pursuant to the OSA or other statute, whether asserted, unasserted or asserted in a representative capacity or in any other capacity, inclusive of interest, costs, expenses, class administration expenses, penalties, legal fees and taxes, relating to the Released Claims, which were or could have been brought in the within proceedings or otherwise, or could in the future be brought on the basis of the same events, actions and omissions underlying the within proceedings or otherwise, by any Non-Settling Defendant or any Party or any Releasor against all or any of the Releasees are barred, prohibited, and enjoined in accordance with the terms of the Settlement Agreement and this Order (the "Bar Order").
- 26. THIS COURT ORDERS AND DECLARES that if the Court determines that there is a right of contribution and indemnity or other claims over, including, without limitation, potential third party claims, at common law, equity or pursuant to the OSA or other

statute, whether asserted, unasserted or asserted in a representative capacity or in any other capacity, inclusive of interest, costs, expenses, class administration expenses, penalties, legal fees and taxes, relating to the Released Claims:

- (a) the Settlement Class Members shall not be entitled to claim or recover from the Non-Settling Defendants that portion of any damages (including punitive damages, if any), restitutionary award, disgorgement of profits, interest and costs that corresponds to the Proportionate Liability of the Releasees proven at trial or otherwise; and
- (b) this Court shall have full authority to determine the Proportionate Liability of the Releasees at the trial or other disposition of this action, whether or not the Releasees appear at the trial or other disposition and the Proportionate Liability of the Releasees shall be determined as if the Releasees are parties to this action and any determination by this Court in respect of the Proportionate Liability of the Releasees shall only apply in this action and shall not be binding on the Releasees in any other proceedings.
- 27. THIS COURT ORDERS AND DECLARES that, after all appeals or times to appeal from the certification of this action against the Non-Settling Defendants have been exhausted, any Non-Settling Defendant is entitled to the following:
  - documentary discovery and an affidavit of documents in accordance with the Rules of Civil Procedure from any and all of the Settling Defendant, Pöyry (Beijing) Consulting Company Ltd. Shanghai Branch, Pöyry Management Consulting (Singapore) Pte. Ltd., Pöyry Forest Industry Ltd., Pöyry Forest

Industry Pte. Ltd., Pöyry Management Consulting (Australia) Pty. Ltd., Pöyry Management Consulting (NZ) Ltd., JP Management Consulting (Asia-Pacific) Ltd., and any successor entities (collectively, the "Pöyry Parties", each a "Pöyry Party");

- of Civil Procedure, the transcript of which may be read in at trial solely by the Non-Settling Defendants as part of their respective cases in defending the Plaintiffs' allegations concerning the Proportionate Liability of the Releasees and in connection with any potential claim by a Non-Settling Defendant against a Pöyry Party for contribution and indemnity that may arise out of an Order made under paragraph 30 below:
- (c) leave to serve a request to admit on any Pöyry Party in respect of factual matters and/or documents in accordance with the *Rules of Civil Procedure*:
- (d) the production of a representative of any Pöyry Party to testify at trial in accordance with the Rules of Civil Procedure, with such witness or witnesses to be subject to cross-examination by counsel for the Non-Sculing Defendants; and
- (e) leave to serve Evidence Act notices on any Pöyry Party.

The discovery set out in subparagraphs (a) and (b) above shall proceed pursuant to an agreement between the Non-Settling Defendants and the Pöyry Parties in respect of a discovery plan, or failing such agreement, a further Order of this Court in respect of a discovery plan.

- 28. THIS COURT ORDERS AND DECLARES that the Pöyry Parties, Pöyry PLC and Pöyry Finland OY shall, on a best efforts basis, take steps to collect and preserve all documents relevant to the matters at issue in the within proceeding and any proceeding contemplated by paragraph 30, until such time as the within proceeding and any proceeding contemplated by paragraph 30 have been finally disposed of and all appeals or times to appeal from any Order finally disposing of the within proceeding and any proceeding contemplated by paragraph 30 have been exhausted.
- 29. THIS COURT ORDERS AND DECLARES that service on any Pöyry Party. Pöyry PI C and Pöyry Finland OY of any court documents relating to the within proceeding, including, but not limited to notices of examination, requests to inspect or admit. Evidence Act notices and summons, may be served on counsel for the Settling Defendant, John Pirie of Baker & McKenzie LLP, or such other counsel as may replace current counsel as counsel for the Settling Defendant in respect of this proceeding and that such service shall be deemed to be sufficient service under the Rules of Civil Procedure.
- THIS COURT ORDERS AND DECLARES that if any Pöyry Party fails to satisfy its reasonable obligations arising under paragraph 27 above, a Non-Settling Defendant may make a motion to this Court on at least fifteen (15) days notice to compel reasonable compliance by the alleged non-compliant Pöyry Party or for such other alternative relief as the Court may consider just and appropriate. If such an Order is made, and not adhered to by the Pöyry Party at issue, a Non-Settling Defendant may then bring a motion on at least twenty (20) days notice to lift the Bar Order under paragraph 25 above with respect to the Pöyry Party at issue and to advance a claim for contribution, indemnity or other claims over against the Pöyry Party at issue.

- 31. THIS COURT ORDERS AND DECLARES that any Pöyry Party affected or potentially affected by a motion brought under paragraph 30 above shall have the right to oppose any such motion.
- 32. THIS COURT ORDERS AND DECLARES that if an Order is made under paragraph 30 above permitting a claim to be advanced against a Pöyry Party by a Non-Settling Defendant;
  - (a) any limitation period applicable to such a claim, whether in favour of a Pöyry Party or a Non-Settling Defendant, shall be deemed to have been tolled as of the date of this Order and shall continue as of the date of any Order permitting a claim to be advanced against any Pöyry Party pursuant to paragraph 30 above:
  - (b) any Pöyry Party that is subject to a claim permitted under paragraph 30 above shall have all procedural and substantive rights available to it at law to defend and challenge such a claim, including, *inter alia*, the right to bring a motion for summary judgment or to strike out a pleading on the ground that it discloses no reasonable cause of action; and
  - (c) no Pöyry Party shall advance or raise any *res judicatu* or issue estoppel argument or defence with respect to any claim permitted under paragraph 30 above.
- THIS COURT ORDERS AND DECLARES that nothing in this Order shall be taken as a waiver of any rights that a Pöyry Party may have, now or in the future, to challenge any claim or proceeding brought against a Pöyry Party by a Non-Settling Defendant.
- 34. THIS COURT ORDERS AND DECLARES that after all appeals or times to appeal from the certification of this action against the Non-Settling Defendants have been

exhausted, any Non-Settling Defendant may bring a motion to this Court on at least twenty (20) days notice seeking a determination from the Court as to whether Pöyry PLC and/or Pöyry Finland OY shall be subject to the Non-Settling Defendants' procedural entitlements set out in subparagraphs 27(a), (b), (c), (d) and (e) above. Pöyry PLC, Pöyry Finland OY and/or any Pöyry Party affected or potentially affected by a motion brought under this paragraph shall have the right to oppose any such motion.

- THIS COURT ORDERS AND DECLARES that if an Order is made under paragraph 34 above requiring Pöyry PLC and/or Pöyry Finland OY to be subject to the Non-Settling Defendants' procedural entitlements set out in subparagraphs 27(a). (b). (c). (d) and (e). then Pöyry PLC and/or Pöyry Finland OY, as the case may be, shall be deemed to be a Pöyry Party and the relief set out in paragraphs 22, 27, 30, 31, 32 and 33 above shall apply to Pöyry PLC and/or Pöyry Finland OY as if each entity was a Pöyry Party.
- 36. THIS COURT ORDERS AND DECLARES that this Order and its terms are entirely without prejudice to the Non-Settling Defendants except as against the Releasees as provided herein, including without limiting the generality of the foregoing without prejudice to the Non-Settling Defendants' ability to challenge any aspect of any certification or other preliminary motions currently pending or that may be brought in the future in respect of the Non-Settling Defendants, including the factual, evidentiary and/or legal elements of the test for certification under the *Class Proceedings Act.* S.O. 1992, c. 6.

37. THIS COURT ORDERS AND ADJUDGES that, upon the Effective Date, the within proceeding is dismissed against the Settling Defendant without costs and with prejudice.

Date:

ENTERED AT / INSCRIT A TORONTO

ON / BOOK NO:

LE / DANS LE REGISTRE NO

OCT 3 0 2012

AS DOCUMENT NO.: A TITRE DE DOCUMENT NO. PER / PAR: THE HONOURABLE JUSTICE PEREUL

## Schedule A

## SINO-FOREST CLASS ACTION NATIONAL SETTLEMENT AGREEMENT

Made as of March 20, 2012

#### Between

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT, ROBERT WONG and GUINING LIU

and

PÖYRY (BELING) CONSULTING COMPANY LIMITED

# SINO-FOREST CLASS ACTION NATIONAL SETTLEMENT AGREEMENT

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#### SINO-FOREST CLASS ACTION NATIONAL SETTLEMENT AGREEMENT

## **RECITALS**

- A. WHEREAS the Proceedings have been commenced by the Plaintiffs in Ontario and Quebec which allege that the Settling Defendant made misrepresentations regarding the assets, business and transactions of Sino-Forest contrary to the OSA, the Civil law of Quebec and the common law of the rest of Canada;
- B. AND WHEREAS the Settling Defendant believes that it is not liable in respect of the claims as alleged in the Proceedings and the Settling Defendant believes that it has good and reasonable defences in respect of the merits in the Proceedings;
- C. AND WHEREAS the Settling Defendant asserts that it would actively pursue its defences in respect of the merits during the course of certification, during the course of discovery and at trial if the Plaintiffs continued the Proceedings against it;
- D. AND WHEREAS, despite the Settling Defendant's belief that it is not liable in respect of the claims as alleged in the Proceedings and its belief that it has good and reasonable defences in respect of the merits, the Settling Defendant has negotiated and entered into this Settlement Agreement to avoid further expense, inconvenience, and burden of this litigation and any other present or future litigation arising out of the facts that gave rise to this litigation and to achieve final resolutions of all claims asserted or which could have been asserted against the Settling Defendant by the Plaintiffs on their own behalf and on behalf of the classes they seek to represent, and to avoid the risks inherent in uncertain, complex and protracted litigation;
- E. AND WHEREAS counsel for the Settling Defendant and counsel for the Plaintiffs have engaged in extensive arm's-length settlement discussions and negotiations in respect of this Settlement Agreement;
- F. AND WHEREAS as a result of these settlement discussions and negotiations, the Settling Defendant and the Plaintiffs have entered into this Settlement Agreement, which embodies all of the terms and conditions of the settlement between the Plaintiffs and the Settling Defendant, both individually and on behalf of the Settlement Class, subject to approval of the Courts;

- G. AND WHEREAS the Plaintiffs have agreed to accept this settlement, in part, because of the value of the cooperation the Settling Defendant has made and agrees to render or make available to the Plaintiffs and/or Class Counsel pursuant to this Settlement Agreement, as well as the attendant risks of litigation in light of the jurisdictional issues relating to the Settling Defendant, the potential defences that may be asserted by the Settling Defendant and the challenges of enforcement against the Settling Defendant in a foreign jurisdiction;
- H. AND WHEREAS the Plaintiffs recognize the benefits of the Settling Defendant's early cooperation in respect of the Proceedings;
- I. AND WHEREAS the Settling Defendant does not admit through the execution of this Settlement Agreement any allegation of unlawful conduct alleged in the Proceedings;
- J. AND WHEREAS the Plaintiffs and Class Counsel have reviewed and fully understand the terms of this Settlement Agreement and, based on their analyses of the facts and law applicable to the Plaintiffs' claims, and having regard to the burdens and expense in prosecuting the Proceedings, including the risks and uncertainties associated with trials and appeals, the Plaintiffs and Class Counsel have concluded that this Settlement Agreement is fair, reasonable and in the best interests of the Plaintiffs and the classes they seek to represent;
- K. AND WHEREAS the Plaintiffs, Class Counsel and the Settling Defendant agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by or evidence against the Settling Defendant or evidence of the truth of any of the Plaintiffs' allegations against the Settling Defendant, which the Settling Defendant expressly denies;
- L. AND WHEREAS the Settling Defendant is entering into this Settlement Agreement in order to achieve a final and nation-wide resolution of all claims asserted or which could have been asserted against it by the Plaintiffs in the Proceedings or claims which could in the future be brought on the basis of the same events, actions and omissions underlying the Proceedings, and to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation;

- M. AND WHEREAS the Parties therefore wish to, and hereby do, finally resolve on a national basis, without admission of liability, all of the Proceedings as against the Settling Defendant:
- N. AND WHEREAS for the purposes of settlement only and contingent on approvals by the Courts as provided for in this Settlement Agreement, the Parties have consented to certification of the Ontario Proceeding and authorization of the Quebec Proceedings as class proceedings and have consented to a Settlement Class and a Common Issue in each of the Proceedings;
- O. AND WHEREAS for the purposes of settlement only and contingent on approvals by the Courts as provided for in this Settlement Agreement, the Plaintiffs have consented to a dismissal of each of the Proceedings as against the Settling Defendant;

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Parties that the Proceedings be settled and dismissed with prejudice as to the Settling Defendant only, without costs as to the Plaintiffs, the classes they seek to represent or the Settling Defendant, subject to the approval of the Courts, on the following terms and conditions:

#### **SECTION 1 - DEFINITIONS**

For the purpose of this Settlement Agreement (as hereinafter defined):

- (1) Affiliates means, in respect of any Person, any other Person or group of Persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such Person first mentioned, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise.
- (2) Approval Hearings means the hearings to approve the motions brought by Ontario Counsel before the Ontario Court and Quebec Counsel before the Quebec Court, for such Courts' respective approval of the settlement provided for in this Settlement Agreement.
- (3) Auditors means, collectively, Ernst & Young LLP and BDO Limited (formerly known as BDO McCabe Lo Limited).

- (4) Class Counsel means, collectively, Ontario Counsel and Quebec Counsel.
- (5) Class Period means March 19, 2007 to June 2, 2011.
- (6) Common Issue in each of the Ontario Proceeding and Quebec Proceeding means: Did the Settling Defendant make misrepresentations as alleged in this Proceeding during the Class Period concerning the assets, business or transactions of Sino-Forest? If so, what damages, if any, did Settlement Class Members suffer?
- (7) Courts means, collectively, the Ontario Court and the Quebec Court.
- (8) Defendants means, collectively, the Persons named as defendants in the Proceedings as set out in Schedule A and any other Person who is added as a defendant in the Proceedings in the future.
- (9) Effective Date means the date when the Final Order has been received from the last of the Ontario Court and the Quebec Court to issue the Final Order.
- (10) Excluded Person means 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.
- (11) Final Order means a final judgment entered by the Ontario Court or the Quebec Court in respect of both: (i) the certification or authorization of the Ontario Proceeding or the Quebec Proceeding, respectively, as a class proceeding; and (ii) the approval of this Settlement Agreement; but only once the time to appeal such judgment has expired without any appeal being taken, if an appeal lies or, once there has been affirmation of the certification or authorization of a Proceeding as a class proceeding and the approval of this Settlement Agreement, upon a final disposition of all appeals therefrom.
- (12) Non-Settling Defendant means a Defendant that is not the Settling Defendant.
- (13) Notice of Certification/Authorization and Approval Hearings means the form or forms of notice, agreed to by the Plaintiffs and the Settling Defendant, or such other form or forms as may be approved by the Courts, which informs the Settlement Class of: (i) the certification of the

Ontario Proceeding or authorization of the Quebec Proceeding solely for the purposes of this Settlement; (ii) the dates and locations of each of the Approval Hearings; (iii) the principal terms of this Settlement Agreement; (iv) the process by which Settlement Class Members can opt out of each of the Proceedings; and (v) the Opt Out Deadline in respect of each of the Proceedings.

- (14) Ontario Proceeding means Ontario Court File No. CV-11-431153-00CP (Toronto).
- (15) Ontario Counsel means Siskinds LLP and Koskie Minsky LLP.
- (16) Ontario Court means the Ontario Superior Court of Justice.
- (17) Opt-Out Administrator means the Person appointed by the Courts to receive and report on Opt Outs.
- (18) Opt-Out Deadline means the date which is sixty (60) days after the date on which the Notice of Certification/Authorization and Approval Hearings is first published.
- (19) OSA means the Securities Act, RSO 1990, c S.5.
- (20) Other Actions means, without limitation, actions, suits, proceedings or arbitration, civil, criminal, regulatory or otherwise, at law or in equity, other than the Proceedings, relating to Released Claims commenced by a Settlement Class Member either before or after the Effective Date.
- (21) Parties means, collectively, the Plaintiffs, Settlement Class Members and the Settling Defendant.
- (22) Person means an individual, corporation, partnership, limited partnership, limited liability company, association, estate, legal representative, trust, trustee, executor, beneficiary, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity and their heirs, predecessors, successors, representatives, or assignees.
- (23) Plaintiffs means the Persons named as plaintiffs in the Proceedings as set out in Schedule A, and any other Person who may in the future be added as plaintiff to either of the Proceedings.
- (24) PRC means the People's Republic of China.

- (25) Proceedings means, collectively, the Ontario Proceeding and the Quebec Proceeding.
- (26) Proportionate Liability means that proportion of any judgment that, had they not settled, the Ontario Court would have apportioned to the Releasees.
- (27) QSA means the Quebec Securities Act, R.S.Q., c. V-1.1
- Quebec Class Members means all natural persons, as well as all legal persons established for a private interest, partnerships and associations having no more than fifty (50) persons bound to it by contract of employment under its direction or control during the twelve (12) month period preceding the motion for authorization domiciled in Quebec (other than 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 an immediate member of the families of the individual named defendants) who purchased or otherwise acquired, whether in the secondary market, or under a prospectus or other offering document in the primary market, equity, debt or other securities of or relating to Sino-Forest Corporation, from and including August 12, 2008 to and including June 2, 2011.
- (29) Quebec Counsel means Siskinds Desmeules s.e.n.c.r.l.
- (30) Quebec Court means the Superior Court of Quebec.
- (31) Quebec Proceeding means Quebec Court (District of Quebec) Court file No. 200-06-000132-111.
- (32) Released Claims means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, for damages whenever incurred, obligations, liabilities of any nature whatsoever including, without limitation, interest, costs, expenses, class administration expenses, penalties, and lawyers' fees (including Class Counsel's fees), known or unknown, suspected or unsuspected, in law, under statute or in equity, that the Releasors, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall or may have, relating in any way to any conduct anywhere, from the beginning of time to the date hereof, or in respect of any misrepresentations (including, without limitation, any verbal statements made or not made by the Settling Defendant's agents) directly or indirectly relating to Sino-Forest, its Subsidiaries

(including, without limitation, Greenheart Group Limited) and other Affiliates and their respective assets, business and transactions, whether contained in or arising from valuations or reports prepared by the Settling Defendant or any Releasee for Sino-Forest, its Subsidiaries (including, without limitation, Greenheart Group Limited) and other Affiliates or elsewhere, or relating to any conduct alleged (or which could have been alleged or could in the future be alleged on the basis of the same events, actions and omissions) in the Proceedings including, without limitation, any such claims which have been asserted, could have been asserted, or could in the future be asserted on the basis of the same events, actions and omissions underlying the Proceedings, directly or indirectly, whether in Canada or elsewhere, as a result of or in connection with the events discussed in the reports of Sino-Forest's Independent Committee and the June 2, 2011 report issued by Muddy Waters LLC in respect of Sino-Forest, its Subsidiaries (including, without limitation, Greenheart Group Limited) and other Affiliates;

- Octendant, its past and present, direct and indirect, Subsidiaries and other Affiliates, and their respective divisions, partners, insurers (solely in respect of any insurance policy applicable to the acts or omissions of the Settling Defendant, its past and present, direct and indirect, Subsidiaries and other Affiliates), consultants, sub-consultants, attorneys, agents and all other Persons that are Affiliates of any of the foregoing, and all of their respective past, present and future officers, directors, employees, agents, partners, shareholders, attorneys, trustees, servants and representatives and the predecessors, successors, purchasers, heirs, executors, administrators and assigns of each of the foregoing, excluding always the Non-Settling Defendants and any of their respective current or former Subsidiaries and other Affiliates, officers, directors, executives, employees, shareholders, joint venturers and/or partners.
- (34) Releasors means, jointly and severally, individually and collectively, the Plaintiffs and the Settlement Class Members and their respective Subsidiaries and other Affiliates, and their respective divisions, partners, insurers, consultants, sub-consultants and all other Persons that are Affiliates of any of the foregoing, and all of their respective past, present and future officers, directors, employees, agents, partners, shareholders, attorneys, trustees, servants and representatives and the predecessors, successors, heirs, executors, administrators, representatives, insurers and assigns.

- (35) Settlement Agreement means this agreement including the recitals and schedules.
- (36) Settlement Class means, in respect of each of the Ontario Proceeding and the Quebec Proceeding, the settlement class defined in Schedule A.
- (37) Settlement Class Member means a member of a Settlement Class who does not validly opt-out of that Settlement Class in accordance with section 4.1 and any orders of the Courts.
- (38) Settling Defendant means Pöyry (Beijing) Consulting Company Limited.
- (39) Sino-Forest means Sino-Forest Corporation.
- (40) Subsidiary has the meaning ascribed to it in the Canada Business Corporations Act.
- (41) Underwriters means Credit Suisse Securities (Canada), Inc., TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd., Maison Placements Canada Inc., Credit Suisse Securities (USA) LLC, and Banc of America Securities LLC, including, without limitation, their respective Subsidiaries and other Affiliates and their respective personnel.

# SECTION 2 - SETTLEMENT APPROVAL

#### 2.1 Best Efforts

The Parties shall use their best efforts to effectuate this settlement and to secure the prompt, complete and final dismissal with prejudice of the Proceedings and without further recourse as against the Settling Defendant.

#### 2.2 Motions for Approval

- (1) Each of the Ontario Plaintiffs and Quebec Plaintiffs shall promptly bring motions before the Ontario Court and the Quebec Court, respectively, for orders approving the notices described in section 10 herein, certifying the Ontario Proceeding and authorizing the Quebec Proceeding as a class proceeding for settlement purposes only and approving this Settlement Agreement.
- (2) The motions for approval of this Settlement Agreement referred to in section 2.2(1) shall not be returnable until the Opt Out Deadline has passed.

- (3) The Ontario order certifying the Ontario Proceeding referred to in section 2.2(1) shall be substantially in the form attached hereto as Schedule B-1. The Quebec order authorizing the Quebec Proceeding referred to in section 2.2(1) shall be substantially in the form attached hereto as Schedule B-2.
- (4) The Ontario order approving the Settlement Agreement referred to in section 2.2(1) shall be substantially in the form attached hereto as Schedule C-1. The Quebec order approving the Settlement Agreement referred to in section 2.2(1) shall be substantially in the form attached hereto as Schedule C-2.
- (5) The form and content of the orders approving the Settlement Agreement contemplated in this section 2.2 shall be considered a material term of this Settlement Agreement and the failure of any Court to approve the orders substantially in the form contemplated herein and attached as schedules hereto shall constitute a Non-Approval of Settlement Agreement pursuant to section 5.1 of this Settlement Agreement.

#### 2.3 Pre-Motion Confidentiality

- (1) Until the first of the motions required by section 2.2 is brought, the Parties shall keep all of the terms of this Settlement Agreement, and any information or documents related thereto, confidential and shall not disclose them without the prior written consent of counsel for the Settling Defendant and Class Counsel, as the case may be, except as required for the purposes of financial reporting or the preparation of financial records (including, without limitation, tax returns and financial statements) or as otherwise required by law, in which case the Party seeking to disclose shall provide at least fifteen (15) days written notice to the other Parties of the proposed disclosure and the basis for the proposed disclosure.
- (2) Any disclosure of the terms of this Settlement Agreement, and any information or documents related thereto, contemplated in subsection 2.3(1) or otherwise shall be for the sole and exclusive purpose of seeking approval of this Settlement Agreement by the Courts and facilitating the settlement of the Proceedings and release of the Released Claims pursuant to the terms of this Settlement Agreement.

#### **SECTION 3 - SETTLEMENT BENEFITS**

# 3.1 Cooperation - No Disclosure of Privileged Communications

Nothing in this Settlement Agreement shall require, or shall be construed to require, the Settling Defendant to disclose or produce any documents or information prepared by or for counsel for the Settling Defendant, or to disclose or produce any document or information in breach of any order, regulatory directive, regulatory policy, regulatory agreement or law of any jurisdiction, or subject to solicitor-client privilege, litigation privilege, attorney-client privilege, work product doctrine, common interest privilege, joint defence privilege or any other privilege.

# 3.2 Cooperation - No Disclosure of Documents or Information Contrary to Privacy and State Secrets Protection Laws

Nothing in this Settlement Agreement shall require, or shall be construed to require, the Settling Defendant to disclose or produce any documents or information, where production of such documents or information would potentially result, in the reasonable judgment of the Settling Defendant and its counsel, in a breach or violation of any rederal, provincial, state or local privacy law, or any law of a foreign jurisdiction, including, without limitation, PRC privacy and state secrets protection laws.

#### 3.3 Cooperation - No Disclosure of Confidential Information

Nothing in this Settlement Agreement shall require, or shall be construed to require, the Settling Defendant to disclose or produce any confidential documents or information that the Settling Defendant holds under commercial arrangements where such disclosure or production would potentially result, in the reasonable judgment of the Settling Defendant and its counsel, in a breach of contract.

## 3.4 Cooperation

(1) It is understood and agreed that all documents and information provided by the Settling Defendant or Releasees to Plaintiffs and Class Counsel under this Settlement Agreement shall be used only in connection with the prosecution of the claims in the Proceedings, and shall not be used directly or indirectly for any other purpose. Plaintiffs and Class Counsel agree that they will not publicize the documents and information provided by the Settling Defendant beyond

what is reasonably necessary for the prosecution of the Proceedings or as otherwise required by law.

- Within thirty (30) days of the Date of Execution or at a time mutually agreed upon by the Parties, the Settling Defendant shall provide, through a meeting between counsel for the Settling Defendant and Class Counsel, an evidentiary proffer, which will include verbal information relating to the allegations in the Proceedings including, without limitation, a summary of the Settling Defendant's material interactions and involvement with Sino-Forest, the Auditors and the Underwriters; the Settling Defendant's understanding of Sino-Forest's business model as it pertains to timber plantation, purchased forests and forestry management; and the Settling Defendant's knowledge and understanding of Sino-Forest's actual or purported revenues and/or assets during the Class Period.
- (3) Within thirty (30) days of the Effective Date, or at a time mutually agreed upon by the Parties, the Settling Defendant shall provide copies of the following categories of documents being within the possession, custody or control of the Settling Defendant and the Releasees:
  - (a) documents relating to Sino-Forest, the Auditors or the Underwriters, or any of them, as well as the dates, locations, subject matter, and participants in any meetings with or about Sino-Forest, the Auditors or the Underwriters, or any of them:
  - (b) documents provided by the Settling Defendant or any Releasee to any state, federal or international government or administrative agency, without geographic limitation, concerning the allegations raised in the Proceedings, excluding documents created for the purpose of being so provided; and
  - (c) documents provided by the Settling Defendant or any Releasee to Sino-Forest's Independent Committee or the ad hoc committee of noteholders.
- (4) The obligation to produce documents pursuant to this section 3.4 shall be a continuing obligation to the extent that material documents are identified following the initial productions. The Settling Defendant and Releasees make no representation that they have a complete set of documents within any of the categories of information or documents described herein.

- (5) To the extent that any document includes technical information within the expertise of the Settling Defendant, Class Counsel may request, and the Settling Defendant shall provide, an explanation sufficient for Class Counsel to understand the document; however, in no event will any liability or further obligation attach to such explanation.
- (6) Following the Effective Date, the Settling Defendant and Releasees shall, at the request of Class Counsel, upon reasonable notice, and subject to any legal restrictions, make reasonable efforts to make available at a mutually convenient time, at a mutually agreed upon location in North America, up to three (3) current or former employees of the Settling Defendant and Releasees who have knowledge of the allegations raised in the Proceedings to provide information regarding the allegations raised in the Proceedings in a personal interview with Class Counsel and/or experts retained by Class Counsel in the presence of, and assisted by, counsel for the Settling Defendant, provided that none of the employee(s) or former employee(s) are required to travel to North America pursuant to this subsection 3.4(6) more than two (2) times each, Costs incurred by, and the expenses of, the employees of the Settling Defendant and Releasees in relation to such interviews shall be the responsibility of the Settling Defendant. If the employee(s) or former employee(s) contemplated in this subsection 3.4(6) refuse to provide information, or otherwise cooperate, the Settling Defendant shall use reasonable efforts to make him/her available for an interview with Class Counsel and/or experts retained by Class Counsel as aforesaid. The failure of the employee(s) or former employee(s) contemplated in this subsection 3.4(6) to agree to make him or herself available, or to otherwise cooperate with the Plaintiffs shall not constitute a breach or other violation of this Settlement Agreement, and shall not provide any basis for the termination of this Settlement Agreement, provided that the Settling Defendant has made reasonable efforts to cause such cooperation.
- (7) Subject to the rules of evidence and the other provisions of this Settlement Agreement, the Settling Defendant agrees to use reasonable efforts to produce at trial and/or discovery or through affidavits acceptable to Class Counsel or other testimony, (i) a current representative as Class Counsel and the Settling Defendant, acting reasonably, agree would be qualified to establish for admission into evidence the Settling Defendant and Releasees' involvement with Sino-Forest, the Auditors and the Underwriters; and (ii) current representatives as Class Counsel and the Settling Defendant, acting reasonably, agree would be necessary to support the submission into evidence of any information and/or documents provided by the Settling

Defendant or any Releasee in accordance with this Settlement Agreement that Class Counsel and the Settling Defendant, acting reasonably, agree might be reasonably necessary for the prosecution of the Proceedings, including, without limitation, for the purpose of any motion where such evidence is reasonably necessary.

- (8) In connection with its provision of information, testimony and documents, the Settling Defendant and the Releasees shall have the right to assert solicitor-client privilege, litigation privilege and/or any other privilege, or to assert a right to refuse production on the basis of privacy law, state secrets law, contractual confidentiality obligations or other rule of law of this or any other jurisdiction. To the extent that Class Counsel requests particular documents, information or other materials from the Settling Defendant and the Settling Defendant does not produce the requested documents, information or other materials on the basis of this provision, or any other provision herein: (i) counsel for the Settling Defendant shall provide Class Counsel with a description of any such documents, information or other materials and a description of the basis on which the Settling Defendant is not prepared to produce said document, information or other material sufficient for Class Counsel to assess the nature of that basis and the document, information or other material, except where providing such descriptions would, in the reasonable judgment of counsel for the Settling Defendant, be contrary to privacy law, state secrets law, contractual confidentiality obligations or other rule of law of this or any other jurisdiction, in which case counsel for the Settling Defendant will so advise; and (ii) Class Counsel or counsel for the Settling Defendant may seek to resolve any dispute arising from this subsection 3.4(8) pursuant to the procedures set out in section 11.7 of this Settlement Agreement.
- (9) The Settling Defendant and Releasees waive any and all privilege relating to any specific document that the Settling Defendant has agreed to produce in response to this section 3.4. Notwithstanding the foregoing, nothing in this Settlement Agreement shall require, or shall be construed to require, the Settling Defendant or any Releasee to disclose or produce any documents or information prepared by or for counsel for the Settling Defendant during the course of any of the Proceedings.
- (10) If any of the types of documents referenced in sections 3.1, 3.2 or 3.3 are accidentally or inadvertently produced, such documents shall be promptly returned to counsel for the Settling Defendant and the documents and the information contained therein shall not be disclosed or

used directly or indirectly, except with the express written permission of the Settling Defendant, and the production of such documents shall in no way be construed to have waived in any manner any privilege or protection attached to such documents.

- It is understood and agreed that the Plaintiffs, the Settlement Class Members and Class Counsel shall not, without the express written consent of the Settling Defendant and its counsel, directly or indirectly use any information or documents provided by the Settling Defendant or any Releasee, or received from the Settling Defendant or any Releasee in connection with this Settlement Agreement, for any purpose other than the prosecution of the claims in the Proceedings, nor disclose or share with any other Persons (including, without limitation, any regulator, agency or organization of this or any other jurisdiction), any information or documents obtained from the Settling Defendant in connection with this Settlement Agreement or any information conveyed by counsel for the Settling Defendant or any Releasee, except in the event that a court in Canada expressly orders such information or documents to be disclosed. In no circumstances, however, may the Plaintiffs, the Settlement Class Members and/or Class Counsel apply for or consent to such an order, and promptly, upon becoming aware of an application or motion for such an order, Class Counsel shall immediately notify the Settling Defendant of the application or motion in order that the Settling Defendant may intervene in such proceedings. The disclosure restrictions set forth in this subsection do not apply to otherwise publicly available documents and information.
- (12) The Settling Defendant and Releasees' obligations to cooperate as particularized in this section 3.4 shall not be affected by the release provisions contained in section 6 of this Settlement Agreement. The Settling Defendant and Releasees' obligations to cooperate shall cease at the date of final judgment or order in the Proceedings against all Defendants, including, without limitation, an order approving a settlement between the Plaintiffs and the Non-Settling Defendants and/or an order dismissing the Proceedings. In the event the Settling Defendant or any Releasee materially breaches this section 3.4, Class Counsel may move before the Courts to enforce the terms of this Settlement Agreement.
- (13) The provisions set forth in this section 3.4 shall constitute the exclusive means by which the Plaintiffs, the Settlement Class Members and Class Counsel may obtain discovery from the Settling Defendant, its current and former directors, officers or employees and the Releasees, and

the Plaintiffs, the Settlement Class Members and Class Counsel shall pursue no other means of discovery against the Settling Defendant, its current and former directors, officers or employees and the Releasees, whether under the laws or rules of any jurisdiction.

(14) A material factor influencing the Settling Defendant's decision to execute this Settlement Agreement is its desire to limit the burden and expense of this litigation. Accordingly, Class Counsel agree to exercise good faith in seeking cooperation from the Settling Defendant and any Releasee and to avoid seeking information that is unnecessary, cumulative or duplicative and agree otherwise to avoid imposing undue or unreasonable burden or expense on the Settling Defendant or Releasees.

#### **SECTION 4 - OPTING-OUT**

#### 4.1 Procedure

- (1) A Person may opt-out of the Proceedings by sending a written election to opt-out, signed by the Person or the Person's designee, by pre-paid mail, courier, fax, or email to the Opt-Out Administrator at an address to be identified in the Notice of Certification/Authorization and Approval Hearings. Residents of Quebec must also send the written election to opt-out by pre-paid mail or courier to the Quebec Court at an address to be identified in the Notice of Certification/Authorization and Approval Hearings.
- (2) An election to opt-out will only be effective if it is actually received by the Opt-Out Administrator on or before the Opt-Out Deadline.
- (3) The written election to opt-out must contain the following information in order to be effective:
  - (a) the Person's full name, current address and telephone number;
  - (b) the name and number of Sino-Forest securities purchased during the Class Period and the date and price of each such transaction;
  - (c) a statement to the effect that the Person wishes to be excluded from the Proceedings; and
  - (d) the reasons for opting out,

(4) Quebec Class Members who have commenced proceedings or commence proceedings against any of the Defendants with respect to the matters at issue in the Quebec Proceeding and fail to discontinue such proceedings by the Opt-Out Deadline shall be deemed to have opted out of the Quebec Proceeding. Quebec Counsel warrant and represent that, to the best of their knowledge, no such action has been commenced as of the date this Settlement Agreement was executed by it.

# 4.2 Opt-Out Report

Within fifteen (15) days of the Opt-Out Deadline, the Opt-Out Administrator shall provide to the Settling Defendant a report containing the following information in respect of each Person, if any, who has validly and timely opted out of the Proceedings:

- (a) the Person's full name, current address and telephone number;
- (b) the reasons for opting out, if given; and
- (c) a copy of all information provided in the opt-out process by the Person electing to opt-out.

#### SECTION 5 - NON-APPROVAL OF SETTLEMENT AGREEMENT

# 5.1 Effect of Non-Approval of Settlement Agreement

In the event of non-approval of the Settlement Agreement by either of the Ontario Court or the Quebec Court:

- (a) any order certifying or authorizing a Proceeding as a class action on the basis of the Settlement Agreement or approving this Settlement Agreement shall be set aside and declared null and void and of no force or effect, and anyone shall be estopped from asserting otherwise;
- (b) to the extent that any Court is resistant to setting aside any order certifying or authorizing the Proceeding as a class action solely for settlement purposes, Class Counsel undertakes to, on a best efforts basis, assist the Settling Defendant in having such an order set aside and shall, if requested by the Settling Defendant, bring a

motion on behalf of the Plaintiffs to set aside any order certifying or authorizing the Proceeding as a class action solely for settlement purposes;

- (c) any prior certification or authorization of a Proceeding as a class proceeding, including, without limitation, the definitions of the Settlement Class and the Common Issue, shall be without prejudice to any position that any of the Parties may later take on any issue in the Proceedings or any other litigation;
- (d) within ten (10) days of such non-approval having occurred, Class Counsel shall destroy: (i) all documents and other materials provided by the Settling Defendant or any Releasee; and (ii) all documents and other materials containing or reflecting information derived from any documents or other materials provided by the Settling Defendant or any Releasee or conveyed by counsel for the Settling Defendant, through the evidentiary proffer process described in subsection 3.4(2) herein or otherwise.
- (e) To the extent Class Counsel or the Plaintiffs have disclosed any documents or other materials provided by the Settling Defendant or any Releasee to any other Person, Class Counsel shall, within ten (10) days, recover and destroy such documents and other materials and shall provide the Settling Defendant and Releasees with a written certification by Class Counsel of such destruction.
- (f) Nothing contained in this section 5.1 shall be construed to require Class Counsel to destroy any of their work product; and
- (g) subject to section 5.2 herein, all obligations pursuant to this Settlement Agreement shall cease immediately.

# 5.2 Survival of Provisions After Non-Approval of Settlement Agreement

If this Settlement Agreement is not approved by the Courts, the provisions of sections 5, 8.1, and 8.2, and the definitions and Schedules applicable thereto shall survive the non-approval and continue in full force and effect. The definitions and Schedules shall survive only for the limited purpose of the interpretation of sections 5, 8.1, and 8.2 within the meaning of this Settlement Agreement, but for no other purposes. All other provisions of this Settlement

Agreement and all other obligations pursuant to this Settlement Agreement shall cease immediately.

# 5.3 Reservation of Rights in the Event of Non-Approval of Settlement Agreement

Except as may be set forth in this Settlement Agreement, the Settling Defendant and Plaintiffs expressly reserve all of their respective rights if this Settlement Agreement does not become effective or is not approved by the Courts and the Plaintiffs hereby expressly acknowledge that they will not, in any way whatsoever, use the fact or existence of this Settlement Agreement or related documents and information as any form of admission, whether of liability, process, wrongdoing, or otherwise, of the Settling Defendant.

#### **SECTION 6 - RELEASES AND DISMISSALS**

#### 6.1 Release of Releasees

- (1) Upon the Effective Date, and in consideration of the cooperation of the Settling Defendant and the Releasees pursuant to this Settlement Agreement, and for other valuable consideration set forth in the Settlement Agreement, the Releasers forever and absolutely release the Releasees from the Released Claims.
- (2) The Releasors are aware that they may hereafter discover claims or facts in addition to or different from those they now know or believe to be true with respect to the matters giving rise to the Released Claims. Nevertheless, it is the intention of each of the Releasors to fully, finally and forever settle and release the Released Claims. In furtherance of such intention, the release given herein shall be and remain in effect as a full and complete release of all Released Claims, notwithstanding the discovery or existence of any additional or different claims or facts relative thereto.

## 6.2 Covenant Not To Sue

Notwithstanding section 6.1, for any Settlement Class Members resident in any province or territory where the release of one tortfeasor is a release of all other tortfeasors, upon the Effective Date, the Releasors do not release the Releasees but instead covenant and undertake not to make any claim in any way or to threaten, commence, participate in or continue any proceeding in any jurisdiction against the Releasees in respect of or in relation to the Released Claims.

#### 6.3 No Further Claims

The Releasors shall not now or hereafter institute, continue, maintain or assert, or otherwise join, assist, aid or act in concert in any manner whatsoever, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other Person, any action, suit, proceedings, arbitration, cause of action, claim or demand, whether civil, criminal, regulatory or otherwise, against any Releasee or any other Person who may claim contribution or indemnity from any Releasee arising from, in respect of or in connection with any of the matters giving rise to any Released Claim or any matter related thereto, except for the continuation of the Proceedings against the Non-Settling Defendants.

### 6.4 Dismissal of the Proceedings

Upon the Effective Date, each of the Ontario Proceeding and the Quebec Proceeding shall be dismissed with prejudice and without costs as against the Settling Defendant.

#### 6.5 Dismissal of Other Actions

- (1) Upon the Effective Date, each Settlement Class Member shall be deemed to consent to the dismissal, without costs or further recourses and with prejudice, of his, her or its Other Actions against the Releasees.
- (2) Upon the Effective Date, all Other Actions in each of the Courts' respective jurisdictions commenced by any Settlement Class Member shall be dismissed against the Releasees, without costs or further recourses and with prejudice.

# SECTION 7 - BAR ORDER AND OTHER CLAIMS

#### 7.1 Ontario Bar Order

- (1) The Plaintiffs in the Ontario Proceeding shall seek a bar order from the Ontario Court providing for the following:
  - (a) All claims for contribution, indemnity or other claims over, including, without limitation, potential third party claims, at common law, equity or pursuant to the OSA or other statute, whether asserted, unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the Released Claims, which were or could have been brought in the Proceedings or otherwise, or could in the

future be brought on the basis of the same events, actions and omissions underlying the Proceedings or otherwise, by any Non-Settling Defendant or any Party or other Releasor against a Releasee are barred, prohibited and enjoined in accordance with the terms of this section 7.1.

- (b) If the Court determines that there is a right of contribution and indemnity or other claims over, whether in equity or in law, pursuant to the OSA or other statute, or otherwise:
  - i. the Ontario Settlement Class Members shall not be entitled to claim or recover from the Non-Settling Defendants that portion of any damages (including punitive damages, if any), restitutionary award, disgorgement of profits, interest and costs that corresponds to the Proportionate Liability of the Releasees proven at trial or otherwise; and
  - this Court shall have full authority to determine the Proportionate Liability of the Releasees at the trial or other disposition of this action, whether or not the Releasees appear at the trial or other disposition and the Proportionate Liability of the Releasees shall be determined as if the Releasees are parties to this action and any determination by this Court in respect of the Proportionate Liability of the Releasees shall only apply in this action and shall not be binding on the Releasees in any other proceedings.
- (c) After the Ontario Proceeding has been certified as a class action and all appeals or times to appeal from such certification have been exhausted, a Non-Settling Defendant may make a motion to the Court on at least twenty (20) days notice, and to be determined as if the Settling Defendant is party to this action, seeking orders for the following:
  - i. documentary discovery and an affidavit of documents in accordance with the Rules of Civil Procedure, O.Reg. 194 from the Settling Defendant;
  - ii, oral discovery of a representative of the Settling Defendant, the transcripts of which may be read in at trial;
  - iii. leave to serve a request to admit on the Settling Defendant in respect of factual matters; and/or
  - iv. the production of a representative of the Settling Defendant to testify at trial, with such witness or witnesses to be subject to cross-examination by counsel for the Non-Settling Defendants.

- (d) The Settling Defendant retains all rights to oppose such motion(s) brought under subsection 7.1(1)(c).
- (e) A Non-Settling Defendant may effect service of the motion(s) referred to in subsection 7.1(1)(c) on the Settling Defendant by service on counsel of record for the Settling Defendant in the Ontario Proceeding.
- (f) To the extent that an order is granted pursuant to subsection 7.1(1)(c) and discovery is provided to a Non-Settling Defendant, a copy of all discovery provided, whether oral or documentary in nature, shall promptly be provided by counsel for the Settling Defendant to Class Counsel on behalf of the Plaintiffs.

# 7.2 Quebec Bar Order

- (1) The Plaintiffs in the Quebec Proceeding shall seek a bar order from the Quebec Court providing for the following:
  - (a) the Plaintiffs and the Settlement Class Members in the Quebec Proceeding expressly waive the benefit of solidarity against the Non-Settling Defendants with respect to the facts, deeds and omissions of the Settling Defendant;
  - (b) the Plaintiffs and the Settlement Class Members in the Quebec Proceeding shall henceforth only be able to claim and recover damages, including punitive damages, attributable to the conduct of the Non-Settling Defendants;
  - (c) any action in warranty or other joinder of parties to obtain any contribution or indemnity from the Settling Defendant or relating to the Released Claims shall be inadmissible and void in the context of the Quebec Proceeding; and
  - (d) the Quebec Court retains an ongoing supervisory role for the purposes of executing this section 7.2, as well as all procedural aspects of the Quebec Proceeding, and all issues regarding this section 7.2 or any other procedural issues shall be resolved under special case management and according to the Quebec Code of Civil Procedure, and the Settling Defendant shall acknowledge the jurisdiction of the Quebec Court for such purposes.

# 7.3 Claims Against Other Persons Reserved

Except as provided herein, this Settlement Agreement does not settle, compromise, release or limit in any way whatsoever any claim by Settlement Class Members against any Person other than the Settling Defendant and the Releasees,

#### 7.4 Material Term

The form and content of the bar orders contemplated in this section 7 shall be considered a material term of this Settlement Agreement and the failure of any Court to approve the bar orders contemplated herein shall constitute a Non-Approval of Settlement Agreement pursuant to section 5.1 of this Settlement Agreement.

#### **SECTION 8 - EFFECT OF SETTLEMENT**

# 8.1 No Admission of Liability

Whether or not this Settlement Agreement is approved by the Courts:

- (i) this Settlement Agreement and anything contained herein,
- (ii) any and all negotiations, documents, discussions and proceedings associated with this Settlement Agreement, and
- (iii) any action taken to carry out this Settlement Agreement,

shall not be deemed, construed or interpreted to be an admission of any violation of any statute or law, or of any wrongdoing or liability by the Settling Defendant or by any Releasee, or of the truth of any of the claims or allegations contained in the Proceedings or any other pleading filed by the Plaintiffs or any other Settlement Class Member.

#### 8.2 Agreement Not Evidence

The Parties agree that, whether or not approved by the Courts:

- (i) this Settlement Agreement and anything contained herein,
- (ii) any and all negotiations, documents, discussions and proceedings associated with this Settlement Agreement, and

# (iii) any action taken to carry out this Settlement Agreement,

shall not be referred to, offered as evidence or received in evidence in any pending or future civil, criminal or administrative action or proceeding, except in a proceeding to approve and/or enforce this Settlement Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law.

#### 8.3 No Further Litigation

No Class Counsel, nor anyone currently or hereafter employed by, associated with, or a partner with Class Counsel, may directly or indirectly participate or be involved in or in any way assist with respect to any claim made or action commenced by any Person which relates to or arises from the Released Claims, except in relation to the continued prosecution of the Proceedings against any Non-Settling Defendant. Moreover, these Persons may not divulge to anyone for any purpose any information obtained in the course of the Proceedings or the negotiation and preparation of this Settlement Agreement, except to the extent such information is otherwise publicly available or unless ordered to do so by a court.

# SECTION 9 - CERTIFICATION OR AUTHORIZATION FOR SETTLEMENT ONLY

- (1) The Parties agree that the Ontario Proceeding shall be certified, and the Quebec Proceeding shall be authorized, as class proceedings solely for purposes of settlement of the Proceedings and the approval of this Settlement Agreement by the Courts.
- (2) The Plaintiffs agree that, in the motions for certification of the Ontario Proceeding and for authorization of the Quebec Proceeding as class proceedings and for the approval of this Settlement Agreement, the only common issue that they will seek to define is the Common Issue and the only classes that they will assert are the Settlement Classes.

#### SECTION 10 - NOTICE TO SETTLEMENT CLASSES

#### 16.1 Required Notice

The proposed Settlement Classes shall be given Notice of Certification/Authorization and Approval Hearings.

# 10.2 Form and Distribution of Notices

- (1) The form of notice referred to in section 10.1 and the manner and extent of publication and distribution of the notice shall be as agreed to by the Plaintiffs and the Settling Defendant and approved by each of the Courts.
- (2) The Settling Defendant shall pay the costs of the notice required in section 10.1 and the cost of the Opt-Out Administrator, provided that such costs shall not exceed \$100,000 CAD (exclusive of all applicable taxes). Any costs in excess of \$100,000 CAD (exclusive of all applicable taxes), shall be borne equally by the Settling Defendant and the Plaintiffs.

#### SECTION 11 - MISCELLANEOUS

#### 11.1 Motions for Directions

- (1) Class Counsel or the Settling Defendant may apply to the Courts for directions in respect of the interpretation, implementation and administration of this Settlement Agreement. Unless the Courts order otherwise, motions for directions that do not relate specifically to the Quebec Proceeding shall be determined by the Ontario Court.
- (2) All motions contemplated by this Settlement Agreement shall be on notice to the Plaintiffs and Settling Defendant, as appropriate.

#### 11.2 Class Counsel to Advise Settling Defendant of Status of Proceedings

Class Counsel agrees to provide information as to the status of the Proceedings in response to reasonable requests made by the Settling Defendant from time to time as to the status of the Proceedings. Upon reasonable request, Class Counsel will promptly provide counsel for the Settling Defendant with electronic copies of all affidavit material and facta exchanged in the Proceedings, unless precluded from doing so by court order.

# 11.3 Headings, etc.

In this Settlement Agreement:

(a) the division of the Settlement Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement;

- (b) words in the singular include the plural and vice-versa and words in one gender include all genders; and
- (c) the terms "this Settlement Agreement", "hereof", "hereunder", "herein", and similar expressions refer to this Settlement Agreement and not to any particular section or other portion of this Settlement Agreement.

#### 11.4 Computation of Time

In the computation of time in this Settlement Agreement, except where a contrary intention appears,

- (a) where there is a reference to a number of days between two events, the number of days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
- (b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

## 11.5 Ongoing Jurisdiction

- (1) Each of the Courts shall retain exclusive jurisdiction over each Proceeding commenced in its jurisdiction, and over the Parties thereto.
- (2) No Party shall ask a Court to make any order or give any direction in respect of any matter of shared jurisdiction unless that order or direction is conditional upon a complimentary order or direction being made or given by the other Court(s) with which it shares jurisdiction over that matter.
- (3) The Plaintiffs and the Non-Settling Defendant may apply to the Ontario Court for direction in respect of the implementation, administration and enforcement of this Settlement Agreement.

#### 11.6 Governing Law

This Settlement Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario, save for matters relating exclusively to the

Quebec Class Members, which matters shall be governed by and construed and interpreted in accordance with the Laws of the Province of Quebec shall apply.

# 11.7 Disputes

- (I) Subject to subsection 11.7(2) herein, if there is a dispute regarding the applicability of any provision or term of this Settlement Agreement which cannot be resolved through reasonable discussions and negotiations as between Class Counsel and counsel for the Settling Defendant, such dispute(s) shall be submitted to the Ontario Court for resolution, save for dispute(s) relating exclusively to the Quebec Class Members, which dispute(s) shall be submitted to the Quebec Court for resolution. The costs of any such dispute shall be shared by the parties to the dispute according to the degree to which they do or do not prevail on their respective claims (i.e., with the losing party bearing the greater share), as determined by the Ontario Court or the Quebec Court, as the case may be. To the extent that any dispute contemplated in this subsection 11.7(1) involves or requires a determination as to whether any documents or other materials shall be required to be disclosed pursuant to this Settlement Agreement, Class Counsel and counsel for the Settling Defendant agree to seek, on a consent basis, a sealing order or other appropriate relief such as to ensure that any such documents or other materials shall remain confidential and shall not form part of the public Ontario Court record or the Ouebec Court record, as the case may be,
- (2) To the extent that any dispute contemplated in this section 11.7 involves or requires a determination as to whether any documents, information or other materials are prohibited from being disclosed by the Settling Defendant pursuant to any foreign privacy law, foreign state secrets law or other law of a foreign jurisdiction, Class Counsel and counsel for the Settling Defendant agree to seek, on a joint and reasonable efforts basis, the requisite approval for the disclosure or export of such documents or other materials from the relevant authorities of the applicable foreign jurisdiction.

# 11.8 Joint and Severable / Indivisible

All of the obligations of the Plaintiffs and the Releasors in this Settlement Agreement are joint and several (in Quebec, solidary) amongst them and are indivisible under the laws of Quebec. All of the obligations of the Settling Defendant and the Releasees in this Settlement

delay for appeal from which shall have expired without any appeal having been lodged: (i) none of the Plantiffs, the Releasors and Class Counsel shall take any action or omit to take any action that is inconsistent with the purposes and scope of this Settlement Agreement; and (ii) none of the Settling Defendant, the Releasees and their respective counsel that are party hereto shall take any action or omit to take any action that is inconsistent with the purposes and scope of this Settlement Agreement.

#### 11.13 No Assignment

None of the Plaintiffs and the Releasors has heretofore assigned, transferred or granted, or purported to assign, transfer or grant, any of the claims, demands and causes of action disposed of by this Settlement Agreement including, without limitation, any of the Released Claims.

# 11.14 Third Party Beneficiaries

The Plaintiffs acknowledge and agree, on their behalf and on behalf of all Releasors, that the Releasees other than the Settling Defendant are third party beneficiaries of this Settlement Agreement, and that the obligations and agreements of the Plaintiffs and the Releasors under this Settlement Agreement are expressly intended to benefit all Releasees despite not being signatories to this Settlement Agreement.

#### 11.15 Counterparts

This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

#### 11.16 Negotiated Agreement

This Settlement Agreement has been the subject of negotiations and discussions among the undersigned, each of which has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Settlement Agreement shall have no force and effect. The Partles further agree that the language contained in or not contained in previous drafts of this Settlement Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of this Settlement Agreement.

#### 11.17 Language

The Parties acknowledge that they have required and consented that this Settlement Agreement and all related documents be prepared in English; les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais. If a French translation is made, the English version will have precedence.

#### 11.18 Transaction

This Settlement Agreement constitutes a transaction in accordance with Articles 2631 and following of the Civil Code of Quebec, and the Parties are hereby renouncing to any errors of fact, of law and/or of calculation.

#### 11.19 Recitals

The recitals to this Settlement Agreement are true and form an integral part of the Settlement Agreement.

#### 11.20 Schedules

The Schedules annexed hereto form an integral part of this Settlement Agreement.

#### 11.21 Acknowledgements

Each of the Parties hereby affirms and acknowledges that:

- (a) he, she or a representative of the Party with the authority to bind the Party with respect to the matters set forth herein has read and understands the Settlement Agreement;
- (b) the terms of this Settlement Agreement and the effects thereof have been fully explained to him, her or the Party's representative by his, her or its counsel;
- (c) he, she or the Party's representative fully understands each term of the Settlement Agreement and its effect; and
- (d) no Party has relied upon any statement, representation or inducement (whether material, false, negligently made or otherwise) of any other Party with respect to the first Party's decision to execute this Settlement Agreement.

#### 11.22 Authorized Signatures

Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement.

#### 11.23 Notice

Where this Settlement Agreement requires a Party to provide notice or any other communication or document to another, such notice, communication or document shall be provided by email, facsimile or letter by overnight delivery to the representatives for the Party to whom notice is being provided, as identified below:

For Plaintiffs in the Ontario Proceedings and for Ontario Counsel:

Charles M. Wright

Kirk M. Baert

Siskinds LLP Barristers and Solicitors 680 Waterloo Street London, ON N6A 3V8 Koskie Minsky LLP Barristers and Solicitors 20 Queen Street West, Suite 900, Box 52 Toronto, ON M5H 3R3

Telephone: 519-660-7753
Facsimile: 519-660-7754
Email: charles.wright@siskinds.com

Tel: 416.595.2117 Fax: 416.204.2889 Email: kbaert@kmlaw.ca

For Plaintiffs in the Quebec Proceedings and for Quebec Counsel

Simon Hébert

Siskinds Desmeules s.e.n.c.r.l.
Les promenades du Vieux-Quebec
43 rue Buade, bureau 320
Quebec City, QC G1R 4A2

Telephone: 418-694-2009 Facsimile: 418-694-0281

Email: simon.hebert@siskindsdesmeules.com

For Settling Defendant in the Ontario Proceeding:

John J. Pirie

Baker & McKenzie LLP
Barristers & Solicitors
Brookfield Place
Bay/Wellington Tower
181 Bay Street, Suite 2100
Toronto, Ontario M5J 2T3
Canada

Telephone: 416.865.2325

Fax: 416.863.6275

Email: john.pirie@bakermckenzie.com

For Settling Defendant in the Quebec Proceeding

Bernard Gravel

Lapointe Rosenstein Marchand Melançou, LLP 1250 René-Lévesque Blvd. West, Suite 1400 Montreal, Quebec, H3B 5E9 Canada

Telephone: 514.925.6382

Fax: 514,925.5082

Email: bernard.gravel@hmm.com

# 11.74 Date of Execution

The Parties have executed this Settlement Agreement as of the date on the cover page.

Name:

Siskinds LLP

Title:

Ontario Counsel

By:

Koskie Minsky LLP

Name: Title:

Ontario Counsel

intenies s.c.n.c.r.i

Title:

Quebes Counsel

PÖYRY (BEIJING) CONSULTING COMPANY LIMITED

By:

क्टि:

Name: Title:

Bake: & McKenzie LLP

Counsel for the Settling

Defendant in Ontario

Name:

Lapointe Rosenstein Marchand

Melançon, LLP

Title:

Counsel for the Settling

Defendant in Quebec

# SCHEDULE A - PROCEEDINGS

| Proceeding                                                                                                             | Plaintiffs                                                                                                                                                                                                                                         | Defendants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Settlement Class                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ontario Superior Court of Justice Court File No. CV-11-431153- 00CP (the "Ontario Proceeding")                         | The Trustees of the Labourers' Pension Fund of Central And Eastern Canada, the Trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario, Sjunde Ap-Fonden, David Grant and Robert Wong | Sino-Forest Corporation, Emst & Young LLP, BDO Limited (formerly known as BDO McCabe Lo Limited), Allen T.Y. Chan, W. Judson Martin, Kai Kit Poon, David J. Horsley, William E. Ardell, James P. Bowland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, Garry J. West, Pöyry (Beijing) Consulting Company Limited, Credit Suisse Securities (Canada), Inc., TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd., Maison Placements Canada Inc., Credit Suisse Securities (USA) LLC and Banc Of America Securities LLC | All persons and entities, wherever they may reside who acquired Sino Forest's Securities during the Class Period by distribution in Canada or on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all persons and entities who acquired Sino Forest's Securities during the Class Period who are resident of Canada or were resident of Canada or were resident of Canada at the time of acquisition, except the Excluded Persons. |
| Superior Court of<br>Quebec (District<br>of Quebec), File<br>No. 200-06-<br>000132-111 (the<br>"Quebec<br>Proceeding") | Guining Liu                                                                                                                                                                                                                                        | Sino-Forest Corporation, Ernst & Young LLP, Allen T.Y. Chan, W. Judson Martin, Kai Kit Poon, David J. Horsley, William E. Ardell, James P. Bowland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, Garry J. West and Pöyry (Beijing) Consulting Company Limited                                                                                                                                                                                                                                                                                                                                                                                       | All natural persons, as well as all legal persons established for a private interest, partnerships and associations having no more than fifty (50) persons bound to it by contract of employment under its direction or control during the twelve (12) month period preceding the motion for authorization domiciled in Quebec                                                                                                                                                                             |

| Proceeding | Plaintiffs | Defendants | Settlement Class          |
|------------|------------|------------|---------------------------|
|            |            |            | (other than 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 an      |
|            |            |            | immediate member of       |
|            |            |            | the families of the       |
|            |            |            | individual named          |
|            |            |            | defendants) who           |
|            |            |            | purchased or              |
|            |            |            | otherwise acquired,       |
|            |            |            | whether in the            |
|            |            |            | secondary market, or      |
|            |            |            | under a prospectus or     |
|            |            |            | other offering            |
|            |            |            | document in the           |
|            |            |            | primary market,           |
|            |            |            | equity, debt or other     |
|            |            |            | securities of or          |
|            | i          |            | relating to Sino-Forest   |
|            |            |            | Corporation, from and     |
|            |            |            | including August 12,      |
|            |            |            | 2008 to and including     |
|            |            |            | June 2, 2011.             |

# Schedule B

# 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 page 3 for more details.):

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 21, 2012, the Ontario Superior Court certified the Ontario Proceeding as a class action for settlement purposes and approved the Settlement Agreement. On October 31, 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-thecounter 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 <u>not</u> want to be bound by the Settlement Agreement you <u>must opt out</u>. 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 <u>fully complete</u> Opt-Out form to the Opt-Out Administrator or the Québec Court (if you are a resident of Québec) at the applicable abovenoted address, <u>no later than</u> •.

#### 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

Claims Administrator

PO Box 3355

London, ON N6A 4K3

Email: sino@nptricepoint.com

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 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, sencri ("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 <u>Tel:</u> 1.800.461.6166 x.2380

Email: nicole.young@siskinds.com

# Siskinds Desmeules, sencrl

43 Rue Buade, Bureau 320, Québec City, Québec, GIR 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

# Schedule C

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

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

TO: Everyone, including non-Canadians, who acquired Sino-Forest Corporation ("Sino-Forest") securities between March 19, 2007 and June 2, 2011 i) by distribution in Canada or on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter; or ii) who are residents of Canada or were residents of Canada at the time of acquisition and who acquired Sino-Forest Corporation's securities outside of Canada (the "Class" or "Class Members")

# 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.

The plaintiffs have entered into a settlement agreement with Pöyry (Beijing) that settles the claims against this defendant alone in the Proceedings (the "Settlement Agreement"). The Settlement Agreement stipulates that Pöyry (Beijing) will cooperate with the plaintiffs 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. More information regarding the settlement can be found in the Settlement Agreement and in the Notice of Certification and Settlement ("Long Form Notice") which are available at www.kmlaw.ca/sinoforestclassaction and www.classaction.ca, or by contacting the Opt-Out Administrator at the address below.

Pöyry (Beijing) does not admit to any wrongdoing or liability. <u>The Settlement Agreement does not resolve any claims against Sino-Forest, its senior officers and directors, its auditors, or its underwriters.</u> The courts of Ontario and Québec have certified/authorized the Proceedings as class actions for the purpose of settlement, and both courts have declared that the Settlement Agreement is fair, reasonable and in the best interest of those affected by it.

# 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"). If you are a Class Member and

you do not want to be bound by the Settlement Agreement you <u>must opt out</u>. If you wish to opt out, you may do so by completing an "Opt-Out Form", which is attached to the Long-Form Notice, including the required information and supporting documents listed in the Long-Form Notice and mailing it to the Opt-Out Administrator, or the Québec Court (if you are a resident of Québec) at the addresses below, <u>no later than</u> •. Class Members that opt-out of the Proceedings will be unable to participate in any future settlement or judgment with or against any of the remaining defendants.

#### WHERE TO MAIL THE OPT-OUT FORMS

NPT Ricepoint Class Action Services is 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: Sino-Forest Class Action, Claims Administrator, London, ON N6A 4K3,; Tel No. 1-866-432-5534; Email: sino@nptricepoint.com

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

#### FOR MORE INFORMATION

The law firms of Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, sencrl ("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

# Siskinds LLP

20 Queen St. West, Suite 900, Box 52 680 Waterloo Street, P.O. Box 2520

Toronto, ON, M5H 3R3 London, ON N6A 3V8

Re: Sino-Forest Class Action
Tel: 1,866.474,1739
Re: Sino-Forest Class Action
Tel: 1,800,461,6166 x.2380

Email: sinoforestelassaction@kmlaw.ca Email: 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

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

# Schedule D

# SINO-FOREST CLASS ACTION SETTLEMENT OPT OUT FORM Must be Postmarked

No Later Than 2012

THIS FORM IS NOT A REGISTRATION FORM OR A CLAIM FORM.
THIS FORM EXCLUDES YOU FROM PARTICIPATION IN THE PÖYRY (BEIJING) SETTLEMENT AGREEMENT.
DO NOT USE THIS FORM IF YOU WANT TO REMAIN IN THE CLASS.

| Last Name   |               |                    |                |                                 |             |                                    |                               |                 |                 |                                    |                                  |                                  |                       |                          | Fi             | rst N                        | t Name                  |        |       |                     |                     |         |        |        |           |             |             |              |                   |
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Please mail your Opt Out Form to: Sino-Forest Class Action PO Box 3355 London, ON N6A 4K3



The Trustees of the Labourer's Pension Fund of Central and Eastern Canada, et al.

Sino-Forest Corporation, et al. and

Court File No: CV-11-431153-00CP

**Plaintiffs** 

Defendants

# ONTARIO SUPERIOR COURT OF JUSTICE

Proceedings Under the Class Proceedings Act, 1992

Proceeding commenced at Toronto

# **ORDER**

KOSKIE MINSKY LLP 900-20 Queen Street West Box 52 Toronto, ON M5H 3R3

Kirk M. Baert (LSUC#: 309420)

Tel: 416.595.2117 Fux: 416.204.2889

Jonathan Bida (LSUC#: 54211D)

Tel: 416.595.2072 Fax: 416.204.2907

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

Charles M. Wright (LSUC#: 36599Q)

Tel: 519.660.7753 Fax: 519.660.7754

A. Dimitri Lascaris (LSUC#: 50074A)

Tel: 519.660.7844 Fax: 519.660.7845

Lawyers for the Plaintiffs

This is Exhibit "Z" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

\_

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

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

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### 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.

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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. <u>The Settlement Agreement does not resolve any claims against Sino-Forest, its senior officers and directors, its auditors, or its underwriters.</u> 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.

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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 <u>not</u> want to be bound by the Settlement Agreement you <u>must opt out</u>. 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 <u>fully complete</u> Opt-Out form to the Opt-Out Administrator or the Québec Court (if you are a resident of Québec) at the applicable belownoted 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:

sino@nptricepoint.com

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, sencrl ("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, 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

### 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

# SINO-FOREST CLASS ACTION SETTLEMENT OPT OUT FORM Must be Postmarked

Must be Postmarked No Later Than January 15, 2013

THIS FORM IS NOT A REGISTRATION FORM OR A CLAIM FORM.

THIS FORM EXCLUDES YOU FROM PARTICIPATION IN THE PÖYRY (BEIJING) SETTLEMENT AGREEMENT.

DO NOT USE THIS FORM IF YOU WANT TO REMAIN IN THE CLASS.

| Current Address  City                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Last Name |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                             |                          |                            |                         |        | First Name                      |                                |                |                |                                        |        |                                   |                 |                               |                        |            |                 |        |        |         |        |                                         |             |       |           |
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| City Prov./State Postal Code/Zip Code  Social Insurance Number/Social Security Number/Unique Tax Identifier  Telephone Number (Work) Telephone Number (Home)  Total number of Sino-Forest securities purchased during the Class Period (March 19, 2007 to June 2, 2011):  You must also accompany your Opt-Out form with brokerage statements, or other transaction records, listing all of your purchases of Sino-Forest common shares between March 19, 2007 to June 2, 2011, inclusive (the "Class Period").  Identification of person signing this Opt Out Form (please check):  Irepresent that I purchased Sino-Forest Corporation ("Sino-Forest") securities and am the above identified Class Member. I am signing this Form to EXCLUDE myself from the participation in the Sino-Forest Class Action Settlement Agreement reached between the Class and Poyry (Beijing) Consulting Company Limited ("Pöyry (Beijing)"), the Settling Defendant.  Purpose for Opting Out (check only one):  My current intention is to begin individual litigation against Pöyry (Beijing) in relation to the matters alleged in the Proceedings.  I am opting out of the class action for a reason other than to begin individual litigation against Pöyry (Beijing) in relation to the matters alleged in the Proceedings. I am opting out for the following reason(s):  I UNDERSTAND THAT BY OPTING OUT I WILL NEVER BE ELIGIBLE TO RECEIVE BENEFITS OBTAINED BY WAY OF THE PÖYRY (BEJING) SETTLEMENT OR JUDGEMENT WITH OR AGAINST ANY OF THE REMAINING DEFENDANTS.                                  |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                             |                          |                            |                         |        |                                 |                                |                |                |                                        |        |                                   |                 |                               |                        |            |                 |        |        |         |        |                                         |             |       |           |
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| SETTLEMENT AGREEMENT, AND WILL BE UNABLE TO PARTICIPATE IN ANY FUTURE SETTLEMENT OR JUDGEMENT WITH OR AGAINST ANY OF THE REMAINING DEFENDANTS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                             |                          |                            |                         |        |                                 |                                |                |                | -                                      | n indi | ividua                            | l litiga        | ition                         | agai                   | nst P      | öyry            | (Beiji | ng) i  | n rela  | tion t | o the                                   | matte       | ers a | lleged in |
| Signature: Date Signed:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                             |                          |                            |                         |        | JNA                             | BLE                            | то Р           | ART            | ICIPA                                  | ATE I  | 1A NI                             | IY FU           | TUF                           | RE SI                  | ETTL       |                 |        |        |         |        |                                         |             | •     |           |
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Please mail your Opt Out Form to:

Sino-Forest Class Action PO Box 3355 London, ON N6A 4K3



This is Exhibit "AA" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013



Court File No. CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

| COMMERCIAL DIST |                     |
|-----------------|---------------------|
| )               | WEDNESDAY, THE 25th |
| )               |                     |
| )               | DAY OF JULY, 2012   |
|                 | )<br>)<br>)         |

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF SINO-FOREST CORPORATION

### ORDER (Mediation)

THIS MOTION, made by FTI Consulting Canada Inc. in its capacity as monitor (the "Monitor") of Sino-Forest Corporation (the "Applicant") for a consent order concerning mediation and related relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Monitor's Notice of Motion dated July 13, 2012 and the Fifth Report of the Monitor dated July 13, 2012 (the "Fifth Report"), the Responding Motion Record of the Applicants and the Responding Motion Record of Pöyry Beijing (as defined below), and on hearing the submissions of counsel for the Applicant, the Monitor, the ad hoc committee of Noteholders (the "Ad Hoc Noteholders"), the ad hoc group of purchasers of the Applicant's securities (the "Plaintiffs") and the other defendants in the Ontario Class Action and the Quebec Class Action (the "Third Party Defendants") and those other parties present, no one appearing for any of the other parties served with the Monitor's Motion Record, although duly served as appears from the affidavit of service of Alma Cano sworn July 13, 2012, filed.

### SERVICE AND INTERPRETATION

- 1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record, including the Fifth Report, is hereby abridged and validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.
- 2. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Fifth Report.

### MEDIATION

- 3. THIS COURT ORDERS that the parties eligible to participate in the Mediation pursuant to paragraph 5 of this Order are the Applicant, the Plaintiffs, the Third Party Defendants (which shall be read to include Pöyry (Beijing) Consulting Company Limited ("Pöyry Beijing")), the Monitor, the Ad Hoc Noteholders and any insurers providing coverage in respect of the Applicant and the Third Party Defendants (collectively, the "Mediation Parties").
- 4. THIS COURT ORDERS that the subject matter of the Mediation shall be the resolution of the claims of the Plaintiffs against the Applicant and the Third Party Defendants as set out in the statements of claim in the Ontario Class Action and the Quebec Class Action and any and all related claims (the "Subject Claims"), provided that for the purpose of the Mediation, the Plaintiffs shall not seek contribution from any of the Mediation Parties with respect to amounts that could have been sought by the Plaintiffs from Pöyry Beijing had the Plaintiffs not reached a settlement with Pöyry Beijing (the "Pöyry Settlement") and provided that the Plaintiffs shall provide to the Mediation Parties, within 10 days of the date of this Order or such further time as this Court may direct, a written summary of evidence proffered by Pöyry Beijing pursuant to the Pöyry Settlement, which summary shall be treated in the same manner as material in the Data Room (as defined below) pursuant to this Order.
- 5. THIS COURT ORDERS that, where practicable, the Mediation Parties shall participate in the Mediation in person and with representatives present with full authority to settle the Subject Claims (including any insurer providing coverage), provided that, where not practicable, the Mediation Parties may participate in the Mediation through counsel or other representatives, subject to those counsel or other representatives having access to representatives with full

authority and undertaking to promptly pursue instructions with respect to any proposed agreements that arise from the Mediation.

6. THIS COURT ORDERS that parties in addition to the Mediation Parties shall only have standing to participate in the Mediation on consent of the Applicant and the Monitor, acting reasonably, or by further Order of this Court.

### DATA ROOM

- 7. THIS COURT ORDERS that in connection with the Mediation, as soon as practicable, but in any event no later than August 3, 2012, the Applicant shall provide access to the Mediation Parties to the existing data room maintained by Merrill (the "Data Room"), provided however that prior to access to the Data Room, all participants (other than the Applicant, the incumbent directors of the Applicant and the Monitor) shall have entered into a confidentiality agreement with the Applicant on terms reasonably acceptable to the Applicant and the Monitor.
- 8. THIS COURT ORDERS that any Mediation Parties who enter into a confidentiality agreement as contemplated by paragraph 7 of this order shall comply with the terms of such confidentiality agreement.
- 9. THIS COURT ORDERS that the Applicant, its subsidiaries and affiliates, and their directors, officers, employees, agents and advisors, shall incur no liability in connection with causing, effecting or acquiescing in the establishment of the Data Room or disclosure in respect of such materials and the information contained therein in accordance with this Order. The materials in the Data Room shall be made available without any representation as to the truth of their contents or their completeness, and persons relying on those materials shall do so at their own risk. The disclosure of such materials and the information contained therein in accordance with this Order is not and shall not be public disclosure in any respect. Nothing in this paragraph affects any rights or causes of action that any person may have in relation to the prior disclosure of any of the contents of the Data Room, insofar as such rights or causes of action are independent from and not related to the provision of materials and information in accordance with this Order.

### MEDIATION SCHEDULE

- 10. THIS COURT ORDER THAT, the schedule for the Mediation shall be as follows:
  - (a) the Mediation shall be conducted on September 4<sup>th</sup> and 5<sup>th</sup>, and if a third day is required, on September 10<sup>th</sup>, 2012 (the "Mediation Dates");
  - (b) additional Mediation dates shall only be added, and any adjournments of any mediation dates shall only be accepted, with the prior written consent of all Mediation Parties;
  - (c) the Mediation shall be conducted at a location to be determined by the Mediator (as defined below); and
  - (d) the Applicant, the Plaintiffs and the Third Party Defendants shall deliver their respective written position statements to each other and to the other Mediation Parties on or before August 27, 2012.

### APPOINTMENT OF THE MEDIATOR

- 11. THIS COURT ORDERS that the Honourable Justice Newbould shall be appointed mediator (the "Mediator").
- 12. THIS COURT ORDERS that, prior to the commencement of the Mediation, the Mediator shall have the right to communicate with this Court and the Monitor from time to time as deemed necessary or advisable by the Mediator in their sole discretion.

### TERMINATION OF THE MEDIATION

- 13. THIS COURT ORDERS that the Mediation process shall be terminated under any of the following circumstances:
  - (a) by declaration by the Mediator that a settlement has been reached;
  - (b) by declaration by the Mediator that further efforts at mediation are no longer considered worthwhile;

- (c) for any other reason determined by the Mediator;
- (d) mutual agreement by the Mediation Parties; or
- (e) further Order of this Court,

provided that, the Mediation shall in any event terminate on September 10, 2012, unless extended with the prior written consent of all Mediation Parties.

### NO IMPACT ON OTHER PROCEEDINGS

- 14. THIS COURT ORDERS that all offers, promises, conduct statements, whether written or oral, made in the course of the Mediation are inadmissible in any arbitration or court proceeding. No person shall subpoena or require the Mediator to testify, produce records, notes or work product in any other existing or future proceedings, and no video or audio recording will be made of the Mediation. Evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the Mediation. In the event that the Mediation Parties (or any group of them) do reach a settlement, the terms of that settlement will be admissible in any court or other proceeding required to enforce it, unless the Mediation Parties agree otherwise. Information disclosed to the Mediator by any Mediation Party at a private caucus during the Mediation shall remain confidential unless such Mediation Party authorizes disclosure.
- 15. THIS COURT ORDERS that nothing in this Order nor the participation of any party in the Mediation shall provide such party with rights within these proceedings than such party may otherwise have.
- 16. THIS COURT ORDERS that, subject to any applicable stay of proceedings, nothing in this Order shall prevent the Applicant, the Monitor or any other party of standing from otherwise pursuing the resolution of claims under the Claims Procedure Order granted by this Court on May 14, 2012, or any other matter in these CCAA proceedings, including without limitation, the filing and advancement of the Meetings Order and a Plan.

### CONFIDENTIALITY

- 17. THIS COURT ORDERS that any mediation briefs or other documents filed by the Mediation Parties shall be used only in the context of the Mediation and for no other purpose and shall be kept confidential by all such parties irrespective of whether such Mediation Parties sign a confidentiality agreement.
- 18. THIS COURT ORDERS that any mediation briefs or other documents filed by the Mediation Parties that contain information obtained from the Data Room may not be shared with or otherwise disclosed to any person or entity that has not signed a confidentiality agreement, other than the Applicant, the incumbent directors of the Applicant, the Monitor and Mediator.

### **MISCELLANEOUS**

19. THIS COURT ORDERS that the terms of this Order may only be varied by further Order of this Court, which may be sought on an ex parte basis on consent of the Mediation Parties.

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PERIFAR:

Court File No. CV-12-9667-00-CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

## ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

(PROCEEDING COMMENCED AT TORONTO)

## ORDER (Mediation)

GowLing Lafleur Henderson LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Derrick Tay / Clifton Prophet / Jennifer Stam LSUC Nos.: 21152A / 34345K / 46735J

> Telephone: (416) 862-7525 Facsimile: (416) 862-7661

Lawyers for FTI Consulting Canada Inc., in its capacity as Monitor of the Applicant

This is Exhibit "BB" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

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### Superior Court of Justice Commercial List

### FILE/DIRECTION/ORDER

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|                          | AND                 | Plaintiff(s)                                 |
|                          |                     | Defendant(s)                                 |
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| Counsel                  | Telephone No:       | Facsimile No:                                |
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| Additional Pages         | •                   |                                              |

This is Exhibit "CC" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

CITATION: Sino-Forest Corporation (Re), 2012 ONSC 6275

COURT FILE NO.: CV-12-9667-00CL

DATE: 20121106

### SUPERIOR COURT OF JUSTICE - ONTARIO (COMMERCIAL LIST)

RE:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT

ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR

ARRANGEMENT OF SINO-FOREST CORPORATION, Applicant

BEFORE:

MORAWETZ J.

COUNSEL: Robert Staley and Derek Bell, for Sino-Forest Corporation

Peter Griffin and Shara Roy, for Ernst & Young Inc.

Brendan O'Neill, for the Ad Hoc Committee of Noteholders

Derrick Tay and Jennifer Stam, for the Monitor, FTI Consulting Canada

Inc.

David Bish, John Fabello and Stephanic Lafrance, for the Underwriters

Edward A. Sellers, for the Board of Directors of Sino-Forest Corporation

Kenneth Rosenberg, Dimitri Lascaris and Massimo Starnino, for the Ad Hoc

Committee of Purchasers of the Applicant's Securities

Kenneth Dekker, for BDO Limited

John Pirie and David Gadeden, for the Poyry (Beijing)

James Grout, for the Ontario Securities Commission

Simon Bieber and Aaron Pleet, for David Horsley

Emily Cole and Joseph Marin, for Allen Chan

HEARD:

OCTOBER 28, 2012

### **ENDORSEMENT**

- [1] This motion was brought by the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Representative Plaintiffs in the Ontario Class Action (the "Class Action Plaintiffs") for an order limiting the scope of the stay of proceedings (the "Stay") imposed by the Initial Order dated March 30, 2012 and extended from time to time (the "Initial Order"), such that the Stay should not apply to Ernst & Young LLP, BDO Limited, the underwriters, and former directors Messrs. Allen T. Y. Chan, David Horsley and Kai Kit Poon, with respect to the following motions or petitions (the "Class Action Motions"):
  - (a) a motion certifying the action styled Trustees of the Labourers' Pension Fund of Central and Eastern Canada v. Sino-Forest Corporation et al (Toronto), Court File No. CV-11-431153-00CP (the "Ontario Class Action") as a class proceeding under the Class Proceedings Act, 1992 S.O. 1992, C. 6 ("CPA") (the "Ontario Certification Motion");
  - (b) a petition for authorization to commence a class proceeding (the "Quebec Class Action" and, together with the Ontario Class Action, the "Class Actions") under the Quebec Code of Civil Procedure, R.S.Q. C. c-25;
  - (c) a motion for leave to proceed with statutory secondary market claims in the Ontario Class Action pursuant to s. 138.3 of the Securities Act, R.S.O. 1990, C.S.5;
  - (d) a motion for leave to proceed with the statutory secondary market claims in the Quebec Class Action pursuant to Article 225.4 of the Securities Act, R.S.Q. C.V-1-1, to be filed; and
  - (e) a motion for leave to add CONDEX Wattoo Inc. as a plaintiff in the Quebec Class Action and with Ilan Toledano as its representative, to be filed, and a motion to amend the pleading in the Quebec Class Action to plead the Securities Act, R.S.Q. C.V-1-1 and add BDO Limited as a party.
- [2] The original motion sought wider relief. In its restructured form, the motion was not opposed by the Applicant.
- [3] The relief was, however, opposed by Ernst & Young, BDO, the Underwriters and the three former directors.
- [4] Broadly speaking, the Class Actions allege that Sino-Forest, certain of its officers and directors, its auditors and its underwriters made material misrepresentations regarding the operations and assets of Sino-Forest. The claims seeks \$9.18 billion in damages.
- [5] Sino-Forest obtained protection from its creditors pursuant to the Initial Order on March 30, 2012. The Class Actions have been stayed since that time.
- [6] A Sales Process was undertaken by the Applicant following the Initial Order but it failed to attract any significant interest.

- [7] Following the unsuccessful Sales Process, the Applicant and the Monitor, in cooperation with the Ad Hoc Committee of Noteholders, engaged in developing a Plan of Arrangement (the "Plan").
- [8] The Applicant intends to call a meeting of creditors to consider the Plan.
- [9] During the development of the Plan, the Applicant brought a motion to determine the status of certain claims against it, including the claims of the shareholder plaintiffs in the Ontario Class Action and the claims of the third party defendants based on indemnities arising as a result of these shareholder claims.
- [10] On July 27, 2012, I rendered a decision finding that, among other things, the shareholder claims and indemnity claims were "equity claims" as defined in section 2 of the CCAA (the "Equity Claims Decision").
- [11] The third party defendants have since obtained leave to appeal the Equity Claims Decision to the Court of Appeal for Ontario, which appeal I understand is scheduled to be heard in mid-November 2012.
- [12] The parties to the Ontario Class Action have entered into a tolling agreement in respect of the limitation period in Part XXIII.1 of the Securities Act (Ontario), which suspends the operation of those limitation periods until February 28, 2013.
- [13] I can well understand the basis of the motion. The Class Action Plaintiffs want the Class Actions to move forward. I have no doubt that, failing resolution, the Class Actions will have to proceed. The only issue is when should the Class Actions proceed.
- [14] However, at this point in time, the auditors and the underwriters are active participants in the upcoming appeal of the Equity Claims Decision. It is conceivable that the decision of the Court of Appeal for Ontario will have an impact on the auditors and underwriters with respect to the upcoming meeting of creditors to consider the Plan and any potential motion to sanction the Plan.
- [15] It seems to me that the auditors and underwriters, in the short term, should focus their attention on the appeal and the upcoming meeting. It could very well be that, within a short period of time, the situation affecting the auditors and the underwriters will be clarified such that these groups will be in a position to focus their attention on the Class Actions.
- [16] As I stated in *Timminco Limited (Re)* 2012 ONSC 215 at [17]: Courts will consider a number of factors in assessing whether it is appropriate to lift a stay, but these factors can generally be grouped under three headings: (a) the relative prejudice to parties; (b) the balance of convenience; and (c) where relevant, the merits (i.e. if the matter has little chance, there may not be sound reasons for lifting the stay). See *Canwest Global Communication (Re)*, [2011] O.J. No. 1590 (S.C.J.).
- [17] In the circumstances of this case, I see little prejudice to the Class Action Plaintiffs if the stay were to be maintained for a short period of time which could result in clarity being brought to the proceedings. Although there is a concern that memories of key witnesses will fade with

the passage of time, I have not been persuaded that maintaining the stay for a short period of time will be detrimental to the Class Action Plaintiffs on that account.

- [18] On the issue of the limitation period, clearly this is an issue that has to be kept in mind, but maintaining the stay for a short period of time would not appear to negatively impact the Class Action Plaintiffs.
- [19] On the other hand, the concerns raised by counsel on behalf of the auditors and the underwriters have persuaded me that, the balance of convenience favours these parties, and at this time, they need to focus on issues arising out of the appeal of the Equity Claims Decision as well to focus on the Plan itself.
- [20] Accordingly, it seems to me that, having taken into account the relative prejudice to the parties and the balance of convenience, it is reasonable and appropriate to maintain the stay at this time, on the basis that the issue can and should be re-evaluated shortly after the scheduled meeting of creditors to consider the Plan, but in any event, no later than December 10, 2012.
- [21] Further, although the appeal of the Equity Claims Decision and the upcoming meeting of creditors and possible sanction hearing does not have any direct impact on the three former directors, I am of the view that it is appropriate to also maintain the stay with respect to these individuals so that the Class Actions can ultimately proceed in a more organized fashion.
- [22] On a secondary issue, the Class Action Plaintiffs requested, if necessary, leave to amend the pleading in the Quebec Class Action to plead the Securities Act, R.S.Q. C.V.-1-1 to add BDO Limited as a party.
- [23] This telief was opposed by the auditors on the basis that the Quebec Class Action plaintiffs ignored the Stay as they were never given leave to seek to add parties to any class proceedings especially without notice.
- [24] The Quebec Class Action plaintiffs countered with the submission that there was no intent to violate the Stay, but rather, there was a degree of confusion arising as a result of different procedures in the Quebec proceedings.
- [25] In keeping with the direction of the main aspect of this endorsement, it is my view that this secondary issue can be considered at the time that the main issue is being revisited in early December. However, the parties should be mindful of the comments I made at [13] above, to the effect that failing resolution, the Class Actions will have to proceed. The only issue is when.
- [26] In the result, the motion is dismissed, without prejudice to the right of the Class Action Plaintiffs to renew their request in accordance with the terms of this endorsement.

MORAWETZ J.

Date: November 6, 2012

This is Exhibit "DD" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

Court File No. CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

| THE HONOURABLE MR. | ) | MONDAY, THE 30th  |
|--------------------|---|-------------------|
|                    | ) |                   |
| JUSTICE MORAWETZ   | ý | DAY OF JULY, 2012 |

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION

### ORDER

THIS MOTION made by the Ad Hoc Committee of Purchasers of the Applicant's Securities (the "Moving Party"), for the production of certain documents in the possession, control and power of the Applicant, was heard this day, at the courthouse at 330 University Avenue, Toronto, Ontario,

ON READING the Motion Record and factum of the Moving Party, and on hearing the submissions of counsel for the Moving Party, Sino-Forest Corporation, the Monitor, an ad hoc Committee of Bondholders, Ernst & Young, BDO, and certain underwriters named as defendants in the Ontario Class Action,

AND ON BEING ADVISED that the Applicant consents to the relief contained herein and that the Monitor supports the granting of relief contained herein;

 THIS COURT ORDERS that further service of the Notice of Motion and Motion Record on any party not already served is hereby dispensed with, such that this motion is properly returnable today.

- 2. THIS COURT ORDERS the Applicant to make the documents listed in Schedule "A" hereto (the "Documents") available to the Moving Party and the other Mediation Parties (as defined in the order of this court dated July 25, 2012 (the "Mediation Order")), subject to: (i) the provisions of the Mediation Order applicable to information made available through the electronic data room referenced in the Mediation Order (the "Data Room"), including without limitation the requirement for confidentiality agreements; and (ii) any claims of privilege; and provided, for greater certainty, that the Applicant need not produce any audit-related documents created after June 2, 2011.
- 3. THIS COURT ORDERS that the Documents shall be added to the Data Room by the Applicant as and when they become available, but the Applicant shall make best efforts to add the Documents to the Data Room by August 16, 2012, and that, in any event, the Applicant shall add the Documents to the Data Room by no later than August 23, 2012.
- 4. THIS COURT ORDERS that, promptly following the addition of any Documents to the Data Room, the Applicant shall notify or shall cause to be notified, by email, those persons who have executed the Confidentiality Agreement pursuant to this Court's Mediation Order that such Documents have been added to the Data Room, but in no event shall the Applicant be required to provide such notification more than one time per day.
- 5. THIS COURT ORDERS that, to the extent that the Applicant withholds production of any Documents on the basis of a claim of privilege, the Applicant shall produce an itemized list describing each of the documents in the form of or substantially similar to a Schedule "B" of an affidavit of documents, with sufficient specificity to establish the Applicant's claim for privilege, including, without limitation, identifying information for each document, the nature of the privilege being asserted in respect of the document, and, if litigation privilege is being asserted, reasonable identifying

information regarding the litigation that gives rise to the privilege (the "Privilege Log"). The Applicant shall add the Privilege Log to the Data Room by August 27, 2012, unless the Court orders otherwise.

6. THIS COURT ORDERS that the Documents specified in clauses 1, 2(s), 3 and 4 of Schedule "A" hereto shall be in the English language.

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PERIPAR:

### Schedule "A"

- 1. the unconsolidated financial statements of Sino-Forest Corporation and its subsidiaries prepared prior to June 2, 2011;
- 2. the following documents relating to Sino-Forest audits, for each of the fiscal years 2006 through 2010, inclusive, for each audited entity:
  - a) Information request list for each year's audit, detailing the documents to be provided by the company to the auditor;
  - b) The Year End Communication or Report of the Auditor to the Audit Committee from BDO or E&Y, including:
    - i) Audit scope and findings report;
    - ii) Significant matters discussed with management;
    - iii) Management's analysis and response;
    - iv) Significant judgments and estimates;
    - v) Audit risks encountered/identified and audit response; and
    - vi) Summary of corrected and uncorrected financial statement misstatements;
  - c) Communications between the auditors and the company regarding any disagreements with management;
  - d) The unadjusted (pre-audit) trial balance;
  - e) Proposed Adjustments presented by the auditor following each year's audit (listing adjusting journal entries, analysis and explanations);
  - f) List of related parties provided to the auditor each year;
  - g) Correspondence with the auditor concerning related parties and related party transactions;
  - h) Accounting policy manuals or documented accounting policies of the company for each year;

- i) Process and procedure manuals of the company for each year, particularly pertaining to the sales cycle and purchase/acquisition cycle;
- j) Ledgers and subledgers for the following accounts;
  - i) Cash;
  - ii) Sales;
  - iii) Timber Inventory; and
  - iv) Cost of Goods Sold;
- k) Sale transaction documents provided to (requested by) the auditors in respect of timber transactions:
  - i) Sales order (or purchase order from customer) or Sales contract/agreement;
  - ii) Invoice; and
  - iii) Proof of collection;
- I) Purchase transaction documents provided to (requested by) the auditors in respect of timber transactions:
  - i) Purchase order (or contract/agreement);
  - ii) Invoice; and
  - iii) Proof of payment;
- m) Transaction documents provided to auditor in respect of Sino's "set-off" agreements on timber transactions;
- n) Correspondence with auditors regarding confirmation of transactions with authorized intermediaries and suppliers (or authorization provided to Auditors to confirm directly with the Als and Suppliers);
- Documentation concerning the auditors' procedures to independently examine timber assets, including on-site physical inspection, inventory counts, examination of transaction documentation, etc.;

- p) Internal worksheets, analyses and calculations supporting the "related party transactions" disclosure in each year's financial statements (e.g., see Note 23 of the 2009 financial statements);
- q) Any additional information provided to/requested by the auditor regarding related party transactions;
- r) Drafts and correspondence regarding the preparation of the Cash Flow Statement:
- s) A statement of the total fees paid to the Applicant's auditors in respect of each of the 2006-2010 fiscal years; in addition, the Applicant shall make best efforts to break down such fees by audit-related and non-audit-related work (if any), and if non-audit related work was performed by the Applicant's auditors in any such year, a reasonably detailed description of the non-audit-related work performed by the auditors in such year;
- t) Minutes of all meetings in which the auditors and members of management participated; and
- u) BDO and E&Y presentations to the board of directors and management.
- 3. a summary of the coverage positions of the insurers of the Applicant and its directors and officers, and an approximation of the remaining insurance coverage; and
- 4. the claims register as provided by the Monitor.

### IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

## AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No. CV-12-9667-00CL

# ONTARIO SUPERIOR COURT OF JUSTICE COMMERICIAL LIST

Proceedings commenced at TORONTO

### **ORDER**

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Lawyers for the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Representative Plaintiffs in the Ontario Class Action This is Exhibit "EE" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013



Ontario Securities Commission Commission des valeurs mobilières de l'Ontario

P.O. Box 55, 19<sup>th</sup> Floor 20 Queen Street West Toronto ON M5H 3S8

CP 55, 19e étage 20, rue queen ouest Toronto ON M5H 3S8

### IN THE MATTER OF THE SECURITIES ACT, R.S.O. 1990, c. S.5, AS AMENDED

- AND -

### IN THE MATTER OF SINO-FOREST CORPORATION, ALLEN CHAN, ALBERT IP, ALFRED C.T. HUNG, GEORGE HO, SIMON YEUNG and DAVID HORSLEY

### STATEMENT OF ALLEGATIONS

Further to a Notice of Hearing dated May 22, 2012, Staff ("Staff") of the Ontario Securities Commission (the "Commission") make the following allegations:

### PART I. OVERVIEW AND SUMMARY OF ALLEGATIONS

### A. Sino-Forest

- 1. Sino-Forest Corporation ("Sino-Forest" or the "Company")<sup>1</sup> is a reporting issuer in the province of Ontario as that term is defined in subsection 1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"). Until recently, the common shares of Sino-Forest were listed on the Toronto Stock Exchange ("TSX").
- 2. Sino-Forest purportedly engaged primarily in the purchase and sale of Standing Timber in the People's Republic of China (the "PRC").

<sup>&</sup>lt;sup>1</sup> Sino-Forest or the Company includes all of Sino-Forest's subsidiaries and companies that it controls as set out in its public disclosure record and as the context within this Statement of Allegations requires.

- 3. From February of 2003 until October of 2010, Sino-Forest raised approximately \$3.0 billion (US)<sup>2</sup> in cash from the issuance of equity and debt securities to investors (the "Investors")<sup>3</sup>.
- 4. From June 30, 2006 to March 31, 2011, Sino-Forest's share price grew from \$5.75 (Can) to \$25.30 (Can), an increase of 340%.<sup>4</sup> By March 31, 2011 Sino-Forest's market capitalization was well over \$6 billion.
- 5. In early June of 2011, the share price of Sino-Forest plummeted after a private analyst made allegations of fraud against Sino-Forest.
- 6. On November 15, 2011, Sino-Forest announced that it was deferring the release of its interim financial report for the third quarter of 2011.<sup>5</sup> Sino-Forest has never filed this interim financial report with the Commission.
- 7. On January 10, 2012, Sino-Forest issued a news release cautioning that its historic financial statements and related audit reports should not be relied upon.
- 8. Sino-Forest was required to file its 2011 audited annual financial statements with the Commission by March 30, 2012. That very day, Sino-Forest initiated proceedings in front of the Superior Court of Justice (Ontario) requesting protection from its creditors. Sino-Forest has never filed its 2011 audited annual financial statements with the Commission.
- 9. On April 4, 2012, the auditors of Sino-Forest resigned.
- 10. On May 9, 2012, the TSX delisted the shares of Sino-Forest.

<sup>&</sup>lt;sup>2</sup> Unless otherwise stated, all amounts presented in this Statement of Allegations and the attached Schedules are in United States Dollars.

<sup>&</sup>lt;sup>3</sup> The Glossary attached as Schedule A contains a list of certain of the defined terms used in the Statement of Allegations and the paragraph where they are located within the Statement of Allegations.

<sup>&</sup>lt;sup>4</sup> Attached as Schedule B is selected data from its audited annual financial statements for 2005 to 2010.

<sup>&</sup>lt;sup>5</sup> The financial year end of Sino-Forest is December 31.

- 11. As set out below, Sino-Forest and its former senior executives, including Allen Chan ("Chan"), Albert Ip ("Ip"), Alfred C.T. Hung ("Hung"), George Ho ("Ho") and Simon Yeung ("Yeung"), engaged in a complex fraudulent scheme to inflate the assets and revenue of Sino-Forest and made materially misleading statements in Sino-Forest's public disclosure record related to its primary business.
- 12. Chan, former Chairman of the Board and Chief Executive Officer ("CEO") of Sino-Forest until August 28, 2011, also committed fraud in relation to Sino-Forest's purchase of a controlling interest in a company now known as Greenheart Group Limited ("Greenheart"). By concealing Chan's substantial interest in this transaction, Chan and Sino-Forest made materially misleading statements in Sino-Forest's public disclosure record.
- 13. Chan, Ip, Hung, Ho and Yeung (together, "Overseas Management") all materially misled Staff during the investigation of this matter.
- 14. David Horsley ("Horsley"), former Senior Vice President and Chief Financial Officer ("CFO") of Sino-Forest, did not comply with Ontario securities law and acted contrary to the public interest.

### B. The Standing Timber Fraud

- 15. From June 30, 2006 until January 11, 2012 (the "Material Time"), Sino-Forest and Overseas Management engaged in numerous deceitful and dishonest courses of conduct (the "Standing Timber Fraud") that ultimately caused the assets and revenue derived from the purchase and sale of Standing Timber (that constituted the majority of Sino-Forest's business) to be fraudulently overstated, putting the pecuniary interests of Investors at risk contrary to Ontario securities law and contrary to the public interest.
- 16. The Standing Timber Fraud was primarily comprised of three elements:
  - i) Sino-Forest dishonestly concealed its control over Suppliers, AIs and other nominee companies in the BVI Network. Sino-Forest established a collection of "nominee"/"peripheral" companies that were controlled, on

- its behalf, by various "caretakers". Sino-Forest conducted a significant level of its business with these companies, the true economic substance of which was misstated in Sino-Forest's financial disclosure;
- sii) Sino-Forest falsified the evidence of ownership for the vast majority of its timber holdings by engaging in a deceitful documentation process. This dishonest process included the fraudulent creation of deceitful Purchase Contracts and Sales Contracts, including key attachments and other supplemental documentation. Sino-Forest then relied upon these documents to evidence the purported purchase, ownership and sale of Standing Timber in the BVI Model; and
- siii) Sino-Forest dishonestly concealed internal control weaknesses/failures that obscured the true nature of transactions conducted within the BVI Network and prevented the detection of the deceitful documentation process. Sino-Forest's statements in its public disclosure record regarding the extent of its internal control weaknesses were wholly inadequate and misleading.
- 17. Each of the above dishonest and deceitful courses of conduct by Sino-Forest and Overseas Management put the pecuniary interests of Investors at risk, constituting fraud. Together, these courses of conduct made the public disclosure record of Sino-Forest so misleading that it was fraudulent.
- 18. As set out in paragraph 47, the vast majority of the Sino-Forest's Standing Timber assets were held in the BVI Model. The available underlying documentation for these Standing Timber assets did not provide sufficient evidence of legal ownership of these assets. As of this date, Sino-Forest has not been able to confirm full legal ownership of the Standing Timber assets that it claims to hold in the BVI Model.
- 19. During the Material Time, Sino-Forest's auditors were not made aware of Sino-Forest's systematic practice of creating deceitful Purchase Contracts and Sales Contracts, including key attachments to these contracts.
- 20. The following are four illustrative examples of the fraudulent courses of conduct that Sino-Forest and Overseas Management perpetrated within the Standing Timber Fraud. These

<sup>&</sup>lt;sup>6</sup> These "nominee"/"peripheral" companies and "caretakers" are described in greater detail in paragraph 57.

four examples, described in detail below, illustrate how Sino-Forest and Overseas Management materially inflated assets and revenue in Sino-Forest's public disclosure record:

- i) the Dacheng Fraud;
- ii) the 450,000 Fraud;
- iii) Gengma Fraud #1; and
- iv) Gengma Fraud #2.
- 21. Schedule C illustrates the primary elements of the Standing Timber Fraud as introduced in paragraph 16 and the fraudulently overstated revenue arising from the four illustrative examples introduced in the previous paragraph.
- 22. The allegations regarding the Standing Timber Fraud are set out in paragraphs 53 to 119 below.

### C. Materially Misleading Statements Related to the Standing Timber Fraud

- 23. Given the three elements of the Standing Timber Fraud introduced in paragraph 16, the public disclosure record of Sino-Forest required by Ontario securities law was materially misleading, contrary to Ontario securities law and contrary to the public interest.
- 24. The assets and revenue recorded as a result of the Standing Timber Fraud caused Sino-Forest's public disclosure record, including its audited annual financial statements, annual information forms ("AIFs") and management's discussion and analysis ("MD&A"), to be materially misleading during the Material Time.
- 25. Sino-Forest's statements in its public disclosure, including its AIFs and its MD&A filed with the Commission during the Material Time, regarding the extent of its internal control weaknesses and deficiencies were wholly inadequate and misleading.
- 26. The allegations regarding these materially misleading statements related to the Standing Timber Fraud are set out in paragraphs 120 to 141 below.

## D. The Greenheart Transaction - Fraud by Chan and Materially Misleading Statements by Chan and Sino-Forest

- 27. In 2010, following a complex series of transactions, Sino-Forest completed the purchase of a controlling interest in Greenheart, a public company listed on the Hong Kong Stock Exchange (the "Greenheart Transaction"). Greenheart holds natural forest concessions, mostly in Suriname.
- 28. Chan secretly controlled companies that received over \$22 million as a result of the purchase by Sino-Forest of this controlling interest in Greenheart. The Greenheart Transaction was significant to Sino-Forest's business and cost the Company approximately \$120 million.
- 29. Chan fraudulently concealed his involvement in the Greenheart Transaction and the substantial benefit he secretly received. Chan and Sino-Forest misled the public through Sino-Forest's continuous disclosure. Chan falsely certified the accuracy of Sino-Forest's AIFs for 2008, 2009 and 2010 as these documents did not disclose his interest in the Greenheart Transaction.
- 30. Chan's course of conduct relating to the Greenheart Transaction constituted fraud and the making of misleading statements, contrary to Ontario securities law and contrary to the public interest. Chan and Sino-Forest made materially misleading statements related to the Greenheart Transaction, contrary to Ontario securities law and contrary to the public interest.
- 31. The allegations regarding fraud and materially misleading statements related to the Greenheart Transaction are set out in paragraphs 142 to 154 below.

### E. Overseas Management of Sino-Forest Misled Staff during the Investigation

32. During the investigation by Staff, numerous members of Sino-Forest's management were interviewed by Staff. Overseas Management materially misled Staff in their interviews, contrary to Ontario securities law and contrary to the public interest.

33. The allegations that Overseas Management materially misled Staff are set out in paragraphs 155 to 167 below.

#### PART II. THE RESPONDENTS

- 34. Sino-Forest is a Canadian company with its principal executive office located in Hong Kong and its registered office located in Mississauga, Ontario.
- 35. During the Material Time, as set out above, Chan was Chairman of the Board of Directors and CEO of Sino-Forest.
- 36. During the Material Time, Ip was Senior Vice President, Development and Operations North-east and South-west China of Sino-Forest.
- 37. During the Material Time, Hung was Vice-President, Corporate Planning and Banking of Sino-Forest.
- 38. During the Material Time, Ho was Vice-President, Finance (China) of Sino-Forest.
- 39. During the Material Time, Yeung was Vice President Operation within the Operation /Project Management group of Sino-Panel (Asia) Inc. ("Sino-Panel"), a subsidiary of Sino-Forest.
- 40. During the Material Time, Horsley was Senior Vice President and CFO of Sino-Forest.

#### PART III. STANDING TIMBER - THE PRIMARY BUSINESS OF SINO-FOREST

#### A. Introduction

41. In its AIF for 2010, Sino-Forest stated that its operations were comprised of two core business segments which it titled "Wood Fibre Operations" and "Manufacturing and Other

Operations". Wood Fibre Operations had two subcomponents entitled "Plantation Fibre" and "Trading of Wood Logs".

42. According to Sino-Forest, the Plantation Fibre subcomponent of its business was derived from the purported acquisition, cultivation and sale of either "standing timber" or "logs" in the PRC. For the purpose of this Statement of Allegations, the Plantation Fibre subcomponent of Sino-Forest's business will be referred to as "Standing Timber" as most, if not all, of the revenue from the sale of Plantation Fibre was derived from the sale of "standing timber".

#### B. Standing Timber - Sino-Forest's Main Source of Revenue

43. From 2007 to 2010, Sino-Forest reported Standing Timber revenue totalling approximately \$3.56 billion, representing about 75% of its total revenue of \$4.77 billion. The following table provides a summary of Sino-Forest's stated revenue for the period from 2007 to 2010 and illustrates the importance of the revenue derived from the sale of Standing Timber:

|                                                      | \$ (millions) |             |             |             |              |
|------------------------------------------------------|---------------|-------------|-------------|-------------|--------------|
|                                                      | <u>2007</u>   | <u>2008</u> | <u>2009</u> | <u>2010</u> | <b>Total</b> |
| Plantation Fibre (defined as Standing Timber herein) | 521.5         | 685.4       | 954.2       | 1,401.2     | 3,562.3      |
| Trading of Wood Logs                                 | 154.0         | 153.5       | 237.9       | 454.0       | 999.4        |
| Wood Fibre Operations                                | 675.5         | 838.9       | 1,192.1     | 1,855.2     | 4,561.7      |
| Manufacturing and Other Operations                   | 38.4          | 57.1        | 46.1        | <i>68.3</i> | 209.9        |
| Total Revenue                                        | 713.9         | 896.0       | 1,238.2     | 1,923.5     | 4,771.6      |

#### C. The BVI and WFOE Models - Revenue and Holdings

- 44. Standing Timber was purchased, held and sold by Sino-Forest in two distinct legal structures or models: the "BVI Model" and the "WFOE Model".
- 45. In the BVI Model, Sino-Forest's purchases and sales of Standing Timber in the PRC were conducted using wholly owned subsidiaries of Sino-Forest incorporated in the British Virgin Islands (the "BVI Subs"). The BVI Subs purported to enter into written purchase contracts ("Purchase Contracts") with suppliers in the PRC ("Suppliers") and then purported to enter into written sales contracts ("Sales Contracts") with customers called "authorized intermediaries" in the PRC ("AIs").
- 46. In the WFOE Model, Sino-Forest used subsidiaries incorporated in the PRC called Wholly Foreign Owned Enterprises ("WFOEs") to acquire, cultivate and sell the Standing Timber. The Sino-Forest WFOEs also entered into Purchase Contracts and Sales Contracts with other parties in the PRC.
- 47. At December 31, 2010, Sino-Forest reported total timber holdings of \$3.1 billion comprising 799,700 hectares. About \$2.5 billion or approximately 80% of the total timber holdings (by value) was held in the BVI Model, comprising approximately 467,000 hectares of Standing Timber. The WFOE Model purportedly held approximately 97,000 hectares of Standing Timber valued at \$295.6 million or approximately 10% of the total timber holdings (by value). The timber holdings in the BVI Model and the WFOE Model comprised approximately 90% of the total timber holdings (by value) of Sino-Forest as at December 31, 2010.
- 48. The cash-flows associated with the purchase and sale of Standing Timber executed in the BVI Model took place "off-book" pursuant to a payables/receivables offsetting arrangement (the "Offsetting Arrangement"), whereby the BVI Subs would not directly receive the proceeds on the sale of Standing Timber from the purchasing AI. Rather, Sino-Forest disclosed that it would direct the AI that purchased the timber to pay the sales proceeds to a new Supplier in order to

buy additional Standing Timber. Consequently, Sino-Forest also did not make payment directly to Suppliers for purchases of Standing Timber.

- 49. Sino-Forest did not possess the bank records to confirm that these "off-book" cash-flows in the Offsetting Arrangement actually took place. This lack of transparency within the BVI Model meant that independent confirmation of these "off-book" cash-flows was reliant on the good faith and independence of Suppliers and AIs.
- 50. Further, pursuant to the terms of Sales Contracts entered into between a BVI Sub and an AI, the AI assumed responsibility for paying any PRC taxes associated with the sale that were owed by the BVI Sub. This obligation purportedly included paying the income tax and valued added tax on behalf of Sino-Forest.
- 51. Sino-Forest dealt with relatively few Suppliers and AIs in the BVI Model. For example, in 2010, six Suppliers accounted for 100% of the Standing Timber purchased in the BVI Model and five AIs accounted for 100% of Sino-Forest's revenue generated in the BVI Model.
- 52. From 2007 to 2010, revenue from the BVI Model totalled \$3.35 billion, representing 94% of Sino-Forest's reported Standing Timber revenue and 70% of Sino-Forest's total revenue. The importance of the revenue from the BVI Model is demonstrated in the following table:

|                                 | \$ (millions) |             |             |             |              |
|---------------------------------|---------------|-------------|-------------|-------------|--------------|
|                                 | <u>2007</u>   | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>Total</u> |
| BVI Model Revenue               | 501.4         | 644.9       | 882.1       | 1,326.0     | 3,354.4      |
| WFOE Model Revenue              | 20.1          | 40.5        | 72.1        | 75.2        | 207.9        |
| Standing Timber Revenue         | 521.5         | 685.4       | 954.2       | 1,401.2     | 3,562.3      |
| Total Revenue                   | 713.9         | 896.0       | 1,238.2     | 1,923.5     | 4,771.6      |
| BVI Model as % of Total Revenue | 70%           | 72%         | 71%         | 69%         | 70%          |

#### PART IV. THE STANDING TIMBER FRAUD

- 53. As introduced in paragraph 16, the Standing Timber Fraud was primarily comprised of three elements:
  - i) Undisclosed control over parties within the BVI Network;

- ii) The undisclosed dishonest process of creating deceitful Purchase Contracts and Sales Contracts and their key attachments used in both the BVI Model and the WFOE Model to inflate Standing Timber assets and revenue; and
- iii) Undisclosed internal control weaknesses/deficiencies that facilitated and concealed the fraudulent conduct within the BVI Network, and the dishonest creation of Purchase Contracts and Sales Contracts, including their key attachments.
- 54. On this basis, Sino-Forest then created transactions to fraudulently inflate assets and revenue in its public disclosure record.

#### A. Undisclosed Control over Parties within the BVI Network

- 55. Almost all of the buying and selling of Standing Timber in the BVI Model was generated through transactions between BVI Subs and a small number of Suppliers and AIs. Sino-Forest also conducted a significant level of this buying and selling with companies that are described in various Sino-Forest documents and correspondence as "peripheral" companies. Sino-Forest established a network of "nominee" companies that were controlled, on its behalf, by various so-called "caretakers".
- 56. For the purpose of this Statement of Allegations, the BVI Subs, Suppliers, AIs, "nominee" companies and "peripheral" companies involved in the buying and selling of Standing Timber in the BVI Model are collectively referred to as the "BVI Network". Some of the companies within the BVI Network were also involved in the buying and selling of Standing Timber within the WFOE Model.
- 57. One Sino-Forest document (the "Caretaker Company List") lists more than 120 "peripheral" (nominee) companies that are controlled by 10 "caretakers" on behalf of Sino-Forest. The "caretakers" include Person #1 (legal representative of Huaihua City Yuda Wood Ltd. ("Yuda Wood"), described in greater detail in paragraphs 61 to 65 below), Person #2 (a relative of Chan), Person #3 (a former Sino-Forest employee), Person #4 (an acquaintance of Chan and Chan's nominee in the Greenheart Transaction as outlined in paragraphs 145 to 147

- below), Person #5 (a former shareholder of Greenheart Resources Holdings Limited ("GRHL") and a shareholder of Greenheart) and Person #6 (an individual associated with some of Sino-Forest's Suppliers).
- 58. The control and influence that Sino-Forest exerted over certain Suppliers, AIs and peripheral companies within the BVI Network brings the *bona fides* of numerous contracts entered into in the BVI Model into question, thereby placing the pecuniary interests of Investors at risk. Sino-Forest wielded this control and influence through Overseas Management. As well, certain transactions recorded in the BVI Model do not reflect the true economic substance of the underlying transactions. Sino-Forest's control of, or influence over, certain parties within the BVI Network was not disclosed to Investors.
- 59. Some of the counterparties to the Dacheng Fraud, the 450,000 Fraud, Gengma Fraud #1 and Gengma Fraud #2 are companies that are included in the Caretaker Company List, as outlined in more detail in paragraphs 90 to 115 below.
- 60. Sino-Forest did not disclose the true nature of the relationship between itself and the following two key companies in the BVI Network: Yuda Wood and Dongkou Shuanglian Wood Company Limited ("Dongkou"). This was dishonest.
- 1) Sino-Forest Controlled Yuda Wood, a Major Supplier
- 61. Yuda Wood was a Supplier secretly controlled by Sino-Forest during a portion of the Material Time.
- 62. From 2007 to 2010, Yuda Wood was purportedly Sino-Forest's largest Supplier, accounting for 18% of all purchases in the BVI Model. Sino-Forest claimed to have paid Yuda Wood approximately \$650 million during that time.
- 63. Yuda Wood was registered and capitalized by members of Overseas Management, who also controlled bank accounts of Yuda Wood and key elements of its business.

- 64. The legal representative of Yuda Wood is Person #1, a former employee of Sino-Forest and also a shareholder and director of Hong Kong Sonic Jita Engineering Co., Ltd. ("Sonic Jita"), the sole shareholder of Yuda Wood. In addition, Person #1 had significant interests in other Suppliers of Sino-Forest and was identified as the "caretaker" of several nominee/peripheral companies.
- 65. Yuda Wood and other companies controlled by Sino-Forest through Person #1 were used to perpetrate portions of the Standing Timber Fraud including the Dacheng Fraud, the 450,000 Fraud, Gengma Fraud #1 and Gengma Fraud #2.

#### 2) Sino-Forest Controlled Dongkou, a Major AI

- 66. Dongkou was an AI secretly controlled by Sino-Forest during a portion of the Material Time.
- 67. In 2008, Dongkou was Sino-Forest's most significant AI, purportedly purchasing approximately \$125 million in Standing Timber from Sino-Forest, constituting about 18% of Sino-Forest's Standing Timber revenue for that year.
- 68. Sino-Forest controlled Dongkou through one of its WFOE subsidiaries Shaoyang Jiading Wood Products Co. Ltd. ("Shaoyang Jiading"). Correspondence indicates that, according to an agreement dated November 18, 2006, Shaoyang Jiading purchased Dongkou for RMB<sup>7</sup> 1.38 million (approximately \$200,000).
- 69. By November 2006, the six original shareholders of Dongkou had been replaced with two Sino-Forest employees: Person #7 and Person #8. These two persons became the sole Dongkou shareholders, with Person #7 holding 47.5% and Person #8 holding 52.5%.

<sup>&</sup>lt;sup>7</sup> RMB is the Chinese unit of currency. During the Material Time, the conversion rate was approximately 7 RMB = 1 US\$.

- 70. Also, in 2007, at the direction of Ip and others, employees of Sino-Forest drafted purchase contracts to be entered into by Dongkou and its suppliers (other than Sino-Forest). Essentially, Sino-Forest, through Overseas Management, controlled Dongkou's business with certain counterparties.
- B. Dishonest Process to Create Deceitful Purchase Contracts and Sales Contracts in the BVI Model Concealment of this Dishonest Process
- 1) Purchase Contracts in the BVI Model
- 71. As set out in paragraph 47, approximately 80% (by value) of Sino-Forest's timber assets were held in the BVI Model as of December 31, 2010.
- 72. Sino-Forest used the Purchase Contracts to acquire and evidence ownership of Standing Timber in the BVI Model. The Purchase Contracts purported to have three attachments:
  - i) Plantation Rights Certificates ("Certificates") or other ownership documents;
  - ii) Farmers' Authorization Letters ("Farmers' Authorizations"); and
  - iii) Timber Survey Reports ("Survey Reports").
- 73. The Purchase Contracts and their attachments were fundamentally flawed in at least four ways, making the public disclosure record of Sino-Forest materially misleading, thus placing the pecuniary interests of Investors at risk.
- 74. First, Sino-Forest did not hold Certificates to evidence ownership of the Standing Timber allegedly purchased by the BVI Subs. Instead, Sino-Forest claimed that, since the BVI Subs could not obtain Certificates from the PRC government to evidence ownership, it purported to rely on confirmations issued by the forestry bureaus in the PRC as evidence of ownership ("Confirmations"). However, Confirmations are not legally recognized documents evidencing ownership of timber assets in the PRC. These Confirmations were purportedly granted to Sino-Forest as favours by the PRC forestry bureaus. According to Sino-Forest, the PRC forestry bureaus did not intend that these Confirmations would be disclosed to third parties. Also, certain

PRC forestry bureau employees obtained gifts and cash payments from Suppliers of Sino-Forest, further undermining the value of the Confirmations as evidence of ownership.

- 75. Second, during the Material Time, Sino-Forest employed a deceitful systematic quarterly documentation process in the BVI Model whereby the purported Purchase Contacts were not drafted and executed until the quarter <u>after</u> the date on which the purchase allegedly occurred and was included in the public financial disclosure.
- 76. Like the Purchase Contracts, the Confirmations were also created by Sino-Forest and deceitfully dated to the <u>previous</u> quarter. These Confirmations were created contemporaneously with the creation of the corresponding Purchase Contracts. These Confirmations were then allegedly provided to the relevant PRC forestry bureau for verification and execution.
- 77. Third, the Purchase Contracts referred to Farmers' Authorizations. However, none were attached. In the absence of Farmers' Authorizations, there is no evidence that ownership to the Standing Timber was properly transferred to Sino-Forest or to the Supplier prior to the purported transfer of ownership to Sino-Forest. Ownership of the Standing Timber would have remained with the original Certificate holder.
- 78. Fourth, the Survey Reports, which purported to identify the general location of the purchased timber, were all prepared by a single firm during the Material Time. A 10% shareholder of this survey firm was also an employee of Sino-Forest. Drafts of certain Survey Reports purportedly prepared by this independent survey company were located on the computer of another employee of Sino-Forest. Like the Purchase Contracts and Confirmations, these drafts of the Survey Reports were deceitfully dated to the quarter <u>prior</u> to their creation.
- 79. In the absence of both Certificates and Farmers' Authorizations, Sino-Forest relies on the validity of the Purchase Contracts and the Confirmations as proof of ownership of the Standing Timber it held in the BVI Model. However, the Purchase Contracts and available attachments, including Confirmations, were prepared using the deceitful documentation process outlined

above, and do not constitute proof of ownership of the trees purported to have been bought by Sino-Forest in the BVI Model.

- 80. Moreover, the Purchase Contracts and readily available attachments, including the Confirmations, did not identify the precise location of the Standing Timber being purchased such that the existence of this Standing Timber could not be readily verified and valued independently.
- 81. Sino-Forest, Overseas Management and Horsley knew or ought to have known that their auditors during the Material Time relied on the validity of the Purchase Contracts and their attached Confirmations as proof of ownership of Sino-Forest's Standing Timber assets.

#### 2) Sales Contracts in the BVI Model

- 82. Like the Purchase Contracts, all of the Sales Contracts purportedly entered into by the BVI Subs in the BVI Model were not actually created and executed until the quarter <u>after</u> the date of the alleged transaction.
- 83. Accordingly, the revenue from the Sales Contracts in the BVI Model was recognized in the quarter prior to the creation of the Sales Contracts. Therefore, the public disclosure of Sino-Forest regarding its revenue from Standing Timber was materially misleading and deceitful. During the Material Time, in its correspondence to Staff, Sino-Forest misled the Commission about its revenue recognition practice.

#### C. Undisclosed Internal Control Weaknesses/Failures

84. In its MD&A for 2010 dated March 15, 2011, Sino-Forest stated the following on page 27 regarding its "Disclosure Control and Procedures and Internal Controls Over Financial Reporting":

The success of the Company's vision and strategy of acquiring and selling forestry plantations and access to a long-term supply of wood fibre in the PRC is dependent on senior management. As such, senior management

plays a significant role in maintaining customer relationships, negotiating and finalizing the purchase and sale of plantation fibre contracts and the settlement of accounts receivable and accounts payable associated with plantation fibre contracts. This concentration of authority, or lack of segregation of duties, creates risk in terms of measurement and completeness of transactions as well as the possibility of non-compliance with existing controls, either of which may lead to the possibility of inaccurate financial reporting. By taking additional steps in 2011 to address this deficiency, management will continue to monitor and work on mitigating this weakness. [Emphasis added]

- 85. Sino-Forest made similar disclosure in its annual MD&A from 2006 to 2009 regarding this concentration of authority or lack of segregation and the risk resulting from these weaknesses. These material weaknesses were not remedied during the Material Time by Sino-Forest, Overseas Management or Horsley.
- 86. Sino-Forest failed to disclose the extent of the concentration of duties in Overseas Management. It did not disclose that Overseas Management and their nominees had complete control over the operation of the BVI Model including the fraudulent creation and execution of the Purchase Contracts and Sales Contracts described in paragraphs 71 to 81 and the extent of the "off-book" cash flow set out in paragraphs 48 to 49. This concentration of control in the hands of Overseas Management facilitated the fraudulent course of conduct perpetrated in the BVI Model.

#### D. Four Examples of Fraudulent Transactions within the Standing Timber Fraud

- 87. During the Material Time, Sino-Forest and Overseas Management engaged in significant fraudulent transactions related to its purchase and sale of Standing Timber. These fraudulent transactions had the effect of overstating Sino-Forest's assets and revenue during the Material Time.
- 88. By way of example, four series of fraudulent transactions are detailed below: (i) the Dacheng Fraud; (ii) the 450,000 Fraud; (iii) Gengma Fraud #1, and (iv) Gengma Fraud #2.

89. In these transactions, Sino-Forest used certain Suppliers, AIs and other nominee companies that it controlled to falsify the financial disclosure of Sino-Forest, including the value of its Standing Timber assets and revenue.

#### 1) The Dacheng Fraud

- 90. Sino-Forest and members of Overseas Management committed fraud (the "Dacheng Fraud") in a series of purported transactions commencing in 2008, related to purchases of timber plantations (the "Dacheng Plantations") from a Supplier called Guangxi Dacheng Timber Co. Ltd. ("Dacheng"). Companies controlled by Sino-Forest through Person #1 were used in the Dacheng Fraud.
- 91. The Dacheng Fraud involved duplicating the same Standing Timber assets within the Dacheng Plantations in the records of two Sino-Forest subsidiaries. Sino-Forest recorded the same assets once in the WFOE Model and again in the BVI Model.
- 92. In 2008, these Standing Timber assets were recorded at a value of RMB 47 million (approximately \$6.3 million) in the WFOE Model and this amount was paid to Dacheng. These funds were then funnelled through Dacheng back to other subsidiaries of Sino-Forest, as the purported collection of receivables.
- 93. At the same time, Sino-Forest recorded these Standing Timber assets in the BVI Model at a value of approximately RMB 205 million (approximately \$30 million). In 2009, Sino-Forest purported to sell the Standing Timber assets from the Dacheng Plantations held in the BVI Model for approximately RMB 326 million (approximately \$48 million). This revenue was recorded in Q3 of 2009.
- 94. As a result of the Dacheng Fraud, in 2008, Sino-Forest overstated the value of certain Standing Timber assets by approximately \$30 million and, in 2009, Sino-Forest overstated its revenue by approximately \$48 million. The effect of this revenue overstatement on the public disclosure record of Sino-Forest is illustrated in paragraph 127 below.

#### 2) The 450,000 Fraud

- 95. Sino-Forest and members of Overseas Management committed fraud (the "450,000 Fraud") in a complex series of transactions involving the purchase and sale of 450,000 cubic meters of timber in Q4 of 2009, again utilizing companies controlled by Sino-Forest through Person #1. In an email, Yeung described this purchase and sale of timber as "a pure accounting arrangement".
- 96. Three subsidiaries of Sino-Panel (the "Sino-Panel Companies") purported to purchase 450,000 cubic meters of Standing Timber at a cost of RMB 183 million (approximately \$26 million) from Guangxi Hezhou City Yuangao Forestry Development Co. Ltd ("Yuangao") during October 2009.
- 97. In Q4 of 2009, the Sino-Panel Companies purportedly sold this Standing Timber to the following three customers:
  - i) Gaoyao City Xinqi Forestry Development Co., Ltd. ("Xinqi");
  - ii) Guangxi Rongshui Meishan Wood Products Factory ("Meishan"); and
  - iii) Guangxi Pingle Haosen Forestry Development Co., Ltd. ("Haosen").
- 98. The sale price for this Standing Timber was RMB 233 million (approximately \$33 million), for an apparent profit of RMB 50 million (approximately \$7.1 million).
- 99. The purported supplier (Yuangao) and the purported customers (Xinqi, Meishan and Haosen) are all so-called "peripheral" companies of Sino-Forest, i.e., they are nominee companies controlled by Person #1 on behalf of Sino-Forest. Xinqi, Meishan and Haosen are also companies included in the Caretaker Company List, and Person #1 is identified as the "caretaker" of each company.
- 100. This RMB 233 million sale of Standing Timber was recorded in Sino-Forest's WFOE Model, as opposed to its BVI Model. As noted in paragraph 48, the BVI Model employs the

Offsetting Arrangement where payables and receivables are made and collected "off-book". However, in the WFOE Model, Sino-Forest takes receipt of the sales proceeds directly or "on-book".

- 101. By July 2010, none of the sales proceeds had been collected and the receivable was long overdue. In order to evidence the "collection" of the RMB 233 million in sales proceeds, Sino-Forest devised two separate "on-book" payables/receivables offsetting arrangements, one in 2010 and one in 2011, whereby Sino-Forest made payments to various companies, including Yuangao and at least two other Sino-Forest nominee companies.<sup>8</sup>
- 102. To account for the purported profit of RMB 50 million, Sino-Forest had to "collect" more (RMB 233 million) than just the purchase price (RMB 183 million). Consequently, Sino-Forest created additional "payables" to complete the circular flow of funds needed to collect the sales proceeds of RMB 233 million. These "on-book" offsetting arrangements, therefore, included the purported settlement of various accounts payable, not just the Yuangao payable arising from the 450,000 Fraud.
- 103. The companies referred to paragraph 101 then funnelled the money to Xinqi, Meishan and Haosen who, in turn, repaid the money to the Sino-Panel Companies to achieve the purported collection of the RMB 233 million in revenue.
- 104. The "on-book" offsetting arrangements required that Suppliers and customers have bank accounts through which the funds could flow. In July and August 2010, Sino-Forest set up bank accounts for the suppliers and customers associated with the 450,000 Fraud to facilitate the circular cash flows. These bank accounts were overseen by Ip, Ho, Person #1 and/or Person #9 (a former Sino-Forest employee and associate of Person #1).
- 105. These circular cash-flows commenced in July 2010 and were finally concluded in February 2011.

<sup>&</sup>lt;sup>8</sup> Dao County Juncheng Forestry Development Co., Ltd. and Guangxi Rongshui Taiyuan Wood Co., Ltd.

106. The circular flow of funds underlying the 450,000 Fraud demonstrates that the sales contracts purportedly entered into between the Sino-Panel Companies and Xinqi, Meishan and Haosen are fraudulent and have no true economic substance. As a result of the 450,000 Fraud, Sino-Forest overstated the value of its revenue by approximately \$30 million for Q4 of 2009. The effect of this revenue overstatement on the public disclosure record of Sino-Forest is illustrated in paragraph 129 below.

#### 3) Gengma Fraud # 1

- 107. Sino-Forest and members of Overseas Management committed fraud ("Gengma Fraud #1") in 2007 related to Standing Timber assets purchased from Gengma Dai and Wa Tribe Autonomous Region Forestry Co., Ltd. ("Gengma Forestry") by Sino-Panel (Gengma) Co., Ltd. ("Sino-Panel Gengma"), a Sino-Forest subsidiary.
- 108. In 2007, Sino-Panel Gengma purchased certain land use rights and Standing Timber for RMB 102 million (approximately \$14 million) from Gengma Forestry. These contracts were signed by Chan. However, this transaction between Sino-Panel Gengma and Gengma Forestry was not recorded. Instead, Sino-Forest purported to purchase the same assets from Yuda Wood, allegedly paying RMB 509 million (approximately \$68 million) for the Standing Timber in 2007 and RMB 111 million (approximately \$15 million) for certain land use rights during the period from June 2007 to March 2009. This purchase was recorded and these Standing Timber assets remained on the books of Sino-Forest until 2010.
- 109. Gengma Fraud #1 resulted in an overstatement of Sino-Forest's timber holdings for 2007, 2008 and 2009.
- 110. In 2010, this Standing Timber was then purportedly sold for RMB 1,579 million (approximately \$231 million). However, these same Standing Timber assets were offered as collateral for a bank loan by Sino-Forest in 2011 so the sale of these assets in 2010 could not have taken place and been recorded as revenue in that year.

111. The effect of the revenue overstatement from Gengma Fraud #1 on the public disclosure record of Sino-Forest is illustrated in paragraph 131 below.

#### 4) Gengma Fraud # 2

- 112. In 2007, Sino-Forest and members of Overseas Management committed fraud ("Gengma Fraud #2") in another series of transactions to artificially inflate its assets and revenue from the purchase and sale of Standing Timber.
- 113. In September 2007, Sino-Forest recorded the acquisition of Standing Timber from Yuda Wood at a cost of RMB 161 million (approximately \$21.5 million) related to Standing Timber in Yunnan Province (the "Yunnan Plantation"). However, Yuda Wood did not actually acquire these assets in the Yunnan Plantation until September 2008.
- 114. In 2007, Sino-Forest had also purportedly purchased the land use rights to the Yunnan Plantation from Yuda Wood at a cost of RMB 53.4 million (approximately \$7 million), RMB 52.9 million of which was paid to Yuda Wood during the period from January 2009 to April 2009. Sino-Forest then fabricated the sale of the land use rights to Guangxi Hezhou City Kun'an Forestry Co., Ltd. ("Kun'an") pursuant to a contract dated November 23, 2009. Kun'an was controlled by Sino-Forest through Person #1 and is a company included in the Caretaker Company List referred to in paragraph 57 above.
- 115. Sino-Forest then purported to sell the Standing Timber in the Yunnan Plantation in a series of transactions between March 2008 and November 2009 for RMB 338 million (approximately \$49 million). As Yuda Wood did not own this Standing Timber asset until September 2008, Sino-Forest could not have recorded the sale of this Standing Timber prior to that time. The effect of this revenue overstatement on the public disclosure record of Sino-Forest is illustrated in paragraph 133 below.

#### D. Conclusion Regarding the Standing Timber Fraud

- 116. The effect of the above conduct is that Sino-Forest and Overseas Management engaged in deceitful or dishonest conduct related to Sino-Forest's Standing Timber assets and revenue that they knew or ought to have known constituted fraud, contrary to subsection 126.1(b) of the Act and the public interest.
- 117. Due to the chronic and pervasive nature of the systemic conduct set out above, neither the magnitude of the Standing Timber Fraud by Sino-Forest and Overseas Management nor the magnitude of the risk to the pecuniary interests of Investors can be quantified with certainty.
- 118. Given their positions as officers of Sino-Forest and/or Sino-Panel, Overseas Management authorized, permitted or acquiesced in the non-compliance with Ontario securities law by Sino-Forest and are deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act. This conduct was also contrary to the public interest.
- 119. As CFO of Sino-Forest, Horsley authorized, permitted or acquiesced in Sino-Forest's and Overseas Management's commission of the Standing Timber Fraud and therefore is deemed under section 129.2 of the Act to have not complied with Ontario securities law. This conduct was also contrary to the public interest.

## PART V. MATERIALLY MISLEADING STATEMENTS RELATED TO THE STANDING TIMBER FRAUD

- 120. On January 10, 2012, Sino-Forest issued a news release which cautioned that its historic financial statements and related audit reports should not be relied upon.
- 121. By failing to properly disclose the elements of the Standing Timber Fraud set out above, Sino-Forest made statements in its filings to the Commission during the Material Time which were, in a material respect and at the time and in the light of the circumstances under which they were made, misleading or untrue or did not state facts that were required to be stated or that were

necessary to make the statements not misleading. Overseas Management participated in the conduct that made these statements materially misleading.

- 122. The misleading, untrue or incomplete statements related to Sino-Forest's description of its primary business were contained in (or absent from) Sino-Forest's continuous disclosure, including its audited annual financial statements, AIFs and MD&A filed with the Commission during the Material Time as required by Ontario securities law. These misleading, untrue or incomplete statements related to Sino-Forest's description of its primary business were contained in (or absent from) Sino-Forest's short form prospectuses filed with the Commission during the Material Time, which incorporated by reference the relevant audited annual financial statements, AIFs and MD&A as required by Ontario securities law.
- 123. These misleading statements were related to Sino-Forest's primary business in the BVI Model and the WFOE Model, representing approximately 90% of Sino-Forest's stated timber assets as of December 31, 2010 and 75% of its stated revenue from 2007 to 2010.

## A. Materially Misleading Statements Regarding Ownership of Assets and Revenue Recognition

- 124. Members of Overseas Management created and executed the Purchase Contracts in the BVI Model in the quarters after the assets related to those transactions were recognized. This made Sino-Forest's audited annual financial statements, AIFs and MD&A for the years 2006, 2007, 2008, 2009 and 2010 materially misleading.
- Further, given that Sino-Forest did not have sufficient proof of ownership of the majority of its Standing Timber assets due to the courses of conduct set out above, the information regarding Sino-Forest's timber holdings in its audited annual financial statements, AIFs and MD&A for the years 2006, 2007, 2008, 2009 and 2010 was materially misleading. For the same reasons, the information regarding Sino-Forest's timber holdings in its short form prospectuses

<sup>&</sup>lt;sup>9</sup> By way of example, these misstatements include Sino-Forest's disclosure of "Plantation Rights Certificates for Our Purchased Plantations" on page 26 of its 2010 AIF and its disclosure of "Implementation and Issuance of new form Plantation Rights Certificate" on pages 46-47 of its 2010 AIF.

filed in 2007 and 2009 (which incorporated by reference the relevant audited annual financial statements, AIFs and MD&A as required by Ontario securities law) was materially misleading.

126. Sino-Forest and members of Overseas Management created and executed the Sales Contracts in the BVI Model in the quarter after the revenue related to those transactions was recognized. This was contrary to the revenue recognition process set out in Sino-Forest's continuous disclosure, including its MD&A and the notes to its audited annual financial statements.

## B: Effect of the Dacheng Fraud, the 450,000 Fraud, Gengma #1 and Gengma #2 on the Reported Revenue of Sino-Forest

#### 1) The Dacheng Fraud

127. The Dacheng Fraud resulted in Sino-Forest fraudulently overstating its revenue in Q3 of 2009 as set out in this table:

#### Approximate Effect of the Dacheng Fraud on Q3 of 2009 (\$ millions)

2670

| Quarterly Reported Revenue                                           | 367.0 |
|----------------------------------------------------------------------|-------|
| Fraudulently Overstated Revenue                                      | 47.7  |
| Fraudulently Overstated Revenue as a % of Quarterly Reported Revenue | 13.0% |

128. Sino-Forest reported its revenue for Q3 of 2009 at page 20 of its annual MD&A for 2009 (dated March 16, 2010) and page 87 of its 2009 Annual Report, summarizing the "2009 Quarterly Highlights".

#### 2) The 450,000 Fraud

129. The 450,000 Fraud resulted in Sino-Forest fraudulently overstating its revenue for Q4 of 2009 as set out in this table:

# Approximate Effect of the 450,000 Fraud on Q4 2009 (\$ millions) Quarterly Reported Revenue 469.6 Fraudulently Overstated Revenue 30.1

Fraudulently Overstated Revenue as a % of Quarterly Reported Revenue 6.4%

130. Sino-Forest reported its revenue for Q4 of 2009 at page 20 of its annual MD&A for 2009 (dated March 16, 2010) and page 87 of its 2009 Annual Report, summarizing the "2009 Quarterly Highlights".

#### 3) Gengma Fraud #1

131. Gengma Fraud #1 resulted in Sino-Forest fraudulently overstating its revenue for Q1 and Q2 of 2010 as set out in this table:

#### Approximate Effect of Gengma Fraud #1 on Q1 and Q2 2010 (\$ millions)

|                                                                      | Q1 2010 | Q2 2010 |
|----------------------------------------------------------------------|---------|---------|
| Quarterly Reported Revenue                                           | 251.0   | 305.8   |
| Fraudulently Overstated Revenue                                      | 73.5    | 157.8   |
| Fraudulently Overstated Revenue as a % of Quarterly Reported Revenue | 29.3%   | 51.6%   |

132. Sino-Forest reported its revenue for Q1 and Q2 of 2010 at page 20 of its annual MD&A for 2010 (dated March 15, 2011) and page 88 of its 2010 Annual Report, summarizing the "2010 Quarterly Highlights".

#### 4) Gengma Fraud #2

133. Gengma Fraud #2 resulted in Sino-Forest fraudulently overstating its revenue for Q1, Q2 and Q3 of 2008 and Q4 of 2009 as set out in this table:

Approximate Effect of Gengma Fraud #2 on Q1, Q2 and Q3 of 2008 and Q4 of 2009 (\$ millions)

|                                                                      | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2009 |
|----------------------------------------------------------------------|---------|---------|---------|---------|
| Quarterly Reported Revenue                                           | 136.1   | 187.1   | 295.5   | 469.6   |
| Fraudulently Overstated Revenue                                      | 5.7     | 4.9     | 5.9     | 32.6    |
| Fraudulently Overstated Revenue as a % of Quarterly Reported Revenue | 4.2%    | 2.6%    | 2.0%    | 6.9%    |

134. Sino-Forest reported its revenue for Q1, Q2 and Q3 of 2008 at page 19 of its annual MD&A for 2008 (dated March 16, 2009) and page 73 of its 2008 Annual Report summarizing the "2008 Quarterly Highlights". Revenue for Q4 of 2009 was reported as set out above in paragraph 130.

#### C. Materially Misleading Statements Regarding Internal Controls

- 135. Sino-Forest's disclosure in its AIFs and annual MD&A for 2006, 2007, 2008, 2009 and 2010 relating to the material weaknesses in its internal controls was misleading, untrue or incomplete. This disclosure was also contained in Sino-Forest's short form prospectuses filed in 2007 and 2009 (which incorporated by reference the relevant AIFs and MD&A as required by Ontario securities law).
- 136. Sino-Forest did disclose that the concentration of authority in Overseas Management and lack of segregation of duties created a risk in terms of measurement and completeness of transactions, as well as the possibility of non-compliance with existing controls.
- 137. However, as set out in paragraphs 84 to 86, this disclosure by Sino-Forest was wholly inadequate, failing to reveal the extent of the weaknesses in Sino-Forest's internal controls.

### D. Conclusion Regarding Materially Misleading Statements Related to the Standing Timber Fraud

- 138. During the Material Time, given the Standing Timber Fraud, Sino-Forest consistently misled the public in the disclosure required to be made under Ontario securities law. The conduct of Sino-Forest, Chan, Ip, Hung and Ho was contrary to subsection 122(1)(b) of the Act and contrary to the public interest.
- 139. Further, due to the above conduct, Sino-Forest's audited annual financial statements did not comply with Canadian Generally Accepted Accounting Principles.
- 140. Given their positions as officers of Sino-Forest, Chan, Ip, Ho and Hung authorized, permitted or acquiesced in Sino-Forest's making of materially misleading statements and thereby committed an offence under subsection 122(3) of the Act This conduct was also contrary to the public interest.
- 141. As CFO of Sino-Forest, Horsley authorized, permitted or acquiesced in Sino-Forest's and Overseas Management's making of materially misleading statements and therefore is deemed under section 129.2 of the Act to have not complied with Ontario securities law. This conduct was also contrary to the public interest.

## PART VI. THE GREENHEART TRANSACTION - FRAUD BY CHAN AND MATERIALLY MISLEADING STATEMENTS BY CHAN AND SINOFOREST

- 142. Chan committed fraud in relation to Chan's undisclosed interest and substantial financial benefit in the Greenheart Transaction described below.
- 143. Chan and Sino Forest made materially misleading statements in Sino-Forest's AIFs for 2008, 2009 and 2010 by not disclosing Chan's interest in the Greenheart Transaction. These misleading statements were also contained in Sino-Forest's short form prospectuses filed in 2009 (which incorporated by reference the relevant AIFs and MD&A as required by Ontario securities law).

- 144. In 2010, through a complex series of transactions, Sino-Forest completed the purchase of a controlling interest in Greenheart, a public company listed on the Hong Kong Stock Exchange. In 2005, the primary assets of Greenheart's key subsidiary at the time, GRHL, were previously acquired by the original owners of GRHL for approximately \$2 million. These assets consisted of natural forest concessions and operations located in Suriname. The total cost of the Greenheart Transaction to Sino-Forest was approximately \$120 million, composed of a combination of cash and securities of Sino-Forest.
- 145. Two of the companies holding shares of GRHL, thus benefitting from the Greenheart Transaction, were Fortune Universe Ltd. ("Fortune Universe") and Montsford Ltd. ("Montsford"). Both Fortune Universe and Montsford were BVI shelf companies incorporated in 2004 and subsequently acquired by, or for the benefit of, Chan in 2005.
- 146. Person #10 was the sole director and shareholder of Fortune Universe and Person #4 was the sole director and shareholder of Montsford. However, Chan arranged for Person #10 and Person #4 to act as Chan's nominees. Chan was the true beneficial owner of Fortune Universe and Montsford.
- 147. Person #10 was the legal representative and director of one of Sino-Forest's largest Suppliers during the Material Time. Person #4 was an acquaintance of Chan based in the PRC.
- 148. As a result of the Greenheart Transaction, Fortune Universe and Montsford received over \$22.1 million, comprised of approximately \$3.7 million in cash and approximately \$18.4 million in securities of Sino-Forest. The securities of Sino-Forest received by Fortune Universe and Montsford appreciated in value and were subsequently sold for a total of approximately \$35 million. With the help of Person #11 (Chan's assistant), these securities were sold through brokerage accounts of Fortune Universe and Montsford which were opened at her direction, on the instructions of Chan.

- 149. While Sino-Forest disclosed that another director of Sino-Forest had an interest in the Greenheart Transaction in its AIFs for 2008, 2009 and 2010, it did not disclose that Chan benefitted directly or indirectly from the Greenheart Transaction through Fortune Universe and Montsford. Chan certified the AIFs for 2008, 2009 and 2010.
- 150. Chan knew that he was engaging in deceitful or dishonest conduct in relation to the Greenheart Transaction and knew that he was making deceitful or dishonest statements to Investors in Sino-Forest's continuous disclosure.
- 151. Chan placed the pecuniary interests of Investors at risk and committed fraud, contrary to subsection 126.1(b) of the Act and made materially misleading statements contrary to subsection 122(1)(b) of the Act. This conduct was also contrary to the public interest.
- 152. Through Chan, Sino-Forest made materially misleading statements contrary to subsection 122(1)(b) of the Act. This conduct was also contrary to the public interest.
- 153. Given his position as Chairman of the Board and CEO of Sino-Forest, Chan, authorized, permitted or acquiesced in Sino-Forest's making of materially misleading statements and thereby committed an offence under subsection 122(3) of the Act. This conduct was also contrary to the public interest.
- 154. As Chairman of the Board and CEO of Sino-Forest, Chan authorized, permitted or acquiesced in Sino-Forest's commission of fraud and therefore is deemed under section 129.2 of the Act to have not complied with Ontario securities law. This conduct was also contrary to the public interest.

#### PART VII. CHAN, IP, HUNG, HO AND YEUNG MATERIALLY MISLED STAFF

#### A. Chan Materially Misled Staff

155. During his examination by Staff, Chan made statements that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or

untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to subsection 122(1)(a) of the Act and the public interest.

156. Chan was asked whether Sino-Forest had any control over certain Suppliers or whether these Suppliers were independent. Chan misled Staff, responding that they were independent companies. Chan repeatedly confirmed that Yuda Wood was an independent company and that it was not controlled by any employee of Sino-Forest. This information was false and misleading.

#### B. Ip Materially Misled Staff

- 157. During his examination by Staff, Ip made statements that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to subsection 122(1)(a) of the Act and the public interest.
- 158. Ip misled Staff regarding the creation of Confirmations by Sino-Forest. Ip falsely informed Staff as to nature of the interaction between the PRC forestry bureaus and Sino-Forest personnel surrounding the issuance of the Confirmations. Ip also misled Staff about the timing of purported payments made by Sino-Forest to Suppliers. Ip stated that payments were only made once the Purchase Contracts were signed. This information was false and misleading.

#### C. Hung Materially Misled Staff

- 159. During his examination by Staff, Hung made statements that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to subsection 122(1)(a) of the Act and the public interest.
- 160. Hung falsely described the creation of the Purchase Contracts, Sales Contracts and their attachments, including Confirmations, to Staff. Hung informed Staff that he confirmed the

accuracy of all the information in the Purchase Contracts. Hung also stated that he ensured that the attachments to the Purchase Contracts, including Confirmations and Survey Reports, would be "in place". This information was false and misleading.

161. Hung also misled Staff as to the timing of alleged payments made pursuant to the Purchase Contracts.

#### D. Ho Materially Misled Staff

- 162. During his examination by Staff, Ho made statements that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to subsection 122(1)(a) of the Act and the public interest.
- 163. Ho was specifically asked about what role he took "in the whole BVI process." Ho replied, "None whatsoever", further stating, "No, I'm not at all involved in the BVI whatsoever." This information was false and misleading.
- 164. Ho also denied that he was copied on any emails or communications involving the BVI Model. This information was false and misleading.
- 165. Ho also asserted that Yuda Wood was independent of Sino-Forest and that he had no control over any aspect of its business. This information was false and misleading.

#### E. Yeung Materially Misled Staff

166. During his examination by Staff, Yeung made statements that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to subsection 122(1)(a) of the Act and the public interest.

167. Yeung was specifically asked about his involvement in the creation of Yuda Wood. Yeung stated that he assisted with the application process as a favour to his friend, Person #1. He denied that Sino-Forest supplied the registration capital for Yuda Wood. Yeung also denied any knowledge of Sino-Forest creating fraudulent transactions involving the purchase and sale of Standing Timber. This information was false and misleading.

168. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto, Ontario, this 22nd day of May 2012.

#### **SCHEDULE "A"**

## GLOSSARY OF CERTAIN DEFINED TERMS AND LOCATION IN THE STATEMENT OF ALLEGATIONS

- "AIs" means the authorized intermediaries to whom Sino-Forest purported to sell assets in the PRC, including Standing Timber (paragraph 45).
- "BVI Model" means the business model employed by Sino-Forest to buy and sell assets through the BVI Subs in the PRC (paragraph 45).
- "BVI Network" means the entire network of BVI Subs, Suppliers, AIs and other companies who bought and sold assets in the BVI Model in the PRC (paragraph 56).
- "BVI Subs" means wholly owned subsidiaries of Sino-Forest incorporated in the British Virgin Islands (paragraph 45).
- "Caretaker Company List" means the document listing the "peripheral" or "nominee" companies controlled by "caretakers" on behalf of Sino-Forest (paragraph 57).
- "Certificates" means Plantation Rights Certificates issued by the PRC government (paragraph 72).
- "Company" means Sino-Forest Corporation including all of its subsidiaries and companies it controls as set out in its public disclosure record and as the context within this Statement of Allegations requires (paragraph 1).
- "Confirmations" means the confirmations purportedly executed by forestry bureaus that Sino-Forest relied upon to evidence ownership of Standing Timber assets in the BVI Model in the absence of Certificates (paragraph 74).
- "Dacheng" means Guangxi Dacheng Timber Co. Ltd. (paragraph 90).
- "Dacheng Plantations" means the timber plantations purchased from Dacheng commencing in 2008 (paragraph 90).
- "Dongkou" means Dongkou Shuanglian Wood Company Limited (paragraph 60).
- "Farmers' Authorizations" means farmers' authorization letters (paragraph 72).
- "Fortune Universe" means Fortune Universe Ltd. (paragraph 145).
- "Gengma Forestry" means Gengma Dai and Wa Tribe Autonomous Region Forestry Co., Ltd. (paragraph 107).
- "Greenheart" means the company now known as Greenheart Group Limited (paragraph 12).

- "Greenheart Transaction" means the series of transactions where Sino-Forest purchased a controlling interest in Greenheart (paragraph 27).
- "GRHL" means Greenheart Resources Holdings Limited (paragraph 57).
- "Haosen" means Guangxi Pingle Haosen Forestry Development Co., Ltd. (paragraph 97).
- "Investors" means the securityholders of Sino-Forest (paragraph 3).
- "Kun'an" means Guangxi Hezhou City Kun'an Forestry Co., Ltd. (paragraph 114).
- "Material Time" means the period from June 30, 2006 to January 11, 2012 (paragraph 15).
- "Meishan" means Guangxi Rongshui Meishan Wood Products Factory (paragraph 97).
- "Montsford" means Montsford Ltd. (paragraph 145).
- "Offsetting Arrangement" means the payables/receivables arrangement used in the BVI Model by Sino-Forest to buy and sell Standing Timber (paragraph 48).
- "Overseas Management" means Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung (paragraph 13).
- "Plantation Fibre" is one of the two subcomponents of Sino-Forest's core business segment called Wood Fibre Operation (paragraph 41).
- "PRC" means the People's Republic of China (paragraph 2).
- "Purchase Contracts" means the contracts used by Sino-Forest to purchase assets in the BVI Model (paragraph 45).
- "Sales Contracts" means the contracts used by Sino-Forest to sell assets in the BVI Model (paragraph 45).
- "Shaoyang Jiading" means Shaoyang Jiading Wood Products Co. Ltd. (paragraph 68).
- "Sino-Forest" means Sino-Forest Corporation including all of its subsidiaries and companies it controls as set out in its public disclosure record and as the context within this Statement of Allegations requires (paragraph 1).
- "Sino-Panel" means Sino-Panel (Asia) Inc., a subsidiary of Sino-Forest (paragraph 39).
- "Sino-Panel Companies" means the three subsidiaries of Sino-Panel which purported to purchase Standing Timber from Yuangao (paragraph 96).
- "Sino-Panel Gengma" means Sino-Panel (Gengma) Co., Ltd., a Sino-Forest subsidiary (paragraph 107).

- "Sonic Jita" means Hong Kong Sonic Jita Engineering Co., Ltd. (paragraph 64).
- "Standing Timber" means all of the Plantation Fibre subcomponent of Wood Fibre Operations and as the context within this Statement of Allegations requires (paragraph 42).
- "Suppliers" means the parties from whom Sino-Forest purported to buy assets in the PRC, including Standing Timber (paragraph 45).
- "Survey Reports" means timber survey reports (paragraph 72).
- "WFOE Model" means the business model employed by Sino-Forest to buy and sell assets through its WFOEs (paragraph 46).
- "WFOEs" means Wholly Foreign Owned Enterprises which were subsidiaries of Sino-Forest (paragraph 46).
- "Xinqi" means Gaoyao City Xinqi Forestry Development Co., Ltd. (paragraph 97).
- "Yuangao" means Guangxi Hexhou City Yuangao Forestry Development Co., Ltd. (paragraph 96).
- "Yuda Wood" means Huaihua City Yuda Wood Ltd. (paragraph 57).
- "Yunnan Plantation" means the Standing Timber plantations in Yunnan Province purportedly purchased in 2007 from Yuda Wood (paragraph 113).

#### **SCHEDULE "B"**

#### SELECTED INFORMATION FROM THE 2005-2010 AUDITED ANNUAL FINANCIAL STATEMENTS OF SINO-FOREST

#### Reported Revenue

| December 31, 2010                   | \$1,923,536,000 |
|-------------------------------------|-----------------|
| December 31, 2009                   | 1,238,185,000   |
| December 31, 2008 (restated amount) | 896,045,000     |
| December 31, 2007                   | 713,866,000     |
| December 31, 2006 (restated amount) | 555,480,000     |
| December 31, 2005                   | 493,301,000     |

#### **Reported Total Assets**

| December 31, 2010 | \$5,729,033,000 |
|-------------------|-----------------|
| December 31, 2009 | 3,963,899,000   |
| December 31, 2008 | 2,603,924,000   |
| December 31, 2007 | 1,837,497,000   |
| December 31, 2006 | 1,207,255,000   |
| December 31, 2005 | 895,271,000     |

#### Reported Timber Assets (with % of total assets)

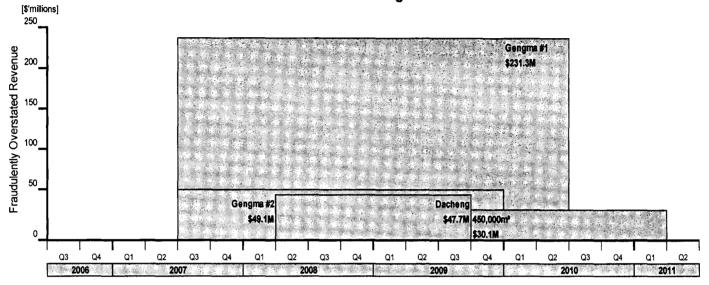
| December 31, 2010 | \$3,122,517,000 (55%) |
|-------------------|-----------------------|
| December 31, 2009 | 2,183,489,000 (55%)   |
| December 31, 2008 | 1,653,306,000 (63%)   |
| December 31, 2007 | 1,174,153,000 (64%)   |
| December 31, 2006 | 752,783,000 (62%)     |
| December 31, 2005 | 513,412,000 (57%)     |

#### **Number of Outstanding Common Shares**

| December 31, 2010 | 245,740,889 |
|-------------------|-------------|
| December 31, 2009 | 242,129,062 |
| December 31, 2008 | 183,119,072 |
| December 31, 2007 | 182,592,961 |
| December 31, 2006 | 137,999,548 |
| December 31, 2005 | 137,789,548 |

#### SCHEDULE "C"

## Sino-Forest Corporation Overview of the Standing Timber Fraud



#### **Resulting Misleading Public Disclosure**

Failure to provide full, true and plain disclosure of the Sino-Forest business and its associated risks

## Secret Control of the 'BVI Network' & 'Peripheral Companies' Concealment of Sino-Forest's control of Suppliers, Al's and other Nominee Companies in the 'BVI Network'

\_\_\_\_\_

#### **Deceitful and Back-Dated Transaction Documentation Process**

Creation of deceitful documentation to evidence the purported purchase/ownership and sale of Standing Timber

#### Significant Internal Control Weaknesses/Failures

Lack of Segregation of Duties, the "Off-book" Offsetting Arrangement

This is Exhibit "FF" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

#### IN THE MATTER OF THE SECURITIES ACT, R.S.O. 1990, c. S.5, AS AMENDED

- AND -

### IN THE MATTER OF ERNST & YOUNG LLP

#### STATEMENT OF ALLEGATIONS

Further to a Notice of Hearing dated December 3, 2012, Staff of the Ontario Securities Commission ("Staff") make the following allegations:

#### Overview

- 1. Ernst & Young LLP ("Ernst & Young") were the auditors of Sino-Forest Corporation ("Sino-Forest") between August 2007 and April 2012. During that time, they audited the annual consolidated financial statements of Sino-Forest and represented to its shareholders that they had performed their audits in accordance with relevant industry standards. Shareholders invested significant sums in Sino-Forest in reliance on these financial statements.
- 2. Ernst & Young, however, failed to conduct their audits in accordance with relevant industry standards. In particular, as outlined further below, Ernst & Young:
  - (a) failed to perform sufficient audit work to verify Sino-Forest's ownership of its most significant assets;
  - (b) failed to perform sufficient audit work to verify the existence of Sino-Forest's most significant assets; and
  - (c) failed to undertake their audit work on the Sino-Forest engagement with a sufficient level of professional skepticism.

- 3. As the auditors of a publicly traded company, Ernst & Young were required to conduct their audits of Sino-Forest's financial statements in accordance with Canadian generally accepted auditing standards ("GAAS"). Each of Ernst & Young's failures to comply with GAAS in the course of its audits of these financial statements constitutes a breach of section 78 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Securities Act").
- 4. In addition, Sino-Forest filed a number of documents with the Ontario Securities Commission (the "Commission") which contained Ernst & Young's representation that they had conducted their audits in accordance with GAAS. Each of these filings constitutes a breach of section 122 of the Securities Act by Ernst & Young.

#### **Background**

- 5. Sino-Forest is a reporting issuer in the province of Ontario as that term is defined in subsection 1(1) of the Securities Act. Sino-Forest represented that it engaged primarily in the purchase and sale of timber located in the People's Republic of China (the "PRC"). Until May 9, 2012, the common shares of Sino-Forest were listed and posted for trading on the Toronto Stock Exchange.
- 6. Ernst & Young is a firm of chartered accountants with a head office located in Toronto, Ontario. It has offices located across Canada, and it is a member firm of Ernst & Young Global Limited, a global accounting organization.
- 7. Ernst & Young was appointed as the auditor of Sino-Forest on August 16, 2007. Ernst & Young audited the consolidated financial statements of Sino-Forest as at and for its fiscal years ended December 31, 2007, December 31, 2008, December 31, 2009 and December 31, 2010 (respectively, the "2007 Financial Statements", the "2008 Financial Statements", the "2009 Financial Statements" and the "2010 Financial Statements" and collectively the "Material Financial Statements").

- 8. Between February 2003 and October 2010, Sino-Forest raised approximately US \$3.0 billion through the issuance of equity and debt securities to investors. From 2008 onwards, investors relied on the Material Financial Statements in making the decision to purchase Sino-Forest's shares and debt securities in both the primary and secondary markets.
- 9. Between June 30, 2006 and March 31, 2011, Sino-Forest's share price increased from CDN \$5.75 to CDN \$25.30, an increase of 340%. By March 31, 2011 Sino-Forest's market capitalization was well over CDN \$6.0 billion.
- 10. On June 2, 2011, the share price of Sino-Forest plummeted after a private analyst made public allegations of fraud against Sino-Forest. On the same day, the Board of Directors of Sino-Forest established an Independent Committee (the "IC") "to independently examine and review the serious and wide-ranging allegations" made in the analyst's report.
- 11. The IC identified a number of areas of Sino-Forest's business for investigation, including its ownership of trees and the existence of those trees. The IC prepared and released three reports concerning its findings, dated August 10, 2011, November 13, 2011 and January 31, 2012 (the "IC Reports").
- 12. In the IC Reports, the IC presented its findings regarding the issues of tree ownership and tree existence. The IC Reports concluded that there was uncertainty surrounding the legal certainty of Sino-Forest's claims to a significant proportion of its reported timber assets. In addition, the IC Reports noted significant obstacles to verifying the actual existence of the reported timber assets, including an inability to identify the precise location of the trees which had purportedly been purchased by Sino-Forest.

- 13. On November 15, 2011, Sino-Forest announced that it would defer the release of its interim filings for the third quarter of 2011. Sino-Forest has not filed these interim filings with the Commission.
- 14. On January 10, 2012, Sino-Forest took the unusual step of issuing a press release cautioning that its historic financial statements and related audit reports should not be relied upon.
- 15. Sino-Forest was required to file its consolidated financial statements for the year ended December 31, 2011 (the "2011 Financial Statements") with the Commission by March 30, 2012. On that day, Sino-Forest initiated proceedings in the Ontario Superior Court of Justice requesting protection from its creditors. Sino-Forest has not filed the 2011 Financial Statements with the Commission.
- 16. On April 4, 2012, Ernst & Young resigned as the auditor of Sino-Forest. In the Change of Auditor Notice dated April 13, 2012, Sino-Forest repeated the caution that its historic financial statements and related audit reports should not be relied upon. The Change of Auditor Notice did not name a successor auditor.
- 17. On May 22, 2012, Staff issued a Statement of Allegations naming Sino-Forest and six members of its executive management team (the "Sino-Forest SOA"). The Sino-Forest SOA alleged that five of the named members of Sino-Forest's executive management team, including the Chairman and Chief Executive Officer "engaged in a complex fraudulent scheme to inflate the assets and revenue of Sino-Forest and made materially misleading statements in Sino-Forest's public disclosure record related to its primary business".

# The Purported Business of Sino-Forest

18. The majority of Sino-Forest's reported business involved the purchase and sale of trees which were categorized on its balance sheet as "Timber Holdings" and commonly referred to as "Standing Timber".

- 19. Standing Timber was purportedly purchased, held and sold by Sino-Forest through two distinct legal structures or models: the British Virgin Islands Model (the "BVI Model") and the Wholly Foreign-Owned Enterprises Model (the "WFOE Model").
- 20. In the BVI Model, Sino-Forest's purported purchases and sales of Standing Timber were conducted using wholly owned subsidiaries of Sino-Forest incorporated in the British Virgin Islands (the "BVI Subsidiaries"). The BVI Subsidiaries purported to enter into written purchase contracts with suppliers located in the PRC (the "Purchase Contracts") and then purported to enter into written sales contracts with customers called "authorized intermediaries" also located in the PRC (the "Sales Contracts").
- 21. In the WFOE Model, Sino-Forest used subsidiaries incorporated in the PRC called Wholly Foreign-Owned Enterprises ("WFOEs") to acquire, cultivate and sell the Standing Timber. The Sino-Forest WFOEs also entered into purchase contracts and sales contracts with other parties in the PRC.
- 22. Sino-Forest purported to conduct the majority of its business through the BVI Model. At December 31, 2010, Sino-Forest reported total Timber Holdings of US \$3.1 billion comprising 799,700 hectares. Approximately US \$2.5 billion or approximately 80% of the total value of the Timber Holdings were purportedly held in the BVI Model, comprising approximately 467,000 hectares of Standing Timber.

23. Between 2007 and 2010, reported revenue from the BVI Model totalled US \$3.35 billion, representing 94% of Sino-Forest's reported Standing Timber revenue and 70% of Sino-Forest's total revenue. The significance of the revenue from the BVI Model is demonstrated in the following table:

|                                 | <u>US \$ (millions)</u> |             |             |             |              |
|---------------------------------|-------------------------|-------------|-------------|-------------|--------------|
|                                 | <u>2007</u>             | <u>2008</u> | <u>2009</u> | <u>2010</u> | <b>Total</b> |
| BVI Model Revenue               | 501.4                   | 644.9       | 882.1       | 1,326.0     | 3,354.4      |
| WFOE Model Revenue              | 20.1                    | 40.5        | 72.1        | 75.2        | 207.9        |
| Standing Timber Revenue         | 521.5                   | 685.4       | 954.2       | 1,401.2     | 3,562.3      |
| Total Revenue                   | 713.9                   | 896.0       | 1,238.2     | 1,923.5     | 4,771.6      |
| BVI Model as % of Total Revenue | 70%                     | 72%         | 71%         | 69%         | 70%          |

#### Ernst & Young's Obligations as Auditor

- As a reporting issuer, Sino-Forest was required by section 78(1) of the Securities Act to file its annual consolidated financial statements with the Commission. Sino-Forest filed its 2007 Financial Statements on March 18, 2008, its 2008 Financial Statements on March 16, 2009, its 2009 Financial Statements on March 16, 2010 and its 2010 Financial Statements on March 15, 2011.
- 25. As the auditor of a reporting issuer, Ernst & Young was required by section 3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, and by sections 78(2) and 78(3) of the Securities Act to audit the Material Financial Statements in accordance with GAAS and to prepare an auditors' report to accompany the financial statements.
- 26. Each of the Material Financial Statements was accompanied by an auditors' report, prepared by Ernst & Young, addressed to the shareholders of Sino-Forest (the "Auditors' Report"). In each Auditors' Report, Ernst & Young represented that it had conducted its audits in accordance with GAAS. The Auditors' Reports relating to the Material Financial Statements were dated March 12, 2008, March 13, 2009, March 15,

2010 and March 14, 2011 and were filed with the Commission along with the Material Financial Statements.

27. In addition, Sino-Forest filed two short form prospectuses with the Commission dated June 1, 2009 and December 10, 2009 (the "Short Form Prospectuses"). The Short Form Prospectuses incorporated by reference the 2008 Financial Statements accompanied by the relevant Auditors' Report. In addition, in letters addressed to and filed with the Commission along with the Short Form Prospectuses (the "Prospectus Consent Letters"), Ernst & Young consented to use of their Auditors' Report by Sino-Forest and further stated that they had "no reason to believe that there are any misrepresentations" contained in the relevant Auditors' Report.

# **Generally Accepted Auditing Standards**

28. As set out in GAAS, an auditor's objective is to identify and assess the risks of material misstatement, whether due to fraud or error, in an entity's financial statements. An auditor can achieve this objective by understanding the entity and its environment, including the entity's internal controls. This understanding provides the auditor with a basis for designing and implementing responses to the assessed risks.

#### (a) Sufficient Audit Evidence Required

- 29. GAAS requires auditors to obtain reasonable assurance that the entity's financial statements are free from material misstatements. Reasonable assurance is a high level of assurance. It is achieved when the auditor has obtained sufficient appropriate audit evidence to reduce audit risk to a low level and to provide a reasonable basis to support the content of the audit report. The sufficiency of the audit evidence gathered by the auditor is influenced by the level of materiality set for the audit and the level of risk associated with the audit.
- 30. The sufficiency and the appropriateness of the audit evidence gathered by the auditor are interrelated. Sufficiency is the measure of the quantity of the audit evidence.

The quantity of the audit evidence needed is affected by the auditor's assessment of the risks of misstatement. That is, the higher the assessed risks, the more audit evidence is likely to be required. The quantity of audit evidence needed is also affected by the quality of the audit evidence. That is, the higher the quality of the audit evidence, the less audit evidence may be required.

31. Obtaining more audit evidence, however, may not compensate for its poor quality. Appropriateness is the measure of the quality of the audit evidence; that is its relevance and its reliability in providing support for the conclusions on which the auditor's opinion is based. The reliability of the audit evidence is influenced by its source and by its nature, and is dependent on the circumstances in which it is obtained.

# (b) Professional Skepticism Required

- 32. GAAS requires auditors to plan and perform their audits using professional skepticism, recognizing that circumstances may exist that cause the financial statements to be materially misstated. Professional skepticism requires a questioning attitude which is alert to conditions which may indicate possible misstatement due to error or fraud. Professional skepticism requires an auditor to conduct a critical assessment of the audit evidence.
- 33. Professional skepticism requires the auditor to be alert to, amongst other things:
  - (a) audit evidence that contradicts other audit evidence obtained;
  - (b) information that brings into question the reliability of documents and responses to inquiries;
  - (c) conditions that may indicate possible fraud; and
  - (d) circumstances that suggest the need for additional audit procedures in addition to those required by minimum written professional standards.

# Ernst & Young's Failures to Meet Generally Accepted Auditing Standards

- 34. Ernst & Young failed to comply with GAAS by failing to obtain reasonable assurance that the Material Financial Statements were not materially misstated.
- 35. In particular, Ernst & Young failed to obtain sufficient appropriate audit evidence with respect to the ownership and existence of the Standing Timber that Sino-Forest purported to hold through the BVI Model (the "Purported Assets").
- 36. In addition, Ernst & Young failed to exercise sufficient professional skepticism when conducting the audits of the Material Financial Statements. This contributed to the failure to obtain sufficient appropriate audit evidence with respect to the ownership and existence of the Purported Assets.

## A. Failure to Adequately Address Ownership of Timber

37. The audit procedures performed by, and the audit evidence obtained by Ernst & Young with respect to Sino-Forest's ownership of the Purported Assets, were deficient in a number of respects.

## (i) Flawed Purchase Contracts

- 38. One of the audit procedures that Ernst & Young performed relating to the ownership of the Purported Assets was a review of all of the Purchase Contracts entered into by Sino-Forest for each fiscal year that it audited. Ernst & Young understood that all of Sino-Forest's Purchase Contracts had been prepared by Sino-Forest from a common template. The Purchase Contracts, however, had two significant deficiencies.
- 39. To begin, the Purchase Contracts referred to four appendices, titled Stock Volume Report, Resources-Quality Survey Report (the "Survey Report"), Villagers' Letter of Authorization and Decision (the "Villagers' Letters") and Certificate of Forest Proprietorship (the "Certificates").

- 40. The Villagers' Letters authorized the seller to sell the timber rights set out in the Purchase Contract. The Certificates reflected the contents of the official PRC government registers concerning ownership of the rights to the relevant timber. Ernst & Young never obtained either the Villagers' Letters or the Certificates.
- 41. The second deficiency was that the specific location of the Purported Assets was not clearly delineated in either the Purchase Contract or any of its available appendices.
- 42. Both of these deficiencies should have prompted Ernst & Young to make further inquiries of Sino-Forest management and to perform further audit procedures relating to Sino-Forest's ownership of the Purported Assets. In particular, Ernst & Young failed to make further inquiries concerning the two missing appendices, and failed to take steps to understand the process used by Sino-Forest management to precisely identify the location of the Purported Assets.
- 43. In addition, Ernst &Young failed to consider that all of the Survey Reports had been prepared by the same survey firm, even though the areas purportedly surveyed were widely scattered throughout the PRC. This unusual circumstance should have prompted Ernst & Young to perform further procedures regarding the source and reliability of the surveys.

#### (ii) Flawed Legal Opinion

44. Ernst & Young failed to obtain a sufficient understanding of the legal basis of Sino-Forest's claim to the Purported Assets. During the audit of the 2007 Financial Statements, Ernst & Young asked Sino-Forest to obtain a legal opinion prepared by Jingtian & Gongchen Attorneys at Law ("Jingtian"). Jingtian were Sino-Forest's corporate counsel located in the PRC. Jingtian prepared an opinion dated March 10, 2008 addressed to Sino-Forest (the "Jingtian Opinion") which was provided to Ernst & Young for its review.

- 45. The Jingtian Opinion discussed the legal regime relating to forestry assets located in the PRC and evaluated the nature and status of Sino-Forest's legal claim to ownership of the Purported Assets. Ernst & Young had selected the representative Purchase Contract that was sent to Jingtian for its review in preparing the Jingtian Opinion.
- 46. Ernst & Young failed to appreciate and respond to the limitations of the Jingtian Opinion. In particular:
  - (a) Ernst & Young failed to consider the fact that it had never obtained copies of the Villagers' Letters or the Certificates for any Purchase Contract; and
  - (b) Ernst & Young failed to consider the implications of, or make further inquiries concerning, the disclaimer contained in the Jingtian Opinion that the Villagers' Letters and the Certificates had not been reviewed by Jingtian.
- 47. The Jingtian Opinion did discuss the status of the Certificates in the PRC legal regime. It noted that the PRC forestry authorities were reporting significant delays and backlogs in the production of the new form of these Certificates. The Jingtian Opinion went on to report, however, that back in 2002 the PRC authorities had predicted that such Certificates would become available beginning in approximately 2004. Ernst & Young failed to follow up on this statement and failed to inquire why the new Certificates were not available by the time the Jingtian Opinion was produced in 2008.
- 48. Ernst & Young failed to make further inquiries of Sino-Forest management concerning the absence of both the Villagers' Letters and the Certificates from the Purchase Contracts and failed to perform appropriate additional audit procedures relating to Sino-Forest's ownership of the Purported Assets. In particular, and given that Ernst & Young had reviewed copies of Certificates that had been issued for timber acquisitions made through the WFOE Model, Ernst & Young failed to question the absence of

Certificates relating to the Purported Assets and failed to obtain independent audit evidence to support the absence of the Certificates.

49. Further, given that the Jingtian Opinion had described anticipated changes in the PRC's legal regime relating to timber assets, Ernst & Young failed to obtain an updated independent legal opinion for the audits of the 2008, 2009 and 2010 Financial Statements specifically addressing Sino-Forest's ownership of the Purported Assets and the current status of the Certificates in the PRC legal system.

# B. Failure to Adequately Address Existence of Timber

- 50. Ernst & Young failed to perform sufficient appropriate audit procedures to verify the existence of the Purported Assets. Ernst & Young recognized that several aspects of Sino-Forest's business resulted in higher inherent risks relating to the existence of the Purported Assets, but they failed to adequately respond to these risks.
- 51. In particular, Sino-Forest did not make direct cash payments for the acquisition of the Purported Assets. Rather, the payments that Sino-Forest should have received from its customers were immediately applied towards the purported purchase of further timber assets. This increased the risks surrounding the audit of the Purchase Contracts as there were no cash transfers that could be traced and verified.

#### (i) Limited Site Visits

52. Ernst & Young performed only very limited site visits to inspect the Purported Assets, which were represented to be widely scattered throughout the PRC. The audit procedures that Ernst & Young performed in connection with these site visits were both insufficient and inappropriate to respond to the identified risks relating to the existence of the Purported Assets.

# (ii) Inappropriate Reliance on Valuations

- 53. Sino-Forest engaged Pöyry Forest Industry Ltd. ("Poyry") to prepare periodic valuations of its Timber Holdings. Ernst & Young inappropriately relied on Poyry's valuation work in obtaining assurance of the existence of the Purported Assets.
- 54. GAAS sets out explicit requirements to be met when an auditor places reliance on work performed by another entity in the course of an audit. Ernst & Young failed to meet these requirements in placing reliance on Poyry's valuation work when assessing the existence of the Purported Assets, as set out below.
- 55. Ernst & Young was not involved in Poyry's process of selecting the plantations to sample, the determination of the location of the sampled plantations or in the counting or measuring of the trees. Ernst & Young did attend with Poyry staff during a small number of Poyry's plantation site visits. During these visits, Ernst & Young staff observed Poyry staff's activities.
- 56. Ernst & Young failed, however, to perform any independent audit procedures to ensure that the plantations visited by Poyry were owned by Sino-Forest or that the location and dimensions of the sites visited corresponded with the extent of the Purported Assets reported by Sino-Forest.
- 57. Further, the valuation reports produced by Poyry contained a clear disclaimer that they should only be relied on by Sino-Forest for its own valuation purposes. Ernst & Young, therefore, placed inappropriate reliance on Poyry's work in its attempt to verify the existence of the Purported Assets.
- 58. Some of these limitations were acknowledged by Ernst & Young staff in the course of performing their audits of the Material Financial Statements but were never adequately addressed. For example, in an e-mail exchange between the members of Ernst & Young's audit team, one auditor posed the question "[h]ow do we know that the

trees that Poyry is inspecting (where we attend) are actually trees owned by the company? E.g. could they show us trees anywhere and we would not know the difference?" Another auditor answered "I believe they could show us trees anywhere and we would not know the difference...".

# C. Insufficient Skepticism

- 59. Finally, Ernst & Young failed to conduct its audits of the Material Financial Statements with a sufficient level of professional skepticism.
- 60. As outlined above, Ernst & Young failed to adequately respond to a number of unusual facts and findings that came to its attention in the course of conducting the audits of the Material Financial Statements. These facts and findings should have caused Ernst & Young to treat the representations of Sino-Forest management with greater caution and to perform additional audit procedures and to obtain additional evidence from independent sources.

#### D. Failure to Properly Structure the Audit Team

- 61. The failures outlined above were facilitated by Ernst & Young's failure to properly structure its Sino-Forest engagement team. Many Sino-Forest source documents were produced only in Chinese, including the Purchase Contracts, the Sales Contracts and the Jingtian Opinion. Ernst & Young, however, failed to have these and other key documents translated into English.
- 62. Ernst & Young's audit team comprised both Chinese speaking and non-Chinese speaking staff. Several of the senior partners involved in the audits of the Material Financial Statements, however, were unable to read or speak Chinese.
- 63. Ernst & Young's non-Chinese speaking staff relied on its Chinese speaking staff to provide informal translations of important source documents. As a result, the non-Chinese speaking staff were often not aware that important information was missing from some of Sino-Forest's key documents.

# Consequences of Ernst & Young's Failures

64. Ernst & Young's failures to comply with GAAS, as outlined above, led them to overlook or discount significant flaws in Sino-Forest's assertions relating to the ownership and existence of the Purported Assets. The Purported Assets constituted the vast majority of Sino-Forest's assets and produced nearly all of its reported revenue. Ernst & Young's lack of diligence in these areas therefore resulted in significant negative consequences for Sino-Forest's shareholders.

#### **Breaches of Ontario Securities Law**

- 65. Each of Ernst & Young's failures to meet GAAS in the course of its audits of each of the Material Financial Statements constitutes a breach of sections 78(2) and 78(3) of the Securities Act.
- 66. Each of Ernst & Young's representations contained in each of the Auditors' Reports, which were repeated in each of the Prospectus Consent Letters, that the audits of the Material Financial Statements had been conducted in accordance with GAAS, constitutes a materially misleading a statement contrary to section 122(1)(b) of the Securities Act.
- 67. In addition, the audit failures of Ernst & Young outlined above were contrary to the public interest.
- 68. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto, Ontario, this 3rd day of December, 2012.

This is Exhibit "GG" mentioned and referred to in the affidavit of Charles Wright, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013

A Commissioner, etc.

# AUDIT ANALYTICS®

# Top 50 Accounting Malpractice Settlements (as of May 2012)

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| Audit Firm                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Auditor<br>Amount<br>(millions in<br>US dollars) | Plaintiff / Harmed Entity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Settlement<br>Date        |
| KPMG ***                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 456                                              | U.S. Dept. of Justice (tax shelters)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | August-05                 |
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| PwC + Salar + Salar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 225                                              | Tyco Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | November-07               |
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| PwC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 205                                              | Ambassador Insurance (State of Vermont obtained \$183 M plus interest)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Decemeber-08              |
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| KPMG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 180                                              | Multiple tax shelter clients                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | October-05                |
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| Ernst & Young                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | * 120                                            | Banque Cantonal de Geneve (BCGE)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March-12                  |
| E&Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 118                                              | AIB (Allied Irish Banks)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | June-95                   |
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| Arthur Andersen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 110                                              | Sunbeam Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | May-01                    |
| E&Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 109                                              | HealthSouth Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | March-09                  |
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| KPMG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 106                                              | Tricontinental                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | January-94                |
| E&Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 103                                              | Rhode Island Share and Deposit Indemnity Corp. (RISDIC) (for collapse of credit unions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | September-97              |
| E&Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 100                                              | AOL Time Warner Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | August-05                 |
| PWC F-F-F-F-F-F-F-F-F-F-F-F-F-F-F-F-F-F-F-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 97.5                                             | American International Group Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | October-08                |
| PwC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 95                                               | MiniScribe                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | October-92                |
| PwC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 95                                               | BCCI entropy to the second sec | September-98              |
| PwC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 93.7                                             | Barings Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | November-01               |
| Arthur Andersen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 90                                               | Colonial Realty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | July-97                   |
| PwC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 87.5                                             | Toronto Dominion Bank (Safety-Kleen Loans)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | October-04                |
| E&Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 84                                               | Bank of New England                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | January-05                |
| Arthur Andersen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 82                                               | Ben Franklin Savings et al.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | August-93                 |
| KPMG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ## 80 F                                          | Carlson v. Xerox                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March-08                  |
| Arthur Andersen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 75                                               | Waste Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | December-98               |
| KPMG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 75                                               | Orange County                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | May-98                    |
| KPMG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 75                                               | Oxford Health Plans Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March-03                  |
| Arthur Andersen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 72.5                                             | McKesson HBOC, inc. Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | April-07                  |
| Arthur Andersen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 72                                               | Enron Shareholders (see Andersen Worldwide: \$40 in 2003)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | December-06               |
| KPMG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 67.5                                             | Westpoint Group                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | February-11               |
| PwC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 66                                               | Centro                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | May-12                    |
| Arthur Andersen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1          | WorldCom Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | April-05                  |
| Deloitte                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 65                                               | Bonneville Pacific Corp                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | April-96                  |
| KPMG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 65                                               | Tenet Healthcare                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | July-08                   |
| E&Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 63                                               | Lincoln S&L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | March-92                  |
| PwC at the same of | 55                                               | MicroStrategy Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | May-01                    |
| PwC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 54.5                                             | Warmack-Muscogee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | December-03               |
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Court File No.: CV-12-9667-00CL

# ONTARIO SUPERIOR COURT OF JUSTICE

#### COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

# ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

Defendants

Proceeding under the Class Proceedings Act, 1992

## AFFIDAVIT OF JOSEPH REDSHAW

I, JOSEPH REDSHAW, of the Town of Waterdown, in the Province of Ontario, SWEAR:

1. I am President of the IUOE Local 793 and a trustee of the Board of Trustees of the International Union of Operating Engineers Local 793 Pension Plan (the "OE Fund"), one of the plaintiffs in this action, and I have knowledge of the matters herein deposed. Where I make statements in this affidavit that are not within my personal knowledge, I have been informed by Mark Zigler and Kirk Baert of Koskie Minsky LLP, counsel to the OE Fund and to the plaintiffs in this action, and I believe that such information is true.

#### The OE Fund

- 2. The OE Fund was established November 1, 1973. It is a specified multi-employer pension plan registered with the Financial Services Commission on Ontario, No. 3890890 and is regulated by the *Pension Benefits Act* (Ontario) and *the Income Tax Act* (Canada). The OE Fund was established pursuant to collective agreements between Local 793 and employer associations and individual employers. The OE Fund is administered by a Board of Trustees, one half of whom are appointed by the union and one half by the participating employers.
- 3. As of the commencement of these proceedings, the OE Fund has approximately 8,487 members in active employment and 12,380 retired, inactive and deferred vested members. The OE Fund has approximately 1,001 participating employers. The OE Fund has approximately \$1.5 billion in assets.
- 4. The trustees are all either union representatives or negotiators or representatives of management with extensive experience in commercial and labour matters, and with the assistance of legal and financial advisors, regularly deal with contentious matters and litigation. We are also familiar with working in a regulatory environment, given the extensive regulation of pension plans under the *Pension Benefits Act* (Ontario) and *Income Tax Act* (Canada).

# **Background**

- 5. The OE Fund retained Koskie Minsky LLP and Siskinds LLP ("Class Counsel") to advance the class action on behalf of the OE Fund and on behalf of other class members.
- 6. Class Counsel retained Paliare Roland Rosenberg Rothstein LLP for purposes of the above-captioned proceeding (the "Insolvency Proceeding") under the *Companies' Creditors Arrangement Act*, who act for the Ad Hoc Committee of Purchasers of Applicant's Securities, of which the Engineers are an active member.
- 7. The class action was commenced on July 20, 2011 against Sino-Forest Corporation ("Sino") and other defendants.
- 8. On March 19, 2012, my fellow trustee, Michael Gallagher, swore an affidavit in support of the plaintiffs' motion for leave to amend the statement of claim in this action to advance the causes of action under Part XXIII.1 of the Ontario Securities Act. That affidavit sets out a description of the OE Fund's investments in Sino, the nature of the claim asserted against the defendants to this action, his understanding of the litigation process and the trustees' agreement to be put forward as representative plaintiffs. Attached hereto and marked as Exhibit "A" is a copy of such affidavit, without exhibits. I rely on and adopt the statements made in Mr. Gallagher's affidavit regarding the trustees' role and responsibilities as representative plaintiffs. We still do not have, on any of the proposed common issues in the class action, any conflict with the interests of any other class members, as proposed in the Statement of Claim in this action, and I believe that we fairly and adequately represent the interests of the class.

9. I now swear this affidavit in support of an order approving the settlement entered into with Ernst & Young LLP (and other Ernst & Young entities) in accordance with the Minutes of Settlement dated November 29, 2012, which is attached hereto as **Exhibit "B"**.

# My Involvement in the Action

10. Throughout this litigation, Class Counsel has consulted with me and our Board of Trustees and has provided me with regular updates on the status of the litigation, being both the class proceeding and the Insolvency Proceeding. Class Counsel has provided updates to the trustees of the OE Fund by way of periodic conference call and through reports presented at the OE Fund quarterly Board meetings, and I and members of our Board have provided Class Counsel with instructions with respect to the conduct of this litigation.

#### **Settlement Discussions**

- 11. I have been consulted by, and provided instructions to, Class Counsel with respect to settlement discussions with the defendants. An all-parties mediation occurred on September 4 and 5, 2012. The mediation was conducted with the assistance of the Honourable Justice Newbould, acting as mediator. I attended the mediation and participated in full and frank discussions about the case with counsel and others. That mediation did not result in a settlement with any of the parties, including Ernst & Young, at that time. Given the defendants' negotiating stance at the mediation, it is my belief that Class Counsel could not have negotiated a significant all-party settlement at that mediation.
- 12. Following the global mediation, I was informed by Mark Zigler that settlement discussions continued with all defendants and in particular with Ernst & Young.

13. While I did not attend the subsequent bilateral mediation with Ernst & Young on November 27, 28 and 29, 2012, Class Counsel kept me apprised of the events and I provided instructions to Class Counsel to settle with Ernst & Young within a particular monetary range. Before the final settlement was concluded, I spoke with Class Counsel and provided my instructions to settle with Ernst & Young.

## The Settlement is Fair and Reasonable

- 14. Mr. Zigler and Kirk Baert of Koskie Minsky LLP discussed the settlement with me and members of our pension fund investment committee and we are satisfied that it is fair and reasonable. I understand that there are many defences to our claims and damages calculations available to Ernst & Young, although I do not understand all the details of the legal argument. I also understand that a significant part of why Ernst & Young was willing to offer to pay the amount of CAD \$117,000,000 was because of the Insolvency Proceeding of Sino. I understand that as part of this motion, a full release of all claims against Ernst & Young, in respect of its involvement with Sino is sought. I understand that the settlement and the release must be approved by the courts before Ernst & Young will pay the settlement funds.
- 15. I support the proposed settlement, and have instructed Class Counsel to seek approval of the Settlement Agreement.
- 16. In all the circumstances, I believe that an excellent settlement was reached. This settlement provides compensation for persons who purchased Sino securities, now, at an early stage of the litigation, rather than following what Mr. Zigler has informed me and I believe would be a long litigation process, even before a trial of the proposed common issues and any award of damages. Further, I have been informed by Messrs. Zigler and Baert and believe that it

is possible that many of those securities purchasers would not have recovered anything from Ernst & Young or Sino's insolvency.

17. I swear this affidavit in support of the plaintiffs' motion for approval of the proposed settlement with Ernst & Young and for no improper purpose.

| SWORN before me at the Town of Oakville, in the Province of Ontario, this day of January, 2013. |             |                |
|-------------------------------------------------------------------------------------------------|-------------|----------------|
| nan                                                                                             | )<br>)<br>) | M              |
| A Commissioner, etc.                                                                            | )           | Joseph Redshaw |

# EXHIBIT "A" TO THE AFFIDAVIT OF JOSEPH REDSHAW SWORN BEFORE ME, THIS / DAY OF JANUARY, 2013

Commissioner for Taking Affidavits

Court File No. CV-11-431153-00CP

# ONTARIO SUPERIOR COURT OF JUSTICE

# BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC, and BANC OF AMERICA SECURITIES LLC

Defendants

Proceeding under the Class Proceedings Act, 1992

#### AFFIDAVIT OF MICHAEL GALLAGHER

I, MICHAEL GALLAGHER, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am the chair of the Board of Trustees of the International Union of Operating Engineers Local 793 Pension Plan (the "OE Fund"), one of the plaintiffs in this action, and I have knowledge of the matters herein deposed. Where I make statements in this affidavit that are not within my personal knowledge, I have been informed by Mark Zigler of Koskie

Minsky LLP, counsel to the OE Fund, and Chris Brisebois of Eckler Ltd., actuaries and investment counsel to the OE Fund, and I believe that such information is true.

- 2. I swear this affidavit in support of the plaintiffs' motion for leave to amend the statement of claim in this action to advance the causes of action under Part XXIII.1 of the Ontario Securities Act and for no other or improper purpose.
- 3. No portion of this affidavit is meant to waive, nor should it be construed as a waiver of, solicitor-client, litigation, or any other privilege.

#### THE OF FUND

- 4. I have been a member of the OE Fund since May 31, 1985 and a Trustee since April 8, 1997. The OE Fund was established November 1, 1973. It is a specified multi-employer pension plan registered with the Financial Services Commission on Ontario, No. 3890890 and is regulated by the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada). The OE Fund was established pursuant to collective agreements between Local 793 and employer associations and individual employers. The OE Fund is administered by a board of trustees.
- 5. The OE Fund has approximately 8,487 members in active employment and 12,380 retired, inactive and deferred vested members. The OE Fund has approximately 1,001 participating employers. The OE Fund has approximately \$1.5 billion in assets.
- 6. The trustees are all either union representatives or negotiators or representatives of management with extensive experience in commercial and labour matters, and with the assistance of legal and financial advisors, regularly deal with contentious matters and litigation. We are also familiar with working in a regulatory environment, given the extensive

regulation of pension plans under the Pension Benefits Act (Ontario) and Income Tax Act (Canada).

#### NATURE OF THE ACTION

- 7. This action was commenced on July 20, 2011 against Sino-Forest Corporation ("Sino") and other defendants. Sino is a publicly traded company, and its shares were traded at all material times on the Toronto Stock Exchange under the ticker symbol "TRE".
- 8. In this action, the plaintiffs allege, on their own behalf and on behalf of the class of investors that acquired Sino's securities, that Sino misstated its financials, substantially overstated the value of its assets, and concealed material information about its business and operations from the investors in its public filings. As a result of these alleged misrepresentations, Sino's securities traded at artificially inflated prices.
- 9. On June 2, 2011, Muddy Waters Research released a research report alleging fraud against Sino-Forest and alleging that it "massively exaggerates its assets". This was followed by a significant decline Sino-Forest's share price. As set out below, the trustees of the OE Fund held 324,100 shares at the time of this report.
- 10. The trustees brought this claim to recover investor losses, including those of the OE Fund, and in the interests of proper disclosure from issuers. The trustees have a strong interest in the health and proper function of the Canadian capital markets.
- 11. The alleged conduct in this action undermines the confidence in and proper functioning of capital markets in Canada.

- 12. The trustees chose to advance this action as a class proceeding in light of the significant cost of prosecuting a securities action on this scale. The losses of the OE Fund, while significant, do not justify the legal and expert costs of advancing these claims as an individual action. Furthermore, the potential adverse cost awards do not justify pursuing this action individually. I am advised by Mark Zigler of Koskie Minsky LLP and I believe that adverse cost awards after a trial could be in the millions of dollars.
- 13. Finally, I appreciate that Sino securities were held by a wide range of investors in different financial positions. Some investors, such as my co-plaintiff Mr. Grant, had very small investments, and undoubtedly do not have the ability to advance expensive complex commercial litigation of this nature. They could not afford it, and for those that can, such as the OE Fund, it would not make financial sense to do so.

#### OE FUND'S INVESTMENT IN SINO-FOREST CORPORATION

- 14. The trustees invested in Sino shares through four asset managers: McLean Budden Ltd., Morrison Williams Investment Management Ltd., Greystone Managed Investment Inc., and TD Asset Management Inc. ("TDAM"). I am advised by Chris Brisebois of Eckler Ltd. and I believe that the following reflects the trustees' transactions in Sino shares. Attached and marked as Exhibit "A" is a summary of these transactions in Sino's shares.
- 15. The fund's assets were invested on a segregated fund basis by Morrison Williams, Greystone and McLean Budden, and on a pooled fund basis by TDAM.
- 16. On the trustees' behalf, McLean Budden purchased 42,000 Sino shares between February 1, 2011 and May 24, 2011, which had a market value of \$18.21 per share or

\$764,820 at the close of trading on June 1, 2011. The trustees sold their holdings on June 21, 2011 at a share price of \$1.84 for net proceeds \$77,170.80.

- 17. On the trustees' behalf, Morrison Williams purchased 181,700 Sino shares between January 20, 2011 and June 1, 2011, which had a market value of \$18.21 per share or \$3,308,757 at the close of trading on June 1, 2011. The trustees sold their holdings on June 3, 2011 at an average share price of \$5.147 for net proceeds of \$1,524,026.70.
- 18. On the trustees' behalf, Greystone purchased 100,400 Sino shares between July 5, 2007 and May 26, 2011, which had a market value of \$18.21 per share or \$1,828,384 at the close of trading on June 1, 2011. The trustees sold many of these shares in July and August and continue to hold approximately 37,350 Sino shares. The market price for these shares at the imposition of the cease-trade order by the Ontario Securities Commission on August was \$4.91.
- 19. The trustees also purchased units of a pooled fund managed by TDAM that held Sino shares between June 15, 2007 and June 9, 2011.

# ACTING AS REPRESENTATIVE PLAINTIFF

20. I and the other trustees of the OE Fund are prepared to act as representative plaintiffs in this class action. I understand that as representative plaintiffs we would be obligated to direct this litigation and to act in the best interests of class members. For example, I understand that any settlement discussions with the defendants cannot relate only to the losses of the OE Fund, but must relate to the claims of the class members as a whole.

21. The trustees seek to represent the following persons as class members in this action:

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,

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

- 22. Counsel for the trustees and the other plaintiffs in this litigation are Koskie Minsky LLP and Siskinds LLP. Mark Zigler of Koskie Minsky LLP has provided the trustees with frequent updates regarding this class action.
- 23. Mark Zigler of Koskie Minsky LLP has explained the major steps in a class action. I understand these major steps include:
  - (a) preparing and serving a statement of claim;
  - (b) a motion for leave to proceed with the statutory claims under Part XXIII.1 of the Securities Act, which will likely include extensive cross-examinations;
  - (c) a motion for certification, which I understand involves the court's consideration of whether this action is appropriate to proceed as a class action. I also understand there will be cross-examinations for this motion and that my and the other trustees' ability to fairly and adequately represent the class will be in issue;

- (d) if the action is certified, there would be notice to the class of the certification and the right to opt-out (i.e. a chance for class members not to participate in the class action);
- (e) the disclosure and exchange of relevant documents;
- (f) examinations for discovery, where the defendants can examine the plaintiffs about their claims and those of the class and our counsel can examine the defendants' representatives;
- (g) a pre-trial conference where a judge can help the parties towards a settlement of the case;
- (h) a trial of the common issues (i.e. a trial that only deals with the certified common issues as opposed to the issues individual to the trustees and other class members);
- (i) notice to the class if individual hearings or participation is required;
- (j) the determination of individual issues, if required;
- (k) the distribution of proceeds (if any) of a money award by judgment or settlement;
- (l) appeals, which might include appeals from the certification motion, leave motion, other motions or the trial of the common issues; and
- (m) settlement discussions, which could happen at any time.
- 24. I understand that as representative plaintiffs the trustees would have, among others, the following responsibilities:
  - (a) review and keep ourselves informed of the steps in this litigation;
  - (b) familiarize ourselves with the issues to be decided at the common issues stage and other issues in the action;
  - (c) help prepare the affidavits and other materials in support of certification, other motions and the materials that would be used at a common issues trial;
  - (d) attend any cross-examination on my affidavits or otherwise;
  - (e) attend the examinations for discovery;

- (f) assist in preparing and executing an affidavit of documents, which will list the relevant documents that the OE Fund has in its possession, power or control;
- (g) attend at the common issues trial, providing any direction or assistance to class counsel and give evidence regarding the case;
- (h) express the trustees' views on any settlement offers that we receive or that we make on behalf of class members; and
- (i) assist in preparing materials in support of a court approving any settlement.
- 25. The trustees of the OE Fund are committed to actively directing this litigation and maximizing the recovery for the class. The trustees have been advised by Mark Zigler and accept that we owe a duty to all members of the proposed class to provide fair and adequate representation. The trustees intend to work with their co-plaintiffs and counsel to obtain the best recovery for the whole class, consistent with good faith and meritorious advocacy.
- 26. I believe that I and the other trustees can fairly and adequately represent the interests of class members and we are committed to fulfilling our obligations as their representatives.

#### LITIGATION PLAN

27. I have reviewed the draft litigation plan, which I understand will be attached to a separate affidavit of one of our lawyers. I understand that the litigation plan provides for notice to the class members if the action is certified. I and the other trustees do not have the expertise to evaluate the legal aspects of the plan, but our lawyers have formulated this plan and I understand from them that it is designed to provide a workable method of determining the issues in this action. I understand from our lawyers and believe that the court has approved similar litigation plans in Canadian securities class actions.

28. I am not aware of a conflict of interest between the trustees and the proposed class members with respect to any issues in this case.

SWORN before me at the City of )

(Krille, on March 1, 2012. )

(Can 2 Commissioner for Taking Affidavits )

MICHAEL GALLAGHER

EXHIBIT "B" TO THE AFFIDAVIT OF JOSEPH REDSHAW SWORN BEFORE ME, THIS ME DAY OF JANUARY, 2013

Commissioner for Taking Affidavits

# IN THE MATTER OF SINO-FOREST CORPORATION

#### BETWEEN:

The Trustees of the Labourers' Pension Fund of Central and Eastern Canada,
The Trustees of the International Union of Operating Engineers Local 793 Pension Plan for
Operating Engineers in Ontario, Sjunde AP-Fonden, David Grant, Robert Wong, Guining Liu,
and any other proposed representative plaintiffs in Ontario Superior Court Action No. CV-11431153-00CP and in Ouebec Superior Court No. 200-06-000132-111,

in their personal and proposed representative capacities (the "Plaintiffs")

-and-

Ernst & Young LLP, on behalf of itself and Ernst & Young Global Limited and all member firms thereof ("EY", together with the Plaintiffs the "Parties")

#### MINUTES OF SETTLEMENT

- 1. These Minutes of Settlement represent the agreement between the Plaintiffs and EY reached on November 28, 2012 to resolve in accordance with the terms more particularly set out herein the actions, causes of action, claims and/or demands, on all counts howsoever arising and in all jurisdictions, made against EY or which could have been made concerning any claims related to Sino-Forest Corporation and its affiliates and subsidiaries, whether or not captured by the "Class" or the "Class Period", as variously defined, including the actions (the "Actions") listed on Schedule "A" hereto (the "Claims");
- The terms of these Minutes of Settlement are binding on the Parties;
- 3. These Minutes of Settlement are and shall remain confidential, and neither party shall publicly disclose or include in a court filing the terms hereof without the prior written consent of the other;
- 4. EY makes no admissions of liability and waives no defences available to it with respect to the Claims or otherwise;
- 5. A settlement amount of CDN \$117,000,000 (the "Settlement Fund") shall be paid by EY in accordance with the applicable orders of the courts (Ontario Superior Court of Justice, Ontario Superior Court of Justice Commercial List (supervising CCAA judge), Province of Quebec Superior Court, United States District Court and the United States Bankruptcy Court) ("Courts") on the Effective Date (save for any amounts payable in advance of the Effective Date as set out in paragraph 7), being the date that all requisite approvals and orders are obtained from the Courts and are final and non-appealable;

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- 6. The Settlement Fund represents the full monetary contribution or payment of any kind to be made by EY in settlement of the Claims, inclusive of claims, costs, interest, legal fees, taxes (inclusive of any GST, HST, or any other taxes which may be payable in respect of this settlement), any payments to Claims Funding International, all costs associated with the distribution of benefits, all costs of any necessary notice, all costs associated with the administration of the settlement and any other monetary costs or amounts associated with the settlement or otherwise;
- 7. No payment of the Settlement Fund shall be made by EY until all conditions herein and set out in Schedule B hereto have been met. However, with respect to notice and administration costs which are incurred in advance of the Effective Date, as a result of an Order of the Court, the Plaintiffs will incur and pay such costs up to \$200,000 (the "Initial Plaintiffs Costs"), which costs are to be immediately reimbursed from the Settlement Fund after the Effective Date. EY will incur and pay such notice and administration costs which are incurred in advance of the Effective Date, as a result of an Order of the Court, over and above the Initial Plaintiffs Costs up to a further \$200,000 (the "Initial EY Costs"). The Initial EY Costs shall be deducted from the amount of the Settlement Fund payable to the Plaintiffs. Should any costs in excess of the cumulative amount of the Initial Plaintiffs Costs and the Initial EY Costs, being a total of \$400,000, in respect of notice and administration be incurred prior to the Effective Date, as a result of an Order of the Court, such amounts are to be borne equally between the Plaintiffs and EY, which amounts are to be reimbursed or deducted as the case may be from the Settlement Fund, on the terms set out above in this section. Should the settlement not proceed, the Parties shall bear their respective costs paid to that time;
- 8. No further proceedings shall be commenced or continued by the Plaintiffs or their counsel against EY in respect of any Claims, other than as necessary to complete the settlement herein;
- 9. The Plaintiffs agree not to claim from the non-settling defendants in the Actions, that portion of any damages that corresponds to the proportionate share of liability of EY, proven at trial or otherwise, such that EY is not further exposed to the Claims;
- 10. It is the intention of the Parties that this settlement shall be approved and implemented in the Sino-Forest Corporation CCAA proceedings. The settlement shall be conditional upon full and final releases and claims bar orders in favour of EY and which satisfy and extinguish all Claims against EY, and without opt-outs, and as contemplated by the additional terms attached hereto as Schedule B hereto and incorporated as part of these Minutes of Settlement;
- 11. This settlement is conditional upon obtaining appropriate orders from the Ontario Superior Court of Justice Commercial List (supervising CCAA judge) and the United States Bankruptcy Court that provide that the payment of the Settlement Fund is in full satisfaction of any and all claims that could be brought in connection with the claims of any security holder or creditor of Sino-Forest Corporation, including claims over for contribution and indemnity or otherwise, howsoever arising in Canada and the United States;



- 12. The releases in the Sino-Forest Corporation CCAA proceedings shall include Ernst & Young LLP (Canada) and Ernst & Young Global Limited and all member firms thereof, and all present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns of each, but does not include any non-settling defendants in the Actions or their respective present or former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers or successors, administrators, heirs and assigns of each in their capacity as officers or directors of Sino-Forest Corporation ("EY Global"). The releases to be provided to EY by the Plaintiffs shall include EY Global and will release all Claims of the Plaintiffs' counsels' clients in all jurisdictions;
- 13. It is the intention of the Parties that the Settlement Fund shall be distributed in a claims process satisfactory to the CCAA Court, with a prior claims bar order;
- 14. The Parties shall use all reasonable efforts to obtain all Court approvals and/or orders necessary for the implementation of these Minutes of Settlement, including an order in the CCAA proceedings granting the plaintiffs appropriate representative status to effect the terms herein;
- 15. If the settlement between the Parties or any terms hereof are not approved by order(s) of the applicable Courts fulfilling all conditions precedent in paragraph 10 hereto the settlement between the Parties and these Minutes of Settlement are null and void;
- 16. These terms shall be further reduced to a written agreement reflecting the terms of the agreement between the Parties hereto with such additional terms agreed to by the Parties consistent herewith or as agreed to give efficacy in Quebec and the United States. Should the Parties be unable to agree on the form of written agreement, the Parties agree to appoint Clifford Lax as mediator/arbitrator to assist the Parties and his decision as arbitrator shall be final and binding on the Parties, in accordance with the terms herein but subject to the terms of Schedule B hereof, and not subject to appeal;
- 17. The Parties will agree on a level of disclosure by EY for the purposes of reasonably assisting in the approval process of the applicable Courts, consistent with the Parties' obligations under the relevant class proceedings legislation. Should the Parties be unable to agree on the level of disclosure after good faith efforts to do so, the Parties agree to appoint Clifford Lax as mediator to assist the Parties. If the Parties after mediation are still unable to reach an agreement, then either Party may terminate the settlement;
- 18. Pending the implementation of this settlement, including the distribution of the Settlement Fund, EY shall advise the plaintiffs of any agreements reached by it with the Ad Hoc Committee of Noteholders, Sino-Forest, the Litigation Trustee, or counsel or representatives of any of these parties, to pay any monetary consideration to any of them.

#### SIGNATURE LINES ON NEXT PAGE

Date:

Nov 21/2012

Cun for Keski Muky UP

wy for Sokusbup

KOSKIE MIŃSKY LLP Lawyers for the Plaintiffs

-4-

Date: Nov 29, 2012

SISKINDS LLP

Lawyers for the Plaintiffs

Date: Nov 29, 2012

PALIARE ROLAND ROSENBERG

ROTHSTEIN LLP

Lawyers for the Plaintiffs

Date: Nn-ben 29, 2012

LENCZNER SLAGHT ROYCE SMITH

**GRIFFIN LLP** 

Lawyers for Ernst & Young LLP, and on behalf of Ernst & Young Global Limited and all member firms thereof

## SCHEDULE "A"

- The Trustees of The Labourers' Pension Fund of Central and Eastern Canada, et al. v. Sino-Forest Corporation, et al., Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP
- Guining Liu v. Sino-Forest Corporation, et al., Province of Quebec Superior Court, File No. 200-06-000132-111
- David Leapard, et al. v. Allen T.Y. Chan, et al., United States New York Southern District Court, Case Number 1:2012-cv-01726-VM



#### SCHEDULE "B"

## Terms and Conditions of any Ernst & Young LLP (Settlement with Class Action Plaintiffs

A settlement unilaterally with E&Y will be conditional upon such settlement being made to a resolution that:

- a) is a settlement of all Claims, proceedings and potential claims against E&Y in all jurisdictions;
- b) reflects approval of appropriate Courts in relevant jurisdictions as described below; and
- c) accordingly must reflect the following elements in a form satisfactory to E&Y in its sole discretion, without which E&Y is at liberty to reject the settlement at any time:

## I. Court Proceedings

- (A) CCAA
  - (i) Plan of Arrangement (in form consented to);
  - (ii) Final Sanction Order;
  - (iii) Both Plan and Sanction Order to include:
    - (a) a release of E&Y, and all affiliate firms, partners, staff, agents and assigns for any and all Claims (including cross-claims and third-party claims), and
    - (b) a claims bar (must expressly exclude all claims against all Pöyry entities).
- (B) Ontario Class Action
  - (i) Final Order approving settlement containing satisfactory Pieringer terms and structure and dismissing action;
  - (ii) i) above requires:
    - (a) certification for settlement purposes with i) class definition agreeable to E&Y; ii) notice in all relevant jursidictions

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(including Canada, U.S., Hong Kong, Singapore and PRC); and iii) opt-out threshold agreeable to E&Y;

- (b) fairness hearing having been held to result in (i).
- (C) Quebec Class Action
  - (i) Final order approving settlement containing satisfactory Pieringer terms and structure and dismissing action;
  - (ii) certification and settlement approval as in (B).
- (D) U.S. Proceedings including Class Action
  - (i) Final order approving settlement containing satisfactory Pieringer terms and structure and dismissing action;
  - (ii) certification and settlement approval as in (B).
  - (iii) Undertaking of Company (Applicant) to bring Chapter 15 proceeding to enforce Canadian CCAA order;
  - (iv) final U.S. order, in compliance with U.S. laws, recognizing CCAA order.

## II. Releases and Undertakings

- (A) Full and Final Release and Claims Bar in both CCAA Plan and final Sanction Order;
- (B) Full and Final Release from Ontario Class Action Representative Plaintiffs on their own behalf and in their representative capacities, including an agreement not to consult or cooperate with any other party in advancing Claims against E&Y;
- (C) Full and Final Release from Company, directors and officers, noteholders and others on satisfactory Pieringer terms and language;
- (D) Agreement from Ontario class counsel and from noteholders' counsel to not act for or consult with or assist any plaintiff/representative plaintiff/claimant in respect of any Claim or potential Claim against E&Y in any jurisdiction;
- (E) Full and Final Release from Quebec Class Action Representative Plaintiffs on their own behalf and in their representative capacities, including an agreement not to consult or cooperate with any other party in advancing Claims against E&Y;



- (F) Agreement from Quebec class counsel to not act for or consult with or assist any plaintiff/representative plaintiff in any jurisdiction;
- (G) Full and Final Release from U.S. Class Action Representative Plaintiffs on their own behalf and in their representative capacities including an agreement not to consult or cooperate with any other party advancing Claims against E&Y; and
- (H) Agreement from U.S. class counsel to not act for or consult with or assist any plaintiff/representative plaintiff/claimant in respect of any Claim or potential Claim against E&Y in any jurisdiction.



The Trustees of the Labourer's Pension Fund of Central and Eastern Canada, et al.

Sino-Forest Corporation, et al.

Court File No: CV-11-431153-00CP

**Plaintiffs** 

and

Defendants

# ONTARIO SUPERIOR COURT OF JUSTICE

Proceedings Under the Class Proceedings Act, 1992

Proceeding commenced at Toronto

## AFFIDAVIT OF JOSEPH REDSHAW

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Lawyers for the Plaintiffs

Court File No.: CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE

#### **COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPRISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

# ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

**Defendants** 

Proceeding under the Class Proceedings Act, 1992

#### AFFIDAVIT OF ADAM C. PRITCHARD

I, Adam C. Pritchard, of the City of Ann Arbor, in the State of Michigan, in the United States of America, MAKE OATH AND SAY:

## I. INTRODUCTION AND SUMMARY OF OPINIONS

- 1. I am the Frances and George Skestos Professor of Law and Director of Empirical Legal Studies at the University of Michigan Law School in Ann Arbor. I have been retained by Siskinds LLP and Koskie Minsky LLP, co-counsel in the above-captioned securities litigation against Sino-Forest Corporation ("Sino-Forest") and others, to assess the claims asserted in Leapard, et al., v. Chan, et al., No. 12-cv-1726 (S.D.N.Y. removed Mar. 8, 2012) ("Leapard") against Sino-Forest's auditor, Ernst & Young LLP ("E&Y"), for the purposes of a hearing to approve a settlement with E&Y to resolve all claims against it in connection with Sino-Forest. The opinions expressed herein are based on the specific facts of this case. Thus, nothing expressed or concluded herein can be applied to any other litigation or controversy.
- 2. I understand the recognition of any order granted by an Ontario court approving a settlement will be sought from a court in the United States. Attached hereto as **Exhibit** "A" is a copy of the Amended Complaint filed in *Leapard* on September 28, 2012. Attached as **Exhibit** "B" is a copy of the Declaration of Richard A. Speirs ("Lead Plaintiff Materials") filed in support of David Leapard, IMF Finance SA, and Myong Hyon Yoo's motion for appointment as lead plaintiffs (the "Lead Plaintiffs") in that action. Attached as **Exhibit** "C" is the Order of the US District Court for the Southern District of New York ("Lead Plaintiff Order") appointing the Lead Plaintiffs and their counsel, Cohen Milstein Sellers and Toll PLLC as lead counsel in that action.
- 3. The primary claim against E&Y is based on Rule 10b-5 promulgated under section 10(b) of the Securities Exchange Act. A common law claim is also asserted against E&Y for aiding and abetting fraud. In my view, discussed more fully below, both claims face significant obstacles to any recovery. I understand E&Y denies all allegations against it. The principal

obstacles to success of the litigation are likely to be: 1) pleading *scienter* and reliance; 2) establishing market efficiency for the fraud-on-the-market presumption of reliance; and 3) limits on damages for third-party defendants.

4. For ease of exposition, I will consider obstacles to these claims that are likely to be raised at three points in the litigation: 1) the motion to dismiss stage; 2) the class certification stage; and 3) summary judgment and/or trial.

## II. QUALIFICATIONS AND COMPENSATION

- 5. I teach corporate law and securities regulation at the University of Michigan. Among the topics that I cover in those classes are class action procedures, disclosure requirements under the federal securities laws, and securities fraud class actions. Securities fraud class actions are an important topic in my two books, as well as my principal research area. My articles include doctrinal, empirical and theoretical analysis of securities class actions. My curriculum vitae, including recent publications, is attached hereto as **Exhibit "D."**
- 6. The opinions set forth in this affidavit are based on my knowledge of and experience with US securities laws and US class action securities litigation which I have acquired as a scholar and teacher in these areas, as well as an attorney at the Securities and Exchange Commission ("SEC").
- 7. My compensation is based on the number of hours worked on this assignment, as well as out-of-pocket expenses. My hourly rate is US\$650.

#### III. MATERIALS REVIEWED

8. For the purpose of this expert opinion, I have reviewed the Amended Complaint, Lead Plaintiff Materials, and the Lead Plaintiff Order. Specific information relied upon are cited in the text of this affidavit.

#### IV. OPINION

#### 1. The Claims

- 9. The Lead Plaintiffs assert claims on behalf of a class of persons who, from March 19, 2007 through August 26, 2011, purchased Sino-Forest's common stock on the Over-the-Counter ("OTC") market and/or purchased Sino-Forest's debt securities outside of Canada. Specifically excluded from the class are purchasers who purchased Sino-Forest securities on the Toronto Stock Exchange or in Canada.<sup>1</sup>
- 10. These proceedings are at an early stage. The court has recently approved the appointment of the Lead Plaintiffs and their counsel. After a lead plaintiff has been appointed, lawsuits are typically met with a motion to dismiss, meaning that the action is effectively stayed until the court decides the motion, which may take months or years. If the motion is granted, it will typically be granted without prejudice, affording the plaintiffs another opportunity to plead an adequate complaint. The amended complaint will typically be met with a motion to dismiss, which may again takes months or years to resolve. If the complaint survives the motion to dismiss, the case will then proceed to preliminary discovery with an eye toward issues likely to be raised at the class certification stage, which will also take months or years. Class certification

<sup>1</sup> Amended Complaint ¶ 267. Courts in the S.D.N.Y. have consistently held that transactions on foreign exchanges are not covered by Rule 10b-5. *See, e.g., In re UBS Sec. Litig.*, No. 07-11225, 2011 WL 4059356, at \*4-6 (S.D.N.Y. Sept. 13, 2011); *In re Vivendi Universal, S.A. Sec. Litig.*, 765 F. Supp. 2d 512, 531 (S.D.N.Y. 2011); *In re Royal Bank of Scotland Group PLC Sec. Litig.*, 765 F. Supp. 2d 327, 336 (S.D.N.Y. 2011); *In re Alstom SA Sec. Litig.*, 741 F. Supp. 2d 469, 473 (S.D.N.Y. 2010); *In re Celestica Inc. Sec. Litig.*, No. 07-312, 2010 WL 4159587, at \*1 n.1 (S.D.N.Y. Oct. 14, 2010); *Sgalambo v. McKenzie*, 739 F. Supp. 2d 453, 487 & n.216 (S.D.N.Y. 2010).

is the next significant hurdle for plaintiffs. If the class is certified, discovery on merits issues is then completed. After discovery is completed, motions for summary judgment would typically follow. If the case survives summary judgment, it can then be set for trial.

- 11. The primary claims asserted against E&Y are based on Rule 10b-5. To state a claim for fraud under Rule 10b-5, a private plaintiff must show: "(1) a material misrepresentation or omission by the defendant; (2) *scienter*; (3) a connection between the misrepresentation or omission and the purchase or sale of a security; (4) reliance upon the misrepresentation or omission; (5) economic loss; and (6) loss causation."<sup>2</sup>
- 12. The common law claim for fraud requires these elements under New York law: "(1) a material representation or omission of fact; (2) made with knowledge of its falsity; (3) with *scienter* or an intent to defraud; (4) upon which the plaintiff reasonably relied; and (5) such reliance caused damage to the plaintiff."<sup>3</sup>
- 13. Most of the requirements for establishing common law fraud overlap with the Rule 10b-5 claims' criteria.<sup>4</sup> Therefore, I will discuss them in the Rule 10b-5 claims context (with the exception of reliance, which I will discuss separately).
- 14. Aiding and abetting fraud requires the plaintiff to plead and prove: "(1) a violation by the primary wrongdoer, (2) knowledge of the wrongful conduct by the aider and abettor, and (3) substantial assistance by the aider and abettor in achieving the violation." Thus, plaintiffs will

<sup>2</sup> Matrixx Initiatives, Inc. v. Siracusano, 131 S. Ct. 1309, 1317-18 (2011).

<sup>3</sup> Anwar v. Fairfield Greenwich, Ltd., 728 F. Supp. 2d 372, 414 (S.D.N.Y. 2010).

<sup>4</sup> *In re Pfizer Inc. Sec. Litig.*, 584 F. Supp. 2d 621, 643 (S.D.N.Y. 2008) ("The elements of common law fraud under New York law are essentially the same as those required to state a claim under Section 10(b) and Rule 10b–5.") (quotations and citations omitted).

<sup>5</sup> Fezzani v. Bear, Stearns & Co., 592 F. Supp. 2d 410, 423 (S.D.N.Y. 2008).

need to establish liability for common law fraud before they can establish liability under the aiding and abetting fraud claim. In addition, plaintiffs will need to prove "substantial assistance," which requires proof that the "defendant affirmatively assist[ed], help[ed] conceal, or by virtue of failing to act when required to do so enable[d] the fraud to proceed."6

#### 2. Motion to dismiss

- 15. In practice, complaints are routinely met by a motion to dismiss, and there is no reason to believe that E&Y will not move to dismiss the complaint in Leapard. Defendants have been very successful in gaining dismissal of complaints subject to these restrictions imposed by the PSLRA. Most estimates put the rate of dismissal at around 40%. Steve Choi, looking at lawsuits filed between 2003 and 2005, found a dismissal rate of 43%. NERA, looking at cases filed between 2001 and 2006, found an overall dismissal rate in the US of around 45%.8 In earlier work, looking at cases filed between 1996 and 2002, Hillary Sale and I found a dismissal rate of 36% for cases filed in the Second Circuit.<sup>9</sup>
- 16. In order to survive a motion to dismiss, plaintiffs must meet the standards explained in detail below.

### a. Pleading standard

6 Fezzani 592 F. Supp. at 423.

<sup>7</sup> Stephen J. Choi, Motions for Lead Plaintiff in Securities Class Actions, Working Paper, NYU (February 2008).

<sup>8</sup> NERA Economic Consulting, Trends in Securities Class Actions: Annual Filings Are at the Highest Level in Six Years, Driven by the Credit Crisis, While Median Settlement Values Stay (December available Steady, 2008), at http://www.nera.com/image/PUB Recent Trends Report 1208.pdf.

<sup>9</sup> A.C. Pritchard and Hillary Sale, What Counts as Fraud? An Empirical Study of Motions to Dismiss Under the Private Securities Litigation Reform Act, 2 Journal of Empirical Legal Studies 125, 142 Table 2 (2005).

- 17. In the US, plaintiffs are not required to seek leave of the court before filing an action, but their complaint must plead the facts relating to the alleged fraud. Complaints that do not plead facts sufficient to satisfy each of the elements noted above are subject to dismissal. Claims alleging fraud, which would include both the Rule 10b-5 and common law claims asserted in *Leapard*, "must state with particularity the circumstances constituting fraud." To satisfy this particularity requirement, a plaintiff must "(1) specify the statements that the plaintiff contends were fraudulent, (2) identify the speaker, (3) state where and when the statements were made, and (4) explain why the statements were fraudulent."
- 18. Rule 10b-5 claims face additional, more demanding pleading standards. The Private Securities Litigation Reform Act of 1995<sup>12</sup> ("PSLRA"), requires that facts "giving rise to a strong inference that the defendant acted with the required state of mind," must be pled with particularity.<sup>13</sup> The rule that fraud must be plead with particularity "is applied assiduously to securities fraud" in the Second Circuit Court of Appeals, which encompasses the S.D.N.Y.<sup>14</sup> The challenge posed for the plaintiff of pleading the alleged fraud with sufficient particularity is heightened by a stay of discovery that applies while a motion to dismiss is pending.<sup>15</sup> The discovery stay is particularly important with respect to claims against auditors, as it precludes access to the auditor's work papers and communications with the client, which makes it exceptionally difficult to collect the facts needed to demonstrate that the auditor acted with the requisite *scienter*.

10 Fed. R. Civ. P. 9(b).

<sup>11</sup> Anschutz Corp. v. Merrill Lynch & Co., 690 F.3d 98, 108 (2d Cir.2012) (internal quotations omitted).

<sup>12</sup> Pub. L. No. 104-67, 109 Stat. 737.

<sup>13</sup> Securities Exchange Act § 21D(b)(1) & (2).

<sup>14</sup> Lentell v. Merrill Lynch & Co. Inc., 396 F.3d 161, 168 (2d Cir. 2005).

<sup>15</sup> Securities Exchange Act § 21D(b)(3).

## b. Material misstatement

- 19. The *Leapard* claim against E&Y is primarily based on Sino-Forest's alleged overstatement of its assets, revenues, and income. Materiality is an objective question "involving the significance of an omitted or misrepresented fact to a reasonable investor." Specifically, materiality turns on whether a "reasonable investor" would view the misstatement or omission at issue as altering the "total mix" of available information. Materiality thus trains on the objective importance of the misstatements (or omissions) made by the defendant to the reasonable investor. Materiality determinations are disfavored on motions to dismiss, however, as they "determination require] delicate assessments of the inferences a 'reasonable shareholder' would draw from a given set of facts and the significance of those inferences to him"—assessments that are "peculiarly... for the trier of fact." Given that Sino-Forest has advised investors not to rely on its financial statements, a motion to dismiss based on materiality grounds is unlikely to succeed.
- 20. The plaintiff must show that the alleged misstatement was publicly attributed to the defendant at the time of the misstatement; the plaintiff cannot rely on allegations that the defendants assisted in its drafting or acquiesced in its dissemination.<sup>20</sup> E&Y expressed its opinion that Sino-Forest's financial statements presented fairly the financial position of Sino-Forest in accordance with generally accepted accounting principles, so the plaintiffs should not have difficulty satisfying this element for the purposes of a motion to dismiss.

<sup>16</sup> TSC Indus., Inc. v. Northway, Inc., 426 U.S. 438, 445 (1976)

<sup>17</sup> *Matrixx*, 131 S. Ct. at 1318 (quoting Basic, 485 U.S. at 231-32).

<sup>18</sup> See *Matrixx*, 131 S. Ct. at 1318 (courts view materiality through lens of a "reasonable investor") (quoting *Basic*, 485 U.S. at 231-32).

<sup>19</sup> TSC, 426 U.S. at 450.

<sup>20</sup> Lattanzio v. Deloitte & Touch LLP, 476 F.3d 147 (2d Cir. 2007). See also Kalin v. Xanboo, Inc., 2009 WL 92279 (S.D.N.Y. March 30, 2009) (rejecting attribution based on agency theory).

#### c. Scienter

- 21. In addition to the foregoing, the plaintiff must plead facts giving rise to a strong inference that the defendant made the misstatement with *scienter*, generally held to require at least recklessness.<sup>21</sup> Recklessness is defined as "an extreme departure from the standards of ordinary care to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it."<sup>22</sup> Complaints must be plead with particularity, which requires the plaintiff to "(1) specify the statements that the plaintiff contends were fraudulent, (2) identify the speaker, (3) state where and when the statements were made, and (4) explain why the statements were fraudulent."<sup>23</sup>
- 22. The *scienter* requirement poses potentially the greatest obstacle for the *Leapard* plaintiffs; motions to dismiss are commonly granted in securities fraud cases based on the failure to adequately plead *scienter*.
- 23. In the S.D.N.Y., "the standard for pleading auditor *scienter* is demanding."<sup>24</sup> In this context, recklessness is defined as "conduct that is highly unreasonable, representing an extreme departure from the standards of ordinary care" and "approximat[ing] an actual intent to aid in the fraud being perpetrated by the audited company."<sup>25</sup> Plaintiffs must allege sufficient facts to show that "[t]he accounting practices were so deficient that the audit amounted to no audit at all, or an egregious refusal to see the obvious, or to investigate the doubtful, or that the accounting

<sup>21</sup> Securities Exchange Act § 21D(b)(2).

<sup>22</sup> ECA & Local 134 IBEW Joint Pension Trust of Chi. v. JP Morgan Chase Co., 553 F.3d 187, 198 (2d Cir. 2009).

<sup>23</sup> Stevelman v. Alias Research, Inc., 174 F.3d 79, 84 (2d Cir.1999) (internal quotation marks and citation omitted).

<sup>24</sup> In re Marsh & McLennan Cos., Inc. Sec. Litig., 501 F.Supp.2d 452, 488 (S.D.N.Y.2006). See also Anwar v. Fairfield Greenwich Ltd., 728 F. Supp. 2d 372 (S.D.N.Y. 2010).

<sup>25</sup> Rothman v. Gregor, 220 F.3d 81, 98 (2d Cir. 2000).

judgments which were made were such that no reasonable accountant would have made the same decisions if confronted with the same facts."<sup>26</sup>

- 24. Although "allegations of accounting errors by themselves do not meet" the standard for pleading *scienter* "when coupled with sufficiently attention-grabbing 'red-flags,' pervasive 'GAAP and GAAS violations ... are sufficient to support a strong inference of *scienter*." Thus, in order to withstand a motion to dismiss on *scienter* grounds, the *Leapard* plaintiff class will have to show that E&Y recklessly ignored "red flags" when conducting the audits and certifying the financial statements.
- 25. Recent cases from the S.D.N.Y. show that recklessness determinations with respect to auditors are extremely fact specific.
- 26. In *In re Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, <sup>28</sup> the court found that the plaintiffs' claims against Bear Stearns' outside auditor could survive a motion to dismiss. Deloitte had audited Bear Stearns' financial statements in the time period leading up to Bear Stearns' collapse. The court found that the complaint adequately alleged that Deloitte knowingly or recklessly ignored numerous signs that should have led it to question whether Bear Stearns was engaged in wrongdoing. The alleged red flags included allegations that Deloitte ignored warning signs that Bear Stearns (1) used mortgage valuation models that the SEC had criticized as inaccurate; (2) had been warned by the SEC that its valuation models did not reflect key housing indicators; (3) received collateral from one of its hedge funds that was worth far less than the value of the loan that Bear Stearns made to the fund; (4) lacked adequate internal

<sup>26</sup> In re Refco, Inc. Sec. Litig., 503 F.Supp.2d 611, 657 (S.D.N.Y.2007).

<sup>27</sup> *In re Tronox, Inc. Sec. Litig.*, 2010 WL 2835545, at 20 (SDNY 2010) (quoting *In re AOL Time Warner and "ERISA" Litig.*, 381 F.Supp.2d 192, 240 (SDNY 2004.) 28 763 F. Supp. 2d 423 (S.D.N.Y. 2011).

controls, and (5) failed to disclose weaknesses in financial models and risk management procedures.

- 27. In *Stephenson v. PricewaterhouseCoopers, LLP*, <sup>29</sup> the court found that the plaintiff failed to adequately allege *scienter* against PricewaterhouseCoopers, the outside auditor of a Madoff feeder fund. The plaintiff alleged that PricewaterhouseCoopers ignored multiple red flags about the operation of Bernard L. Madoff Investment Securities, LLC—its client's general partner—that should have prompted closer scrutiny of the client's financial statements. The court rejected the plaintiff's alleged "red flags" as merely showing that PricewaterhouseCoopers had "access to information by which it *could* have discovered warning signs of fraud." The plaintiff did not adequately plead that PricewaterhouseCoopers actually knew of the red flags, and an auditor cannot intentionally or recklessly disregard red flags of which it is unaware.
- 28. In *Dobina v. Weatherford International Ltd.*, a district court in the S.D.N.Y. rejected a long list of purported red flags in connection with Rule 10b-5 claims asserted against Ernst & Young LLP.<sup>30</sup> The *Dobina* plaintiffs alleged that Ernst & Young LLP ignored the following issues with its audit client: "compliance: (1) the sudden drop in Weatherford's tax rate in 2007, (2) the magnitude of the error as ultimately revealed in 2010, (3) the frequency and consistency of the tax entries, (4) the fact that Weatherford's apparent tax rate was much lower than that of its rivals and permitted Weatherford to beat earnings forecasts, (5) the fact that Ernst & Young LLP received fees for "non-U.S. tax compliance, planning and U.S./non-U.S. tax related consultation," (6) Weatherford's prior history of accounting improprieties, (7) the discrepancy between Weatherford's cash tax rate and reported tax rate, (8) Ernst & Young LLP's access to a

<sup>29 768</sup> F. Supp. 2d 562 (S.D.N.Y. 2011), aff'd 2012 WL 1764191 (2d Cir. May 18, 2012). 30 2012 WL 5458148 (S.D.N.Y. Nov. 7, 2012).

spreadsheet containing intercompany reconciliations and (9) the discrepancy between Ernst & Young LLP's representations about internal controls and Weatherford's March 2011 admissions."<sup>31</sup> These red flags failed, according to the court, either because the plaintiffs failed to allege that Ernst & Young LLP was aware of the problems, or the issues failed to distinguish Weatherford from any other public company.

29. The most recent case from the S.D.N.Y. addressing *scienter* and auditors is also the one with the facts closest to those alleged in the *Leapard* Amended Complaint. In *Longtop Fin. Tech. Ltd. Sec. Litig.*, the district court dismissed the Rule 10b-5 claims against Deloitte arising out of its audit of Longtop Financial, a Chinese information technology company.<sup>32</sup> The plaintiff alleged that Deloitte ignored red flags in not identifying related party transactions that Longtop was using to conceal costs, which had the effect of inflating Longtop's profits substantially above those of its peers. The complaint alleged that even a cursory audit would have uncovered the red flags, and that discovery of the red flags would have led to the unraveling of Longtop's alleged fraud. Despite the magnitude of the alleged fraud, the district court found that the complaint failed to plead a strong inference of *scienter* with respect to the auditors because it did not plead that Deloitte was actually aware of the red flags. According to the court, "[i]n order for a complaint founded on the theory that an auditor should have uncovered red flags to survive a motion to dismiss, the red flags must be 'so obvious that knowledge of them by the auditor can be presumed."<sup>33</sup> The alleged red flags in *Longtop* fell short of this standard.

<sup>31</sup> Weatherford, 2012 WL 5458148, at \*13.

<sup>32 2012</sup> WL 5512176 (S.D.N.Y. Nov. 14, 2012).

<sup>33</sup> Longtop, 2012 WL 5512176, at \*8 (quoting Stephenson v. Citco Group Ltd., 700 F.Supp.2d 599, 623 (S.D.N.Y.2010)).

- 30. The Amended Complaint in *Leapard* alleges that "the fraudulent practices at Sino-Forest were so widespread and material that numerous red flags should have alerted E&Y to the materially misleading financial statements issued by Sino-Forest. That E&Y certified Sino-Forest's Financial Statements year after year and never once alerted investors or regulators to these fraudulent transactions shows that their audits were extremely reckless."<sup>34</sup>
- 31. These allegations may be found inadequate because there is little in the Amended Complaint to suggest that E&Y *knew* of the alleged fraudulent statements. To allege that the auditors "must have known" that the financial statements were fraudulent at the time of their preparation on the basis of their subsequent restatement no matter how large the restatement is conclusory. Conclusory allegations of this sort are a form of the "fraud by hindsight" that is recurringly rejected by district courts assessing the adequacy of securities fraud complaints. In my opinion, these allegations of *scienter* against E&Y face a substantial risk of dismissal. The only countervailing consideration here is the sheer magnitude of the misstatements in the financial statements, but the pleading standard was adopted to discourage courts from being unduly swayed by such salient facts.
- 32. In my opinion, E&Y may well succeed with its motion to dismiss based on *scienter*.

#### d. Other elements

33. The other elements of the Rule 10b-5 claims – the "in connection" requirement, reliance, damages and loss causation – do not need to be plead with particularity in the complaint, they

<sup>34</sup> Amended Complaint ¶ 251.

<sup>35</sup> Xerion Partners I, LLC v. Resurgence Asset Mgmt., LLC, 474 F.Supp.2d 505, 518 (S.D.N.Y.2007).

need only be "plausible."<sup>36</sup> In my view, the general allegations in the complaint meet this standard, although E&Y may move to dismiss the complaint on any one of them.

34. The same may not be true of the common law fraud claim. Courts in the S.D.N.Y. have construed common law fraud under New York law as requiring actual reliance, rejecting the use of the fraud-on-the-market presumption of reliance commonly invoked in Rule 10b-5 cases.<sup>37</sup> To the best of my knowledge, no state court has accepted the fraud-on-the-market presumption in connection with a common law cause of action for deceit. As the *Leapard* plaintiffs have not plead actual reliance, but only a presumption of reliance,<sup>38</sup> their common law claims of fraud, and thus, their claim against E&Y for aiding and abetting fraud, are likely to be dismissed.

#### 3. Class Certification

35. If the complaint were to withstand a motion to dismiss, the next substantial obstacle would be class certification. The requirements for certifying a class action are set forth in Rule 23 of the Federal Rule Civil Procedure.

#### a. <u>Certification standards</u>

36. For all class actions, Rule 23 requires: (a) numerosity; (b) common questions of law or fact; (c) that claims of the class representative by typical of the claims of the class; (d) that the representative party fairly and adequately protect the class's interest.<sup>39</sup> In addition, for cases seeking primarily money damages (such as securities class actions like *Leapard*), the court must also find that "the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available

<sup>36</sup> Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007).

<sup>37</sup> See *In re Pfizer Inc. Sec. Litig.*, 584 F. Supp. 2d 621, 643-644 (S.D.N.Y. 2008) (collecting cases).

<sup>38</sup> See Amended Complaint ¶ 280.

<sup>39</sup> Fed. R. Civ. P. 23(a).

methods for fairly and efficiently adjudicating the controversy."<sup>40</sup> In making this finding, courts are instructed to consider: (a) class members' interests in individually controlling a separate action; (b) any litigation already undertaken by class members; (c) whether the claims should be concentrated in a particular forum; and (d) difficulties likely to arise in managing a class action.<sup>41</sup>

37. The Second Circuit requires district judges to determine that each of the Rule 23 requirements have been met, resolving any factual disputes relevant to those requirements.<sup>42</sup> Moreover, the burden is on the plaintiff to demonstrate by a preponderance of the evidence that the Rule 23 requirements have been satisfied.<sup>43</sup> The defendant can appeal from a decision certifying a class if granted leave by the court of appeal.<sup>44</sup>

## b. Typicality

38. There may be a typicality question with respect to the named plaintiff, David Leapard. His certification alleges that he purchased his Sino-Forest common shares on August 5, 2011. Myong Hyong Yoo's certification alleges that he bought his Sino-Forest common shares in July and August of 2011. The Amended Complaint alleges, however, that the facts of the fraud were largely known by June 18, 2011, when the *Globe and Mail* published an article raising numerous questions about the veracity of Sino-Forest's financial statements. This raises the possibility that the class has been extended to include Leapard and Yoo as class members. If so,

40 Fed. R. Civ. P. 23(b)(3).

<sup>41</sup> *Id*.

<sup>42</sup> *In re Initial Public Offering Securities Litigation*, 471 F.3d 24, 41 (2d Cir. 2006), clarified on reh'g denial, 483 F.3d 70 (2d Cir. 2007)

<sup>43</sup> Teamsters Local 445 Freight Division Pension Fund v. Bombardier, Inc., 546 F.3d 196, 202 (2d Cir. 2008).

<sup>44</sup> Fed. R. Civ. P. 23(f).

<sup>45</sup> Lead Plaintiff Materials, Exhibit B.

<sup>46</sup> Lead Plaintiff Materials, Exhibit D.

<sup>47</sup> Amended Complaint ¶ 224.

their ability to represent the class would be open to challenge at the class certification stage: "To establish typicality under Rule 23(a)(3), the party seeking certification must show that each class member's claim arises from the same course of events and each class member makes similar legal arguments to prove the defendant's liability."

## c. Fraud-on-the-market presumption of reliance

- 39. In a securities class action, among the elements that must be demonstrated at the class certification stage are the requirements of the fraud-on-the-market presumption of reliance.<sup>49</sup> Reasonable reliance by the plaintiff on the alleged misstatement is a requirement of Rule 10b-5.<sup>50</sup> The reliance element of a Rule 10b-5 private action, also called transaction causation, requires proof of a "connection between a defendant's misrepresentation and a plaintiff's injury."<sup>51</sup> The fraud-on-the-market presumption, adopted by the Supreme Court in *Basic, Inc. v. Levinson*,<sup>52</sup> allows plaintiffs to plead and prove the reliance required for the private cause of action under Rule 10b-5 of the Securities Exchange Act without alleging that the plaintiff read or heard the misstatement alleged to have caused the loss.
- 40. As noted above, it is plaintiffs' burden to show that common questions of reliance predominate over reliance questions affecting individual class members. Demonstrating applicability of the fraud-on-the-market presumption is therefore plaintiffs' burden.<sup>53</sup> In order to invoke the presumption, the plaintiff must demonstrate by a preponderance of the evidence that

<sup>48</sup> In re Flag Telecom Holdings, Ltd. Securities Litigation, 574 F.3d 29, 35 (2d Cir.2009) (quoting Robidoux v. Celani, 987 F.2d 931, 936 (2d Cir. 1993)).

<sup>49</sup> In re Initial Public Offering, 471 F.3d at 42-43.

<sup>50</sup> Emergent Capital Inv. v. Stonepath Group, Inc., 343 F.3d 189, 195 (2d Cir. 2003).

<sup>51</sup> Erica P. John Fund, Inc. v. Halliburton, 131 S. Ct. 2179, 2184 (2011) (quoting Basic Inc. v. Levinson, 485 U.S. 224, 243 (1988).

<sup>52 485</sup> U.S. 224 (1988).

<sup>53</sup> See *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 485 (2d Cir. 2008) (discussing whether "plaintiffs had met their burden for invoking the fraud-on-the-market presumption").

the defendant has "(1) publicly made (2) a material misrepresentation (3) about stock traded on an impersonal, well-developed (i.e., efficient) market" and that the plaintiff traded the shares during the period that the material misrepresentation was influencing the market.<sup>54</sup> This showing must be made before certification.<sup>55</sup>

- 41. Critically, in the Second Circuit, a plaintiff must demonstrate that the alleged misstatements were material; a prima facie showing will not suffice.<sup>56</sup> Moreover, plaintiffs are required to demonstrate market "efficiency" at the class-certification stage.<sup>57</sup> Defendants have successfully opposed the application of the presumption at the class-certification stage by demonstrating that the relevant market is not efficient.<sup>58</sup>
- 42. Lower courts applying *Basic* have developed various multi-factor tests to determine whether a particular market is efficient.<sup>59</sup> The best known of these cases, *Cammer*, examined the following proxies for market efficiency: the percentage of shares traded weekly; whether "a significant number" of analysts follow and report on the stock; the existence of market makers trading the stock; whether the issuer was qualified to use an S-3 registration statement with the SEC; and whether the plaintiff can "allege empirical facts showing a cause and effect

55 See *Szabo* v. *Bridgeport Machs.*, *Inc.*, 249 F.3d 672, 676 (7th Cir. 2001).

<sup>54</sup> Salomon 544 at 481.

<sup>56</sup> Salomon, 544 F.3d at 486 n. 9. This requirement may change; the Supreme Court is considering this question in Amgen Inc. v. Conn. Ret. Plans & Trust Funds, No. 11-1085 (OT-2012). The Court heard oral argument in this case on November 5, 2012. A decision should be handed down sometime early in 2013.

<sup>57</sup> See, e.g., *Gariety* v. *Grant Thornton*, *LLP*, 368 F.3d 356, 368 (4th Cir. 2004). Allegations of efficiency are sufficient at the motion to dismiss stage. *Tronox.*, 2010 WL 2835545, at 24, n. 166.

<sup>58</sup> See, e.g., *Initial Pub. Offerings.*, 471 F.3d at 42-43 (denying class certification because market was not efficient). See also *Wal-Mart Stores, Inc.* v. *Dukes*, 131 S. Ct. 2541 (2011) (holding that all matters relevant to certification must be examined at the certification stage).

<sup>59</sup> See, e.g., *Cammer* v. *Bloom*, 711 F. Supp. 1264, 1286-1287 (D.N.J. 1989) (articulating five factors).

relationship between unexpected corporate events or financial releases and an immediate response in the stock price." The Second Circuit has approved the use of the *Cammer* factors. Other courts have also looked to other proxies, including market capitalization, bid-ask spread, percentage of stock held by insiders, <sup>62</sup> and volume of trading by institutional investors. These factors have been widely relied upon by a variety of courts. <sup>64</sup>

- 43. The Second Circuit has emphasized the critical importance of "[e]vidence that unexpected corporate events or financial releases cause an immediate response in the price of a security," and observed that "[w]ithout the demonstration of such a causal relationship, it is difficult to presume that the market will integrate the release of material information about a security into its price."
- 44. Based on these factors, the stock of large companies trading on major exchanges (NYSE, NASDAQ), have been routinely held to satisfy the market efficiency required to invoke the fraud-on-the-market presumption. The presumption does not apply, however, in markets lacking in informational efficiency, thereby excluding smaller companies in thinly-traded markets from substantial exposure to securities fraud class actions. 66 Class certification has been denied for common stock trading in less developed markets 67 even when the false statement at issue is

60 Cammer,711 F. Supp. at 1286-87.

<sup>61</sup> See Bombardier, 546 F.3d at 204, n. 11, 210–11 (citing Cammer).

<sup>62</sup> Krogman v. Sterritt, 202 F.R.D. 467, 478 (N.D. Tex. 2001) (adding three more factors).

<sup>63</sup> O'Neil v. Appel, 165 F.R.D. 479, 503 (W.D. Mich. 1996).

<sup>64</sup> See *Unger v. Amedisys Inc.*, 401 F.3d 316, 323 (5th Cir. 2005) (noting that the *Cammer/Krogman* factors "have been used by many courts throughout the country").

<sup>65</sup> Bombardier Inc., 546 F.3d at 207.

<sup>66</sup> See *Binder v. Gillespie*, 184 F.3d 1059 (9th Cir. 1999) (*Basic* presumption does not apply to issuer whose stock was traded in the "pink sheets").

<sup>67</sup> See *Krogman*, 202 F.R.D. at 474-78. But see *In re Parmalat Sec. Litig.*, 375 F.Supp.2d 278, 303–05 (S.D.N.Y. 2005) (securities actively traded on the Luxembourg, Milan and Uruguayan stock exchanges, and in the OTC market in the United States).

significant. As a result, a class-action remedy is frequently unavailable because the class cannot show informational efficiency in the relevant market.

- 45. The need to show market efficiency poses a substantial obstacle for the *Leapard* plaintiffs. They must establish that the over-the-counter ("OTC") market where they purchased Sino-Forest stock and the private placement context in which they purchased Sino-Forest notes constitute open and efficient markets before benefiting from the fraud-on-the-market presumption. The OTC market is generally not regarded by the courts as satisfying *Basic*'s requirement of informational efficiency.<sup>68</sup> This issue is complicated, however, by the fact that Sino-Forest's stock also traded on the Toronto Stock Exchange. The TSX is closer to the model of the NYSE and NASDAQ, which are generally regarded as informationally efficient. It is an empirical question, however, how closely the OTC market for Sino-Forest's shares tracked trading on the TSX.
- 46. In addition, under prevailing case law in the lower courts, *Basic*'s presumption of reliance has been held to be unavailable to investors in newly issued securities, <sup>69</sup> which would seem to preclude any purchaser of the Sino-Forest notes in the private placement from relying on the fraud-on-the-market presumption. Moreover, the obstacle of showing market efficiency has also precluded certification of a class in cases involving mortgage-backed bonds, <sup>70</sup> and other

68 Alki Partners, LP v. Vatas Holding GMBH, 769 F. Supp. 2d 478, 493 (SDNY 2011).

<sup>69</sup> See *Initial Pub. Offerings*, 471 F.3d at 42; *Freeman* v. *Laventhol & Horwath*, 915 F.2d 193, 199 (6th Cir. 1990).

<sup>70</sup> See *Bombardier*, 546 F.3d at 210. But see *In re Dynex Capital, Inc. Sec. Litig.*, 2011 WL 781215 (SDNY 2011) (distinguishing *Bombardier* and finding particular market for mortgage-backed securities to be informationally efficient).

types of debt securities.<sup>71</sup> These holdings will make it difficult for the *Leapard* plaintiffs to show that the secondary market for the Sino-Forest notes was informationally efficient.

47. If the plaintiff succeeds in establishing the presumption, the defendant is entitled to rebut that presumption at the class certification stage.<sup>72</sup> This opens the door for potentially far-ranging factual inquiries, including arguments "that the market price was not affected by the alleged misstatements, other statements in the 'sea of voices' of market commentary were responsible for price discrepancies, or particular plaintiffs may not have relied on market price."<sup>73</sup> If the defendant succeeds in rebutting the presumption, a class cannot be certified because individual questions of reliance would predominate over common ones.<sup>74</sup>

## 4. Summary Judgment/Trial

48. If the case is certified as a class action, E&Y would have the option of making a motion for summary judgment after the close of discovery. The standard for summary requires that the movant establish "that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Summary judgement allows for entry of judgment "against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will the burden of proof at trial." Thus, it would be open to E&Y to challenge every element of the plaintiffs' case at the summary judgment stage. Such motions, however, infrequently result in a victory for defendants in

<sup>71</sup> In re AIG Inc., Sec. Litig., 265 F.R.D. 157 (SDNY 2010) (denying class certification for bondholders of AIG)

<sup>72</sup> Salomon, 544 F.3d at 485.

<sup>73</sup> Salomon, 544 F. 3d at 485.

<sup>74</sup> *Salomon*, 544 F.3d at 485 ("a successful rebuttal defeats certification by defeating the Rule 23(b)(3) predominance requirement.") (emphasis omitted).

<sup>75</sup> Fed. R. Civ. P. 56(a).

<sup>76</sup> Celotex Corp. Catrett, 477 U.S. 317, 322 (1986).

securities fraud class actions; in research that I conducted with Stephen Choi, we found that between 2003 and 2007, only 1.2% of cases resulted in summary judgment for the defendants.<sup>77</sup>

- 49. According to one recent study, a verdict is reached in only about one-third of one percent of securities-fraud class actions.<sup>78</sup> So a trial verdict is an unlikely outcome for the *Leapard* litigation. However, should the case get past a motion to dismiss and be certified as a class, the bargaining over a settlement would be in the shadow of a hypothetical trial outcome. Even if the plaintiff withstands the motion to dismiss, it would be required to prove each of the elements of its Rule 10b-5 claim to the jury's satisfaction, including loss causation and damages, which would not face much scrutiny earlier in the proceedings. Moreover, the plaintiffs would need to establish E&Y's *scienter* by a preponderance of the evidence. On this point, the PSLRA give defendants such as E&Y an important procedural protection by entitling them to a specific finding by the jury that the state of mind element has been satisfied as to him or her.<sup>79</sup>
- 50. The other provision of the PSLRA relevant to E&Y's potential legal exposure in *Leapard* is the damages provision. The PSLRA adopts proportionate, rather than joint and several, liability for defendants who are not found to have knowingly violated the securities laws. That protection is most important for secondary defendants, such as accountants, lawyers and investment bankers, who may be implicated in frauds that will typically be orchestrated by the insiders of their corporate clients. If those secondary defendants can show that they did not know of the fraud, their liability exposure will be limited substantially.

<sup>77</sup> The Supreme Court's Impact on Securities Class Actions: An Empirical Assessment of Tellabs, 28 J. L., ECON., & ORG. 850, Table 1, Panel B (2012).

<sup>78</sup> See Cornerstone Research, Securities Class Action Filings: 2010 Year in Review at 14 (2011).

<sup>79</sup> Securities Exchange Act § 21D(d).

<sup>80</sup> Securities Exchange Act § 21D(f)(2).

51. In my view, proportionate liability would be the most likely conclusion if this case were to go to trial and the auditors were to be found to have violated Rule 10b-5. Assessing the comparative fault of E&Y against the culpability of Sino-Forest's insiders – who are likely to be found to have engaged in knowing and intentional fraud – as well as Sino-Forest's underwriters, suggests that E&Y's percentage of the damages might be relatively modest. Given that Sino-Forest is insolvent, however, E&Y could face an additional fifty percent surcharge on the audit firm's assessed damages to help compensate the plaintiffs for Sino-Forest's uncollectible share of the liability. If E&Y's percentage of fault is modest, however, adding another 50% to that figure is unlikely to make a significant difference.

I certify that, to the best of my knowledge and belief:

- -- the statements of fact contained in this affidavit are true and correct;
- -- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions;
- -- I have reviewed Rule 4.1 of the Ontario *Rules of Civil Procedure*, and I have prepared this affidavit having regard to the duty described therein;
- -- I have no present or prospective interest in the parties to this case, and I have no personal interest or bias with respect to the parties involved; and
- -- my compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of, this affidavit.

<sup>81</sup> Securities Exchange Act § 21D(f)(4).

January 9, 2013

Adam C. Pritchard

Sworn before me at the City of Ann Arbor, in the State of Michigan, in the United States of America, this 9th day of January 2013.

Commissioner of Oaths

JAMOREL, ASBOTT
OTARY PURLIC, STATE OF ME
COUNTY OF LIVINGSTON
OSCIMISSION EXPIRES OC 10, 2015
UNG IN COUNTY OF WOULT WOW

This is Exhibit "A" to the affidavit of Adam C. Pritchard sworn before me at the City of Ann Arbor, in the State of Michigan, in the United States of America, this 9th day of January 2013.

Commissioner of Oaths

DAVID LEAPARD and IMF FINANCE SA: on their own behalf and on behalf of allothers similarly situated,

U.S. District Judge Victor Marrero

Plaintiffs,

v.

ALLEN T.Y. CHAN, DAVID J. HORSLEY,: KAI KIT POON, W. JUDSON MARTIN,. WILLIAM E. ARDELL, JAMES P. BOWLAND, **JAMES** M.E. HYDE, MAK, GARRY J. **EDMUND** WEST. IP, ALFRED C.T. ALBERT HUNG. GEORGE HO, SIMON YEUNG, POYRY **COMPANY** (BEIJING) CONSULTING LIMITED, **BANC OF AMERICA** SECURITIES LLC, CREDIT SUISSE SECURITIES (USA) LLC, SINO-FOREST CORPORATION, and ERNST & YOUNG LLP,

Defendants.

AMENDED CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

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Plaintiffs, David Leapard and IMF Finance SA, on behalf of themselves and all others similarly situated (the "Class" or "Class Members"), allege the following upon personal knowledge as to themselves and their own acts and upon information and belief as to all other matters. Plaintiffs' information and belief is based on the investigation of counsel including, *inter alia*, review and analysis of (i) government and regulatory documents relating to Defendant Sino-Forest Corporation ("Sino-Forest" or the "Company"); (ii) press releases, Company filings and other public statements by Sino-Forest; (iii) investigation related documents released by the Company and the Ontario Securities Commission ("OSC"); (iv) reports of securities analysts; and (v) court records and other publicly available materials. Many of the facts related to Plaintiffs' allegations are known only to Defendants or are exclusively within their custody or control. Plaintiffs believe that substantial additional evidentiary support for the allegations set forth below will be developed after reasonable opportunity for discovery.

## I. <u>INTRODUCTION</u>

- 1. Plaintiffs bring this class action on behalf of (i) all persons or entities who, from March 19, 2007 through August 26, 2011 (the "Class Period") purchased the common stock of Sino-Forest on the Over-the-Counter ("OTC") market and who were damaged thereby; and (ii) all persons or entities who, during the Class Period, purchased debt securities issued by Sino-Forest other than in Canada and who were damaged thereby (the "Class").
- 2. The Class Period begins on March 19,. 2007 the date the Company's 2006 Consolidated Financial Statement was filed.
- 3. Sino-Forest is a Canadian company engaged in the commercial forest plantation business whose principal operations are in the People's Republic of China ("PRC" or "China"). Among Sino-Forest's businesses are the ownership and management of forest plantation trees,

sales of standing timber and wood logs, and the manufacture of related wood products. Substantially all of the Company's sales during the Class Period were supposedly generated in the PRC. The Company maintains offices in Toronto, Hong Kong and the PRC. Its common stock is registered in Canada and traded on the Toronto Stock Exchange and in the United States on the OTC market. Sino-Forest's debt securities are also traded in the open market. As a result of the fraudulent conduct described herein, trading in Sino-Forest common stock was halted on August 26, 2011 and, to date, has not resumed trading.

4. In stark contrast to the investing public's perception of an enormously successful forestry business in the fast growing PRC market, during the Class Period Sino-Forest was, in fact, materially misleading both investors and regulators. Sino-Forest's assets, revenues, and income were all materially overstated in the Company's financial statements, and other disclosures were materially misleading because they failed to disclose that many of Sino-Forest's significant business transactions were with unknown or related parties. Further, Sino-Forest misrepresented and failed to disclose the true terms of certain agreements it entered into in the PRC for the acquisition of plantation acreage, vastly overstating the amount of timber it acquired during the Class Period. In many instances, no documentation or inadequate documentation existed to support Sino-Forest's timber holdings and related assets and the valuations attributed to those properties on Sino-Forest's financial statements. Among other things, Sino-Forest failed to disclose (1) that it engaged in multiple fraudulent transactions which resulted in the overstatement of assets, revenues and income; (2) that the Company lacked adequate internal controls to substantiate its financial performance or verify its assets and contractual relationships; (3) that its operations were permeated by unsubstantiated and undisclosed related party

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transactions; and (4) that its financial statements were materially misleading and not prepared in accordance with the applicable accounting standards.

- 5. The massive fraud perpetrated on investors by Sino-Forest and the Individual Defendants could not have been accomplished without the abject failure of the gatekeepers (Sino-Forest's auditors and underwriters) to perform their duties to investors. Notwithstanding the fact that the fraud permeated virtually every aspect of Sino-Forest's business, and that these gatekeepers were fully aware of both the lack of transparency and lack of internal controls over financial reporting, they ignored or recklessly disregarded numerous "red flags" indicating the existence of fraudulent transactions including the simple fact that the Company did not have sufficient proof of ownership of "a majority of its standing timber assets" as described herein. As a result, during the Class Period, Sino-Forest issued years of materially false and misleading financial statements that, among other things, overstated its assets, revenues, and income. These financial statements were purportedly audited by Defendant E&Y and repeatedly published in offering documents used for billions of dollars of securities sold to investors by the Underwriter Defendants and others.
- 6. Certain information regarding Sino-Forest's questionable financial practices first came to light on June 2, 2011 when Muddy Waters, a firm specializing in the analysis of Chinese companies whose stock trades in the U.S. and Canada, published a detailed report alleging improper and illegal conduct at the Company. Over the ensuing weeks, there was a flurry of articles, investigations, and news reports about the Company's misconduct, as well as the Company's denials of the Muddy Waters allegations. On June 18, 2011, *The Globe and Mail* reported on its own investigation regarding some of the allegations against Sino-Forest, finding that there were "doubts about the company's public statements regarding the value of [its]

assets" and "broader questions about its business practices." The Company denied the allegations in statements issued over the next two months.

- 7. Ultimately, in late August 2011, the Ontario Stock Commission ("OSC") confirmed that there was evidence of fraud at Sino-Forest and ordered a halt in trading of Sino-Forest's common stock on the Toronto Stock Exchange, effective August 26, 2011. Reportedly, the OSC accused Sino-Forest of "fraudulently inflating its revenues and exaggerating the extent of its timber holdings." The OSC also noted that the Company "engaged in significant non-arms-length transactions." Similarly, trading of Sino-Forest common stock was halted in the U.S. on the OTC Bulletin Board. Two days later it was reported that the Company's CEO, Defendant Chan, resigned; that three of the Company's vice-presidents were placed on leave; and that another senior vice-president was relieved of most of his duties. On November 15, 2011, Sino-Forest announced that it was deferring the release of its interim financial report for the third quarter of 2011.¹ To date, Sino-Forest has not filed any required periodic reports or issued financial statements for the third quarter of 2011 or later.
- 8. On November 11, 2011, the Company announced that it was also the subject of a criminal investigation by the Royal Canadian Mounted Police ("RCMP") regarding the allegations surrounding its business and finances. Sino-Forest has failed to make payments due on its outstanding debt and belatedly advised the investing public that its historical financial statements and audit reports should not be relied upon.
- 9. On March 30, 2012, Sino-Forest filed for protection under the Ontario Companies

  Creditors Arrangement Act ("CCAA"), which is similar to a bankruptcy filing in the United

  States. Numerous entities have or are conducting investigations regarding Sino-Forest's

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<sup>&</sup>lt;sup>1</sup> The financial year-end of Sino-Forest is December 31.

financial reporting. In addition to the OSC and RCMP, the Company appointed an Independent Committee of the Board of Directors (the "IC") to investigate, and the Hong Kong Securities and Futures Commission ("HKSFC") commenced an investigation. The IC issued three reports (the "IC Reports") describing its investigation (principally into the Muddy Waters allegations) and the OSC issued a Statement of Allegations ("OSC Allegations") setting forth claims of fraud against Sino-Forest and Defendants Chan and Horsley. On April 30, 2012, Defendant Ernst & Young resigned as the Company's independent auditor.

- 10. The OSC Allegations describe a fraudulent scheme that inflated the assets and revenues of Sino-Forest and resulted in the issuance of materially misleading financial statements and other misleading statements to investors. As described by the OSC, Sino-Forest and the Individual Defendants engaged in fraudulent conduct with respect to (i) the assets and revenues derived from the purchase and sale of standing timber; (ii) the acquisition of Greenheart Limited Group ("Greenheart Acquisition"); (iii) false evidence of ownership of a vast majority of the Company's timber holdings; and (iv) failure to disclose that the Company's internal controls were insufficient to protect against the significant fraudulent transactions and misconduct alleged.
- 11. Notwithstanding Sino-Forest's and the Individual Defendants' fraudulent conduct, E&Y and the Underwriter Defendants were forewarned about the Company's lack of transparency and internal control weaknesses, yet allowed such misconduct to continue for years, while ignoring the inadequate processes and lack of competent evidentiary material supporting the Company's financial results. Among some of the "red flags" ignored by E&Y and the Underwriter Defendants were the following:

- a. Sino-Forest's admitted lack of segregation of duties, which created risk in terms of measurement and completeness of transactions as well as the possibility of non-compliance with existing internal controls, either of which may lead to the possibility of inaccurate financial reporting;
- b. The lack of transparency into Sino-Forest's complex corporate structure and opaque business practices and relationships with its Suppliers, AIs, and other nominee companies in the BVI Network. Sino-Forest established a collection of "nominee"/"peripheral" companies that were controlled, on its behalf, by various "caretakers." Sino-Forest conducted a significant level of its business with these companies, the true economic substance of which was misstated in Sino-Forest's financial disclosures;
- c. Sino-Forest's lack of proof of ownership for the vast majority of its timber holdings which included backdated Purchase Contracts and Sales Contracts, and missing supporting documentation. Sino-Forest then relied upon these documents to evidence the purported purchase, ownership, and sale of Standing Timber in the BVI Model;
- d. The missing documentation from Sino-Forest's BVI timber purchase contracts, in particular failure to have as attachments either (i) Plantation Rights Certificates from either the Counterparty or original owner or (ii) villager resolutions, both of which are contemplated as attachments by the standard form of BVI timber purchase contract employed by Sino-Forest;

<sup>&</sup>lt;sup>2</sup> These "nominee"/"peripheral" companies and "caretakers" are described in greater detail in paragraphs 93-95.

- e. Sino-Forest's BVI Subs failure to obtain certificates of ownership of Standing Timber from the PRC and the fact that purported confirmations from forestry officials were not recognized as evidence of ownership of timber assets in PRC;
- f. Sino-Forest's 2010 sale of Standing Timber, despite the fact that these same Standing Timber assets were offered as collateral for a bank loan by Sino-Forest in 2011; so the sale of those assets in 2010 could not have taken place and been recorded as revenue in that year;
- g. Circular cash flows and unusual offsetting arrangements by which money flowed between various Sino-Forest controlled companies;
- h. The lack of bank records or other adequate documentation confirming cash flows from complex and unusual transactions involving Suppliers and Authorized Intermediaries; and
- i. The recognition of revenues from sales of standing timber where sales contracts were not created until the quarter after the date of the alleged sale.
- 12. Thus, the entities who were in the best position to protect investors from the massive fraud that occurred here (E&Y and the Underwriter Defendants) missed every potential warning sign in their audits and due diligence of Sino-Forest, despite being armed with the knowledge that hundreds of millions of dollars in transactions were ultimately controlled by a handful of individuals, through a murky structure of corporate entities from around the world, while relying on a deeply flawed process for verifying transactions and business relationships. E&Y's and the Underwriter Defendants' reckless disregard for these red flags in the face of the Company's inadequate internal controls and processes constitutes gross recklessness which resulted in the publication of misleading financial statements and audit reports, and the issuance

of inflated securities to investors. Strikingly, it was only after an investigation by an **outside** securities analyst who, unlike Defendant E&Y and the Underwriter Defendants, had no access to internal Company documents or personnel that these fraudulent activities came to light. Indeed, many of the fraudulent activities were unsophisticated and simply disregarded by E&Y and the Underwriter Defendants – *e.g.* the creation of purchase or sales documents after the end of a quarter and backdating of documents to support transactions; missing attachments from significant transaction documents; lack of bank statements or confirmations of off-book financial transactions, and the use of multiple related parties to facilitate fraudulent transactions.

13. The disclosures relating to Defendants' misconduct and the ultimate halt in trading occasioned by the OSC charges of fraud caused the trading prices of the Company's stock and its debt securities to decline dramatically, thereby damaging Class Members. Sino-Forest's common stock, which traded as high as \$26.64, last traded at \$1.38 before trading was halted in the U.S and is now virtually worthless. Moreover, Sino-Forest's debt securities are now priced at a fraction of their original value.

#### A. Jurisdiction and Venue

- 14. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder by the SEC, and Sections 12 and 15 of the Securities Act.
- 15. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, Section 27 of the Exchange Act, and Section 22 of the Securities Act. This Court also has supplemental jurisdiction under 28 U.S.C. § 1367(a) over all state law claims asserted by Plaintiffs and Class Members because they arise from the same nucleus of operative facts

alleged in this Complaint, and are so related to the Exchange Act claims over which this Court has original jurisdiction that they form part of the same case or controversy.

- 16. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b), Section 27 of the Exchange Act, and Section 22 of the Securities Act. Many of the acts alleged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in the District.
- 17. This Court also has jurisdiction, and venue is proper, because, in connection with the sale of \$600 million in notes which occurred in October 2010 (the "Note Offering" or "Offering") that will come due in 2017 (the "2017 Notes"), Sino-Forest "... irrevocably and unconditionally submits to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in the Borough of Manhattan, New York City over any suit, action or proceeding arising out of or relating to this Indenture, any Note or any Subsidiary Guarantee." In addition, the Indenture provides that "[a]s long as any of the Notes remain Outstanding, the Company and each of the Subsidiary Guarantors will at all times have an authorized agent in New York City, upon whom process may be served in any legal action or proceeding arising out of or relating to this Indenture, any Note or any Subsidiary Guarantee." Finally, as contemplated by the Indenture, "[e]ach of the Notes, the Subsidiary Guarantees and the Indenture shall be governed by, and construed in accordance with, the laws of the State of New York."
- 18. In addition, the Underwriter Defendants are located in New York and all Defendants do substantial business in New York. Also, purchases and sales of Sino-Forest common stock occurred on the OTC market in the United States, including New York. Moreover, the trustee for the 2017 Notes is the Law Debenture Trust Company of New York which is located at 400 Madison Avenue, Suite 4D, New York, New York 10017.

19. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone and Internet communications, and the facilities of the national securities markets.

#### II. PARTIES

#### A. Plaintiffs

- **20.** Plaintiff **David Leapard** is a resident of South Carolina and purchased the common stock of Sino-Forest during the Class Period in the OTC market in the United States as set forth in the attached Certification and suffered damages when the price of those shares declined as a result of Defendants' misconduct.
- 21. Plaintiff IMF Finance SA ("IMF") is an entity with offices in the British Virgin Islands ("BVI") and purchased 2017 Notes from Defendant Credit Suisse pursuant to the October 2010 Note Offering as set forth in the attached Certification and suffered damages when the price of the 2017 Notes declined as a result of Defendants' misconduct. Plaintiff IMF asserts claims on behalf of purchasers of Sino-Forest debt securities, including purchasers of the 2017 Notes.

#### B. <u>Defendants</u>

**22.** Defendant **Sino-Forest** purports to be a commercial forest plantation operator, principally based in the PRC but with additional operations in other locations. At all material times, **Sino-Forest's registered office was located in Mississauga, Ontario** and its common stock traded on the OTC market in the United States using the symbol "SNOFF." As a reporting issuer in Ontario, Canada, Sino-Forest was required to file certain periodic reports (described below) regarding its business and operations, including audited financial statements, which were made

available to investors. Sino-Forest's common stock and various debt instruments were traded in Canada, the United States and elsewhere. Sino-Forest derives substantial revenue from interstate or international commerce.

- 23. Sino-Forest was required to file Management Discussion and Analysis Reports ("MD&As"), which are a narrative explanations of how the company performed during the period covered by the financial statements, and of the company's financial condition and future prospects. The MD&A must discuss important trends and risks that are reasonably likely to affect the company's business in the future. MD&As are filed quarterly and at fiscal year end.
- **24.** Another required filing, Annual Information Forms ("AIFs"), are annual disclosure documents intended to provide material information about the company and its business at a point in time in the context of its historical and future development. The AIF describes the company, its operations and prospects, risks and other external factors that impact the company specifically.
- **25.** The Company also filed its audited financial statements, which were included in Annual Reports disseminated to investors.
- **26.** As directors, board members, and executives in Sino-Forest during the Class Period, the Individual Defendants controlled the contents of its MD&As, financial statements, AIFs, Annual Reports, and other documents particularized herein and the misrepresentations and omissions made therein were made by the Individual Defendants as well as the Company itself.
- 27. Defendant Allen T. Y. Chan is a co-founder of Sino-Forest and was the Chairman, Chief Executive Officer, and a director of the Company from 1994 until August 28, 2011, when he resigned in the wake of the disclosure of the misconduct described in this Complaint. As Sino-Forest's CEO, Chan certified the accuracy of the Company's securities

filings, including its financial statements, during the Class Period. Chan signed each of the Company's Annual Consolidated Financial Statements issued from 2006 through 2010. Chan is a resident of Hong Kong and, on information and belief, is a citizen of the PRC.

- 28. Chan certified each of materially false and misleading annual and quarterly MD&As and financial statements issued by Sino-Forest during the Class Period. During the Class Period, Chan signed each of Sino-Forest's materially false and misleading annual financial statements. Chan reviewed and approved the financial statements, public filings, and other statements issued by the Company and caused Sino-Forest to make the misrepresentations particularized below.
- 29. During the Class Period, Chan received substantial compensation from the Company. For example, for 2008 to 2010, Chan's total compensation was, respectively, \$5.0 million, \$7.6 million, and \$9.3 million. In addition, during the Class Period, while in possession of material adverse information regarding the business and finances of Sino-Forest, Chan sold nearly \$3 million worth of Sino-Forest common stock to unsuspecting investors. Chan also received millions in undisclosed compensation through certain hidden related party transactions, including the acquisition of Greenheart, as described below.
- 30. As of May 1, 1995, shortly after Sino-Forest became a reporting issuer, Chan held 18.3% of Sino-Forest's outstanding common shares and 37.5% of its preference shares. As of April 29, 2011, he held 2.7% of Sino-Forest's common shares.
- 31. Defendant **Albert Ip** is a former senior executive for Sino-Forest who engaged in a fraudulent scheme to inflate the assets and revenue of Sino-Forest and made materially misleading statements in Sino-Forest's public filings and other statements related to its business and financial results.

- 32. Defendant Alfred C.T. Hung is a former senior executive for Sino-Forest who engaged in a fraudulent scheme to inflate the assets and revenue of Sino-Forest and made materially misleading statements in Sino-Forest's public filings and other statements related to its business and financial results.
- 33. Defendant **George Ho** is a former senior executive for Sino-Forest who engaged in a fraudulent scheme to inflate the assets and revenue of Sino-Forest and made materially misleading statements in Sino-Forest's public filings and other statements related to its business and financial results.
- **34.** Defendant **Simon Yeung** is a former senior executive for Sino-Forest who engaged in a fraudulent scheme to inflate the assets and revenue of Sino-Forest and made materially misleading statements in Sino-Forest's public filings and other statements related to its business and financial results.
- 35. Defendant **David J. Horsley**, former Senior Vice President and Chief Financial Officer ("CFO") of Sino-Forest, was responsible for the Company's accounting, internal controls, and financial reporting, including the preparation of the Company's financial statements. Horsley signed and certified the Company's disclosure documents during the Class Period. Horsley resides in Ontario.
- **36.** Horsley certified each of Sino-Forest's Class Period materially false and misleading annual and quarterly MD&As and financial statements. Horsley signed each of Sino-Forest's Class Period materially false and misleading annual financial statements. As an officer, he caused Sino-Forest to make the misrepresentations particularized below.
- **37.** During the Class Period, Horsley received substantial compensation from Sino-Forest. For 2008 to 2010, Horsley's total compensation was, respectively, \$1.7 million, \$2.5

million, and \$3.1 million. During the Class Period, while in possession of material adverse information concerning the business and finances of Sino-Forest, Horsley sold almost \$11 million worth of shares of Sino-Forest common stock.

- 38. Defendant **Kai Kit Poon** is a co-founder of Sino-Forest, a member of its Board of Directors and has been President of the Company since 1994. Poon resides in Hong Kong and, on information and belief, is a citizen of the PRC. During the Class Period, while in possession of material adverse information concerning the business and finances of Sino-Forest, Poon sold over \$30 million worth of shares of Sino-Forest common stock.
- **39.** While Poon was a board member, he caused Sino-Forest to make the misrepresentations or omit material facts particularized below.
- **40.** Poon rarely attended board meetings while he was on Sino's board. From the beginning of 2006 until his resignation from the Board in 2009, he attended 5 of the 39 board meeting, or less than 13% of all board meetings held during that period.
- 41. Defendant W. Judson Martin has been a director of Sino-Forest since 2006, and was appointed vice-chairman in 2010. On or about August 25, 2011, Martin replaced Chan as Chief Executive Officer of Sino-Forest. Martin was a member of Sino-Forest's audit committee prior to early 2011 and, as a member of the audit committee, was responsible for reviewing and approving the Company's audited and unaudited financial statements. Martin has made in excess of \$474,000 through the sale of Sino-Forest shares. He resides in Hong Kong. As a board member, he reviewed and approved the financial statements, public filings and other statements issued by the Company and caused Sino-Forest to make the misrepresentations or omit material facts particularized herein.

- 42. Defendant Edmund Mak is a director of Sino-Forest and has held this position since 1994. Mak was a member of Sino-Forest's audit committee prior to early 2011 and, as a member of the audit committee, was responsible for reviewing and approving the Company's audited and unaudited financial statements. Mak and persons connected with Mak have made in excess of \$6.4 million through sales of Sino-Forest shares. Mak resides in British Columbia. As a board member, he reviewed and approved the financial statements, public filings and other statements issued by the Company and caused Sino-Forest to make the misrepresentations or omit material facts particularized below.
- 43. Defendant James M. E. Hyde is a director of Sino-Forest, and has held this position since 2004. Hyde was previously a partner of E&Y. Hyde is the chairman of Sino-Forest's Audit Committee and, as a member of the Audit Committee, was responsible for reviewing and approving the Company's audited and unaudited financial statements. Hyde is also a member of the Compensation and Nominating Committee. Hyde has made in excess of \$2.4 million through the sale of Sino-Forest's shares. Hyde resides in Ontario. As a board member, he reviewed and approved the financial statements, public filings and other statements issued by the Company and caused Sino-Forest to make the misrepresentations or omit material facts particularized below.
- **44.** Defendant **William E. Ardell** is a director of Sino-Forest, and has held this position since January 2010. Ardell is a member of Sino-Forest's audit committee and, as a member of the Audit Committee, was responsible for reviewing and approving the Company's audited and unaudited financial statements. Ardell resides in Ontario. As a board member, he reviewed and approved the financial statements, public filings and other statements issued by the

Company and caused Sino-Forest to make the misrepresentations or omit material facts particularized below.

- 45. Defendant James P. Bowland was a director of Sino-Forest from February 2011 until his resignation from the Board of Sino-Forest in November 2011. While on Sino-Forest's board, Bowland was a member of Sino-Forest's Audit Committee and, as a member of the Audit Committee, was responsible for reviewing and approving the Company's audited and unaudited financial statements. Bowland resides in Ontario. As a board member, he reviewed and approved the financial statements, public filings and other statements issued by the Company and caused Sino-Forest to make the misrepresentations or omit material facts particularized below.
- 46. Defendant Garry J. West is a director of Sino-Forest, and has held this position since February 2011. West was previously a partner at E&Y. West is a member of Sino-Forest's Audit Committee 2011 and, as a member of the Audit Committee, was responsible for reviewing and approving the Company's audited and unaudited financial statements. West resides in Ontario. As a board member, he reviewed and approved the financial statements, public filings and other statements issued by the Company and caused Sino-Forest to make the misrepresentations or omit material facts particularized below.
- 47. Defendants Martin, Mak, Hyde, Ardell, Bowland, and West are referred to herein as the Audit Committee Defendants. Defendants Chan, Ip, Hung, Ho, and Yeung are referred to herein as Overseas Management Defendants. The Overseas Management Defendants together with Defendant Horsley are referred to herein as the Officer Defendants. The Officer Defendants and Sino-Forest are collectively referred to as the Sino-Forest Defendants. Defendants Martin, Mak, Hyde, Ardell, Bowland, West, Chan, Ip, Hung, Ho, Yeung, and Horsley are herein referred to as the Individual Defendants.

- **48.** As officer and/or directors of Sino-Forest, the Individual Defendants were fiduciaries of Sino-Forest, and they made the misrepresentations or omitted material facts alleged herein, and/or caused Sino-Forest to make such misrepresentations and omissions. In addition, Defendants Chan, Poon, Horsley, Martin, Mak, and Murray were unjustly enriched in the manner and to the extent particularized below.
- **49.** Defendant **Poyry** (**Beijing**) **Consulting Company Limited** ("**Poyry**") is an international forestry consulting firm which purported to provide certain forestry consultation services to Sino-Forest.
- **50.** Poyry, in providing what it purported to be "forestry consulting" services to Sino-Forest, made statements that it knowingly intended to be, and which were, disseminated to Sino-Forest's current and prospective security holders. At all material times, Poyry was aware of that class of persons, intended to and did communicate with them, and intended that prospective investors and the market, among others, would rely on Poyry's statements relating to Sino-Forest, which they did to their detriment.
- **51.** Poyry consented to the inclusion in the June 2007, June 2009, and December 2009 Prospectuses, as well as the July 2008, June 2009, December 2009, and October 2010 Offering Memoranda, of its various reports, as detailed below in paragraph 207.
- 52. Defendant Banc of America Securities LLC ("BOA") is a financial services company which, using the name "BofA Merrill Lynch" or "Merrill Lynch Canada", acted as one of two "Joint Global Coordinators and Lead Bookrunning Managers" for the October 2010 Offering. BOA's affiliate, Merrill Lynch, Canada, acted as an underwriter for the June 2007, July 2008, June 2009, and December 2009 Offerings. In this capacity, BOA acted as an underwriter in one or more of the Offerings. BOA operates in and has its principal place of

business in New York County, New York. This Complaint seeks damages on behalf of the purchasers of the 2017 Notes against any and all Bank of America entities that may be liable for the misconduct described herein.

- 53. Defendant Credit Suisse Securities (USA) LLC ("Credit Suisse") is a financial services company which acted as one of two "Joint Global Coordinators and Lead Bookrunning Managers" for the following Note Offerings: July 2008 and October 2010. Credit Suisse's affiliate, Credit Suisse, Canada, acted as an underwriter for the June 2007, June 2009, and December 2009 Offerings. In this capacity, Credit Suisse acted as an underwriter for this and additional Offerings. Credit Suisse operates in and has offices in New York County, New York. This Complaint seeks damages on behalf of the purchasers of the 2017 Notes against any and all Credit Suisse entities that may be liable for the misconduct described herein.
- **54.** BOA and Credit Suisse are collectively referred to as the **Underwriter Defendants**. The Underwriter Defendants who are located in New York, NY, offered and sold the 2017 Notes pursuant to a materially false and misleading Offering Memorandum dated October 14, 2010 (the "Offering Memorandum") to certain Class Members in the United States who purportedly satisfied the requirements to be considered a "qualified institutional buyer" pursuant to Rule 144 of the U.S. Securities and Exchange Commission ("SEC"). The Underwriter Defendants also sold certain notes in the Offering to foreign investors relying on the exemption set forth in SEC Regulation S.
- 55. In connection with the Offerings made pursuant to the June 2007, June 2009, and December 2009 Prospectuses, the Underwriters who underwrote these Offerings were paid, respectively, an aggregate of approximately \$7.5 million, \$14.0 million, and \$14.4 million in underwriting commissions. In connection with the offerings of Sino-Forest's notes in July 2008,

December 2009, and October 2010, BOA and Credit Suisse were paid, respectively, an aggregate of approximately \$2.2 million, \$8.5 million, and \$6 million. Those commissions were paid in substantial part as consideration for the Underwriters' purported due diligence examination of Sino-Forest's business and financial condition.

- 56. None of the Underwriters conducted a reasonable due diligence into Sino-Forest in connection with any of the Offerings. None of the Underwriters had reasonable grounds to believe that there was no material misrepresentation or material omissions in any of the representations made to investors. The Underwriter Defendants ignored the existence of multiple warning signs regarding the misconduct described herein, and permitted Sino-Forest to go forward with the sale of securities inflated to investors based on materially false and misleading offering documents which the Underwriter Defendants assisted in preparing and provided to investors.
- 57. In the circumstances of this case, including the facts that Sino-Forest operated in an emerging economy, Sino-Forest entered Canada's capital markets by means of a reverse merger, and Sino-Forest reported extraordinary results over an extended period of time that far surpassed those reported by Sino-Forest's peers, the Underwriter Defendants all ought to have exercised heightened vigilance and caution in the course of discharging their duties to investors, which they did not do. Had they done so, they would have uncovered Sino-Forest's true financial results and performance, and the Class Members to whom they owed their duties would not have sustained the losses that they sustained on their Sino-Forest investments.
- 58. Defendant Ernst & Young LLP, a part of Ernst & Young Global Limited, has offices in Toronto, Canada. Ernst & Young LLP has been Sino-Forest's auditor since August 13, 2007 and was also Sino-Forest's auditor from 2000 to 2004. Sino-Forest's shareholders,

including numerous Class Members, appointed E&Y as auditors of Sino-Forest by shareholder resolutions passed on various dates, including on June 21, 2004, May 26, 2008, May 25, 2009, May 31, 2010, and May 30, 2011. This Complaint seeks damages against any and all Ernst & Young entities that may be liable for the misconduct described herein.

- 59. Ernst & Young LLP Chartered Accountants is referred to as "E&Y". For Sino-Forest's 2007 through 2010 fiscal years, E&Y provided an "Auditor's Report" addressed directly to Sino-Forest's shareholders, which gave the Company a "clean" audit report on its financial statements. At all material times, E&Y knew that its audit report was directed to Sino-Forest's shareholders, prospective shareholders and prospective purchasers of Sino-Forest's securities, and that investors would and did rely on E&Y's statements relating to Sino-Forest in making their investment decisions. Each of E&Y's audit reports informed the Company's investors and the purchasers of its securities that, based on its audits, Sino-Forest's financial statements were presented in accordance with Canadian GAAP and that it had performed its audits in accordance with applicable Canadian auditing standards. E&Y's audit report was materially false and misleading and omitted material facts as described herein.
- 60. The Individual Defendants earned millions of dollars in compensation because of Sino-Forest's artificially inflated stock price. Moreover, their misleading portrayal of the Company's finances allowed Sino-Forest to raise billions of dollars by issuing debt and equity securities to investors. This was critical to the Company's survival since the Company had a negative cash flow -- it was spending more money than it was taking in -- yet was spending enormous sums purportedly to purchase new assets. Sino-Forest's inflated stock price also allowed it to use its shares as currency to acquire other companies and assets.

- 61. It was only because of Defendants' concealment of Sino-Forest's true financial condition that the Company was able to complete the \$600 million Note Offering in October 2010. Investors would not have purchased these Notes or would not have purchased them at the prices they did, if the truth about Sino-Forest had been known.
- 62. Thus, during the Class Period, Defendants, acting in concert with others, made materially false statements and misleading statements and omitted material facts about the true financial condition and business operations of Sino-Forest, causing the prices of Sino-Forest's common stock and Debt Securities to be artificially inflated during the Class Period. Despite the obviously false and misleading nature of these statements, E&Y and the Underwriter Defendants facilitated the improper conduct of Sino-Forest and the Individual Defendants E&Y by repeatedly ignoring red flags which would have led to the discovery of the Sino Forest Defendants' misconduct, and repeatedly certifying that the Company's financial statements were prepared in compliance with applicable accounting standards; and the Underwriter Defendants by failing to perform adequate due diligence on multiple occasions and disseminating the misleading Offering Memorandum to investors.

#### II. BACKGROUND

- 63. During the Class Period, Sino-Forest conducted its business through a network of approximately 137 related entities: 67 PRC incorporated entities (with 12 branch companies), 58 BVI incorporated entities, 7 Hong Kong incorporated entities, 2 Canadian entities, and 3 entities incorporated in other jurisdictions.
- **64.** Sino-Forest portrayed itself as one of the world's largest and most successful forestry companies. According to the Company's Annual Information Form for the year ended December 31, 2010 (the "2010 Annual Form") Sino-Forest "had approximately 788,700 hectares

of forest plantations under management which are located primarily in southern and eastern China." Between 2006 and 2010, Sino-Forest's assets (primarily plantation acreage) purportedly grew nearly five-fold from approximately \$1.2 billion to over \$5.7 billion, while revenues grew from \$555 million to \$1.9 billion and net income more than tripled from \$113 million to \$395 million, as reflected in the Company's financial statements<sup>3</sup>

- 65. In addition, from June 30, 2006 to March 31, 2011, Sino-Forest's share price rose from \$5.04 (US) to \$26.08 (US). By March 31, 2011 Sino-Forest's market capitalization was well over \$6 billion dollars.<sup>4</sup>
- 66. From 2007 through 2010, the Company's annual financial statements were audited by Defendant E&Y which certified that they had been prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP") and that the audit had been conducted in conformance with Canadian Generally Accepted Auditing Standards ("Canadian GAAS").
- 67. Sino-Forest's tremendous growth was ostensibly fueled by increasingly large acquisitions of valuable tree plantations and revenues generated from operations relating to that business. In addition, the Company's escalating growth allowed it to raise enormous sums of capital from investors around the world through the sale of debt securities and common stock, including the sale of \$600 million in notes which occurred in October 2010 (the "Offering") that will come due in 2017 (the "2017 Notes"). The Note Offering was underwritten by Defendants Banc of America Securities LLC and Credit Suisse Securities (USA) LLC. In total, the Company issued *over \$1.8 billion* in debt instruments during the Class Period.

<sup>&</sup>lt;sup>3</sup> Except where otherwise indicated, all amounts in this Complaint are in U.S. dollars.

<sup>&</sup>lt;sup>4</sup> This figure is an extrapolation from 12/31/10 number.

**68.** Moreover, Defendant E&Y annually audited Sino-Forest's financial statements and reviewed its interim financial information for compliance with Canadian GAAP. For fiscal years 2007 through 2010 E&Y gave Sino-Forest a "clean" audit opinion.

## A. <u>SINO-FOREST'S OPAQUE BUSINESS MODEL</u>

- 69. Although ostensibly a forestry company, Sino-Forest's purported business was, in many respects, more that of a trader or financial intermediary than of a traditional forestry company. The Company seldom sold wood products directly to end-user customers. Instead, it claimed that most of its earnings came from buying logs and the right to harvest trees and then reselling these logs and harvesting rights at higher prices.
- **70.** Sino-Forest's corporate structure is a complex web of dozens of interconnected Canadian, Chinese, Hong Kong, Cayman Islands and British Virgin Islands subsidiaries, most of which are wholly-owned or in which the Company has a majority interest. A total of 137 entities make up the Sino-Forest Companies: 67 PRC incorporated entities (with 12 branch companies), 58 BVI incorporated entities, 7 Hong Kong incorporated entities, 2 Canadian entities, and 3 entities incorporated in other jurisdictions.<sup>5</sup>.
- 71. Sino-Forest is the sole shareholder of Sino-Panel Holdings Limited (incorporated in the BVI), Sino-Global Holdings, Inc. (incorporated in the BVI), Sino-Panel Corporation (incorporated in Canada), Sino-Wood Partners Limited (incorporated in Hong Kong), Sino-Capital Global Inc. (incorporated in the BVI), and Sino-Forest International (Barbados) Corporation (incorporated in Barbados). Sino-Forest also holds all of the preference shares of

<sup>&</sup>lt;sup>5</sup> Sino-Forest's recently released corporate organizational chart, attached as Exhibit A, illustrates in part, the complexity

Sino-Forest Resources, Inc. (incorporated in the BVI). Some of these subsidiaries have further direct and indirect subsidiaries.

- 72. Sino-Forest's business model is further complicated by the fact that much of its business is done through "Authorized Intermediaries" ("AIs"), supposedly independent companies that are largely responsible for the actual sale of forestry products to the users of these products. Despite the critical role that these Authorized Intermediaries play in its business, little is known of the financial relationships with these AIs and Sino-Forest has, with one exception, refused to disclose the identity of these companies. As Defendant Martin acknowledged in Sino-Forest's creditors proceedings, "there has always been very little insight into the business of the AIs including their books and records, cash collections and disbursements." Martin further noted that there continue to be "on-going issues with respect to many of the business transactions between Sino-Forest and the AIs, including the nature of many of these relationships."
- 73. Because Sino-Forest principally operates in China, Sino-Forest's convoluted structure and business practices did not initially arouse investor suspicions. Because of the unusual aspects of doing business in China, where foreign investments are tightly regulated, a number of legitimate foreign companies operating in that country have unusually complex structures. But, unbeknownst to investors, there was little or no business justification for the way Sino-Forest structured itself and its operations. Sino-Forest's structure was not meant to facilitate compliance with Chinese law, but rather to make it easier for Defendants to materially mislead investors about the Company's operations, revenue, earnings, and assets.
- 74. One specific example of this complex organization is Sino-Forest's relationship with one of its most important subsidiaries, Greenheart Group Ltd. ("Greenheart"), a public company listed on the Hong Kong Stock Exchange. In 2010, following a complex series of

transactions, Sino-Forest completed the purchase of a controlling interest in Greenheart. Sino-Forest's 64% interest in Greenheart was acquired using cash and shares of Company stock.

Greenheart holds natural forest concessions, mostly in Suriname.

- 75. Greenheart controls most of Sino-Forest's supposedly substantial forestry assets outside of China. But, Sino-Forest also holds a 39.6% stake in Greenheart Resources Holdings Ltd. ("GRH"), a subsidiary of Greenheart. GRH, in turn, indirectly owns 100% of Greenheart's forest assets and operations in the western part of Suriname, supposedly one of Sino-Forest's principal timber holdings.
- **76.** In its Annual Information Form ("AIF") for 2010, Sino-Forest stated that its operations were comprised of two core business segments which it titled "Wood Fibre Operations" and "Manufacturing and Other Operations." Wood Fibre Operations had two subcomponents entitled "Plantation Fibre" and "Trading of Wood Logs."
- 77. According to Sino-Forest, the Plantation Fibre subcomponent of its business was derived from the purported acquisition, cultivation, and sale of either "standing timber" or "logs" in the PRC. For the purpose of this Amended Complaint, the Plantation Fibre subcomponent of Sino-Forest's business will be referred to as "Standing Timber" as most, if not all, of the revenue from the sale of Plantation Fibre was derived from the sale of "standing timber."
- **78.** From 2007 to 2010, Sino-Forest reported Standing Timber revenue totaling approximately \$3.56 billion, representing about 75% of its total revenue of \$4.77 billion. The following table provides a summary of Sino-Forest's stated revenue growth for the period from 2007 to 2010 and illustrate the importance of the revenue derived from the sale of Standing Timber:

| 2007 2008 2009 2010 TOT | ΓAL |
|-------------------------|-----|
|-------------------------|-----|

| Plantation Fibre  |           |          |            |            |            |
|-------------------|-----------|----------|------------|------------|------------|
| (defined as       |           |          |            |            |            |
| Standing Timber   |           |          |            |            |            |
| herein)           | \$521.5m  | \$685.4m | \$954.2m   | \$1,401.2m | \$3,562.3m |
| Trading of Wood   |           |          |            |            |            |
| Logs              | \$154.0 m | \$153.5m | \$237.9m   | \$454.0m   | \$999.4m   |
| TOTAL Wood        |           |          |            |            |            |
| Fibre             |           |          |            |            |            |
| <b>Operations</b> | \$675.5m  | \$838.9m | \$1,192.1m | \$1,855.2m | \$4,561.7m |
| ***               | ***       | ***      | ***        | ***        | ***        |
| Manufacturing     |           |          |            |            |            |
| and Other         |           |          |            |            |            |
| Operations        | \$38.4m   | \$57.1m  | \$46.1m    | \$68.3m    | \$209.9 m  |
| TOTAL             |           |          |            |            |            |
| REVENUE           | \$713.9m  | \$896.0m | \$1,238.2m | \$1,923.5m | \$4,771.6m |

- **79.** Standing Timber was purchased, held, and sold by Sino-Forest in two distinct legal structures or models: the "BVI Model" and the "WFOE Model."
- **80.** In the BVI Model, Sino-Forest's purchases and sales of Standing Timber in the PRC were conducted using wholly owned subsidiaries of Sino-Forest incorporated in the British Virgin Islands (the "BVI Subs"). The BVI Subs purported to enter into written purchase contracts ("Purchase Contracts") with suppliers in the PRC ("Suppliers") and then purported to enter into written sales contracts ("Sales Contracts") with its AIs.
- **81.** In the WFOE Model, Sino-Forest used subsidiaries incorporated in the PRC called Wholly Foreign Owned Enterprises ("WFOEs") to acquire, cultivate, and sell the Standing Timber. The Sino-Forest WFOEs also entered into Purchase Contracts and Sales Contracts with other parties in the PRC.

## B. <u>SINO-FOREST'S UNDISCLOSED FRAUDULENT TRANSACTIONS</u>

## 1. The Standing Timber Fraud

- 82. During the Class Period, Sino-Forest and the Individual Defendants engaged in numerous deceitful and dishonest courses of conduct (the "Standing Timber Fraud") that ultimately caused the assets and revenue derived from the purchase and sale of Standing Timber (which constituted the majority of Sino-Forest's business) to be fraudulently overstated, thereby misleading Plaintiffs and Class Members.
  - **83.** The Standing Timber Fraud was primarily comprised of three elements:
    - a. Sino-Forest concealed its control over Suppliers, AIs, and other nominee companies and misstated the true economic substance of the relationships in Sino-Forest's financial disclosures;
    - b. Sino-Forest falsified the evidence of ownership for the vast majority of its timber holdings by engaging in a deceitful documentation process; and
    - c. Sino-Forest concealed internal control weaknesses/failures that obscured the true nature of transactions conducted within the BVI Network.
- 84. Placed on notice of Sino-Forest's internal control weaknesses/failures and its inadequate processes E&Y (which had access to both company personnel and documents, *inter alia*) should have scrutinized the related parties or the transactions at issue during the course of its audit particularly the incomplete documentation process by which the purchase, sale, and ownership of Standing Timber were supposedly evidenced. Had E&Y fulfilled its obligations as an auditor in certifying the accuracy of Sino-Forest's purchase, sale, and ownership records and in determining the nature of the related parties involved in the transactions, this fraudulent scheme would likely have been detected sooner. Similarly, the Underwriter Defendants, having known of Sino Forest's internal control weaknesses, should have examined the related party transactions during the course of their due diligence.

- 85. As set out in paragraph 93, the vast majority of Sino-Forest's Standing Timber assets were held in the BVI Model. However, the available underlying documentation for these Standing Timber assets does not provide sufficient evidence of legal ownership of those assets. As of this date, the OSC has found that Sino-Forest has not been able to confirm full legal ownership of the Standing Timber assets that it claims to hold in the BVI.
- **86.** The following examples detail the fraudulent course of conduct that Sino-Forest and the Individual Defendants perpetrated with respect to financial transactions involving its timber assets, resulting in the issuance of materially false and misleading financial statements to investors.
  - a. "off-book" transactions and undocumented set-offs;
  - b. the Dacheng Fraud;
  - c. the 450,000 Fraud;
  - d. Gengma Fraud #1; and
  - e. Gengma Fraud #2.
- 87. On December 31, 2010, Sino-Forest reported total timber holdings of \$3.1 billion, comprising 799,700 hectares. About \$2.5 billion or approximately 80% of the total timber holdings (by value) were held in the BVI Model, comprising approximately 467,000 hectares of Standing Timber. The WFOE Model purportedly held approximately 97,000 hectares of Standing Timber valued at \$295.6 million, or approximately 10% of the total timber holdings (by value). The timber holdings in the BVI Model and the WFOE Model comprised approximately 90% of the total timber holdings (by value) of Sino-Forest as of December 31, 2010.

## 2. Off-Book Transactions and Undocumented Set-Offs

- 88. The cash-flows associated with the purchase and sale of Standing Timber executed in the BVI Model took place "off-book" pursuant to a payables/receivables arrangement (the "Offsetting Arrangement"), whereby the BVI Subs would not directly receive the proceeds on the sale of Standing Timber from the purchasing AI. Rather, Sino-Forest would direct the AI that purchased the timber to pay the sales proceeds to a new Supplier in order to buy additional Standing Timber. Consequently, Sino-Forest also did not make payment directly to Suppliers for purchases of Standing Timber.
- 89. According to the OSC, Sino-Forest did not possess the appropriate records to confirm that these "off-book" cash-flows in the Offsetting Arrangement actually took place. Set-off documentation was inadequate as it did not relate to a particular sales transaction and was not a record of a BVI sales transaction. Nor did Sino-Forest have any other documentation besides the set-off to evidencing payment and sale of the earlier timber sales. This lack of transparency within the BVI Model meant that independent confirmation of these "off-book" cash-flows was reliant on the good faith and independence of Suppliers and AIs.
- **90.** Further, pursuant to the terms of Sales Contracts entered into between a BVI Sub and an AI, the AI assumed responsibility for paying any PRC taxes associated with the sale that were owed by the BVI Sub. This obligation purportedly included paying the income tax and valued added tax on behalf of Sino-Forest.
- **91.** Sino-Forest dealt with relatively few Suppliers and AIs in the BVI Model. For example, in 2010, six Suppliers accounted for 100% of the Standing Timber purchased in the BVI Model and five AIs accounted for 100% of Sino-Forest's revenue generated in the BVI Model.

**92.** From 2007 to 2010, revenue from the BVI Model totaled \$3.35 billion, representing 94% of Sino-Forest's reported Standing Timber revenue and 70% of Sino-Forest's total revenue. The importance of the revenue from the BVI Model is demonstrated in the following table:

|              | 2007     | 2008     | 2009       | 2010       | TOTAL      |
|--------------|----------|----------|------------|------------|------------|
| BVI Model    |          |          |            |            |            |
| Revenue      | \$501.4m | \$644.9m | \$882.1m   | \$1,326m   | \$3,354.4m |
| WFOE Model   |          |          |            |            |            |
| Revenue      | \$20.1m  | \$40.5m  | \$72.1m    | \$75.2m    | \$207.9m   |
| Standing     |          |          |            |            |            |
| Timber       |          |          |            |            |            |
| Revenue      | \$521.5m | \$685.4m | \$954.2m   | \$1,401.2m | \$3,562.3m |
| TOTAL        |          |          |            |            |            |
| REVENUE      | \$713.9m | \$896m   | \$1,238.2m | \$1,923.5m | \$4,771.6m |
| BVI Model as |          |          |            |            |            |
| % of Total   |          |          |            |            |            |
| Revenue      | 70%      | 72%      | 71%        | 69%        | 70%        |

## 3. <u>Undisclosed Control Over Parties within the BVI Network</u>

- 93. Almost all of the buying and selling of Standing Timber in the BVI Model was generated through transaction between BVI Subs and a small number of Suppliers and AIs. Sino-Forest also conducted a significant level of this buying and selling with companies that are described in various Sino-Forest documents and correspondence as "peripheral" companies. Sino-Forest established and used a network of "nominee" companies that were controlled, on its behalf, by various so-called "caretakers."
- **94.** For the purpose of this Amended Complaint, the BVI Subs, Suppliers, AIs, "nominee" companies, and "peripheral" companies involved in the buying and selling of Standing Timber in the BVI Model are collectively referred to as the "BVI Network." Some of

the companies within the BVI Network were also involved in the buying and selling of Standing Timber within the WFOE Model.

- 95. One Sino-Forest document (the "Caretaker Company List") lists more than 120 "peripheral" (nominee) companies that are controlled by 10 "caretakers" on behalf of Sino-Forest. The "caretakers" include Huang Ran (legal representative of Huaihua City Yuda Wood Ltd. ("Yuda Wood"), described in greater detail in paragraphs 99 to 108 below), a relative of Chan, a former Sino-Forest employee, the sole director/shareholder of Montsford Ltd. (an acquaintance of Chan and Chan's nominee in the Greenheart Transaction as outlined in paragraphs 169 to 173 below), a former shareholder of Greenheart Resources Holdings Limited ("GRHL") and a shareholder of Greenheart, and an individual associated with some of Sino-Forest's Suppliers.
- 96. The control and influence that Sino-Forest exerted over certain Suppliers, AIs, and peripheral companies within the BVI Network bring the bona fides of numerous contracts entered into in the BVI Model into question. Sino-Forest wielded this control and influence through the Overseas Management Defendants and these caretakers. Sino-Forest's control of, or influence over, certain parties within the BVI Network was not disclosed to Plaintiffs and Class Members.
- **97.** Some of the counterparties to the transactions described below (Dacheng Fund, the 450,000 Fraud, Gengma Fraud #1, and Gengma Fraud #2) are companies that are included in the Caretaker Company List, as outlined in more detail in paragraphs 135 to 166 below.
- **98.** Among other undisclosed relationships, Sino-Forest did not disclose the true nature of its relationship with the following two key companies in the BVI Network: Yuda Wood and Dongkou Shuanglian Wood Company Limited ("Dongkou").

#### i. Sino-Forest Controlled Yuda Wood, a Major Supplier

- **99.** Huaihua City Yuda Wood Co. Ltd., based in Huaihua City, Hunan Province ("Yuda Wood"), was a major supplier of Sino during the Class Period. Yuda Wood was founded in April 2006 and, from 2007 until 2010, its business with Sino totaled approximately 152,164 Ha.
- 100. Yuda Wood was a Supplier that was controlled by Sino-Forest during the Class Period. In the Second Interim Report, the Independent Committee of the Board of Directors of Sino-Forest Corporation ("IC") acknowledged that "there is evidence suggesting close cooperation [between Sino and Yuda Wood] (including administrative assistance, possible payment of capital at the time of establishment, joint control of certain of Yuda Wood's RMB bank accounts and the numerous emails indicating coordination of funding and other business activities)" [emphasis added].
- 101. The fact that Yuda Wood was a related party of Sino-Forest during the Class Period was a material fact and was required to be disclosed under Canadian GAAP, but, during the Class Period, that fact was not disclosed by Sino-Forest in any of the Financial Statements, MD&As, Prospectuses, Offering Memoranda, or otherwise.
- 102. From 2007 to 2010, Yuda Wood was purportedly Sino-Forest's largest Supplier, accounting for 18% of all purchases in the BVI Model. Sino-Forest claimed to have paid Yuda Wood approximately \$650 million during that time. Because Yuda Wood was Sino-Forest's largest Supplier, both E&Y (during the course of its audits)\_ and the Underwriter Defendants (as part of their due diligence) should have closely scrutinized the relationship between the Yuda Wood and Sino-Forest and the transactions between the companies.

- 103. Yuda Wood was registered and capitalized by certain Individual Defendants, including Defendants Yeung, Ip, Ho, Hung, who also controlled bank accounts of Yuda Wood and key elements of its business.
- 104. The legal representative of Yuda Wood is Huang Ran, a former employee of Sino-Forest and also a shareholder and director of Hong Kong Sonic Jita Engineering Co., Ltd. ("Sonic Jita"), the sole shareholder of Yuda Wood. In addition, Huang Ran had significant interests in other Suppliers of Sino-Forest and was identified as the "caretaker" of several nominee/peripheral companies.
- **105.** Yuda Wood and other companies controlled by Sino-Forest through Huang Ran were used to perpetrate portions of the Standing Timber Fraud including the Dacheng Fraud, the 450,000 Fraud, Gengma Fraud #1 and Gengma Fraud #2.
- 106. During the Class Period, Sino-Forest had at least thirteen (13) Suppliers for which former Sino-Forest employees, consultants, or others are or were directors, officers and/or shareholders. Due to these and other connections between these Suppliers and Sino-Forest, some or all of these Suppliers were, in fact, undisclosed related parties of Sino-Forest. These facts suggest that these relationships resulted in improper control over these related parties.
- 107. Including Yuda Wood, the thirteen (13) Suppliers referenced above accounted for43% of Sino-Forest's purported plantation purchases during the Class Period.
- 108. Sino-Forest failed to disclose, in Financial Statements, Offering Memoranda, MD&As, AIFs, or other documents, that any of these Suppliers were related parties, nor did it disclose sufficient information regarding its relationship with such Suppliers as would have enabled investors to ascertain that those Suppliers were related parties and that the transactions

with these entities should have been identified in Sino Forest's financial statements and other disclosures as related party transactions.

## ii. Sino-Forest Controlled Dongkou, a Major AI

- **109.** Dongkou was an AI that was controlled by Sino-Forest during the Class Period.
- 110. In 2008, Dongkou was Sino-Forest's most significant AI, purportedly purchasing approximately \$125 million in Standing Timber from Sino-Forest, constituting about 18% of Sino-Forest's Standing Timber revenue for that year. Because Dongkou was a significant AI, both E&Y and the Underwriter Defendants should have closely scrutinized the relationship between Dongkou and Sino-Forest and the transactions between the companies.
- 111. Sino-Forest controlled Dongkou through one of its WFOE subsidiaries, Shaoyang Jiading Wood Products Co. Ltd. ("Shaoyang Jiading"). Correspondence indicates that, according to an agreement dated November 18, 2006, Shaoyang Jiading purchased Dongkou for approximately \$200,000.
- 112. By November 2006, the six original shareholders of Dongkou had been replaced with two Sino-Forest employees. These two people became the sole Dongkou shareholders with Shareholder #1 holding 47.5% and Shareholder #2 holding 52.5%.
- 113. Also, in 2007, at the direction of Defendant Ip and others, employees of Sino-Forest drafted purchase contracts to be entered into by Dongkou and its suppliers (other than Sino-Forest). Essentially, Sino-Forest, through Individual Defendants, controlled Dongkou's business with certain counterparties and these transactions should have been identified in Sino Forest's financial statements and other disclosures as related party transactions.

#### D. Creation and Backdating of Sales Contracts and Other Documents

#### i. Purchase Contracts in the BVI Model

- **114.** As set out in paragraph 87, approximately 80% (by value) of Sino-Forest's timber assets were held in the BVI Model as of December 31, 2010.
- 115. Sino-Forest used the Purchase Contracts to acquire and evidence ownership of Standing Timber in the BVI Model. The Purchase Contracts purported to have three attachments:
  - a. Plantation Rights Certificates ("Certificates") or other ownership documents;
  - b. Farmers' Authorization Letters ("Farmers' Authorizations"); and
  - c. Timber Survey Reports ("Survey Reports").
- 116. The Purchase Contracts and their attachments were fundamentally flawed in at least four respects, thereby making those transactions suspect and unverifiable.
- 117. First, Sino-Forest did not hold Certificates evidencing ownership of the Standing Timber allegedly purchased by the BVI Subs. Instead, Sino-Forest claimed that, since the BVI Subs could not obtain Certificates from the PRC government to evidence ownership, it purported to rely on confirmations issued by the forestry bureaus in the PRC as such evidence ("Confirmations"). However, Confirmations are not legally recognized documents evidencing ownership of timber assets in the PRC. These Confirmations were purportedly granted to Sino-Forest as favors by the PRC forestry business. According to Sino-Forest, the PRC forestry bureaus did not intend that these Confirmations would be disclosed to third parties. Also, certain PRC forestry bureau employees obtained gifts and cash payments from Suppliers of Sino-Forest, further undermining the value of the Confirmations as evidence of ownership.

- 118. If E&Y had conducted a proper audit of Sino-Forest, the inadequacy of the Confirmations as proof of ownership and the questionable circumstances by which these Confirmations were issued likely would have been discovered sooner.
- 119. Second, during the Class Period, Sino-Forest employed a systematic quarterly documentation process in the BVI Model whereby the purported Purchase Contracts were not drafted and executed until the quarter **after** the date in which the purchase allegedly occurred, although the transaction was accounted for in the preceding fiscal quarter. This was in violation of both the Company's accounting policies and relevant accounting principles.
- **120.** Like the Purchase Contracts, the Confirmations were also created by Sino-Forest and backdated to the **previous** quarter. These Confirmations were created contemporaneously with the creation of the corresponding Purchase Contracts. These Confirmations were then allegedly provided to the relevant PRC forestry bureau for verification and execution.
- 121. Third, the Purchase Contracts referred to Farmers' Authorizations as additional proof of Sino Forest's ownership of the assets. However, none were attached. In the absence of Farmers' Authorizations, there is no evidence that ownership to the Standing Timber was properly transferred to Sino-Forest or to the Supplier prior to the purported transfer of ownership to Sino-Forest. Ownership of the Standing Timber would have remained with the original Certificate holder and the related transaction should not have been booked.
- 122. Fourth, the Survey Reports, which purported to identify the general location of the purchased timber, were all prepared by a single firm during the Class Period. A 10% shareholder of this survey firm was also an employee of Sino-Forest. Drafts of certain Survey Reports purportedly prepared by this independent survey company were located on the computer of

another employee of Sino-Forest. Like the Purchase Contracts and Confirmations, these drafts of the Survey Reports were backdated to the quarter **prior** to their creation.

- 123. In the absence of both Certificates and Farmers' Authorizations, Sino-Forest relied on the validity of the Purchase Contracts and the Confirmations as proof of ownership of the Standing Timber it held in the BVI Model. However, the Purchase Contracts and available attachments, including Confirmations, were prepared after the close of the quarter as outlined above, and do not constitute proof of ownership of the trees purported to have been bought by Sino-Forest in the BVI Model.
- 124. Moreover, the Purchase Contracts and readily available attachments, including the Confirmations, did not identify the precise location of the Standing Timber being purchased such that the existence of this Standing Timber could not be readily verified and valued independently.

#### ii. Sales Contracts in the BVI Model

- 125. Like the Purchase Contracts, many of the Sales Contracts purportedly entered into by the BVI Subs in the BVI Model were not actually created and executed until the quarter after the date of the alleged transaction.
- 126. In fact, in its 2010 Annual Report, the Company expressed the following revenue recognition policy: "The timing of recognition of revenue from plantation fibre sales is dependent on the terms and conditions of the Company's contractual arrangements with its customers. To date, substantially all of the Company's plantation fibre revenue has been recognized when the Company and the buyer enter into a binding sales agreement. In situations where the Company is harvesting the plantation fibre and is responsible for all such related harvesting costs, revenue is recognized at the point in time when the logs are delivered to the

buyer." This revenue recognition policy is consistent with those reported in other Annual Reports.<sup>6</sup>

127. Accordingly, the revenue from the Sales Contracts in the BVI Model was improperly recognized in the quarter prior to the creation of the Sales Contracts. Therefore, the Financial Statements and public statements of Sino-Forest regarding its revenue from Standing Timber were materially false and misleading as revenue was improperly recognized in violation of applicable Company policies and accounting principles.

#### E. Undisclosed Internal Control Weaknesses/Failures

**128.** In its MD&A for 2010 dated March 15, 2011, Sino-Forest stated the following on page 27 regarding its "Disclosure Control and Procedures and Internal Controls Over Financial Reporting":

The success of the Company's vision and strategy of acquiring and selling forestry plantations and access to a long-term supply of wood fibre in the PRC is dependent on senior management. As such, senior management plays a significant role in maintaining customer relationships, negotiating and finalizing the purchase and sale of plantation fibre contracts and the settlement of accounts receivable and accounts payable associated with plantation fibre contracts. This concentration of authority, or lack of segregation of duties, creates risk in terms of measurement and completeness of transactions as well as the possibility of non-compliance with existing controls, either of which may lead to the possibility of inaccurate financial reporting. By taking additional steps in 2011 to address this deficiency, management will continue to monitor and work on mitigating this weakness. [Emphasis added]

**129.** Sino-Forest made similar disclosure in its annual MD&A from 2006 to 2009 regarding this concentration of authority or lack of segregation and the risk resulting from these

<sup>&</sup>lt;sup>6</sup> See Sino-Forest Corporation Condensed Interim Consolidated Financial Statements For the Six Months Ended June 30, 2011; 2007 MD&A; 2008 Annual Report; 2009 Annual Report.

weaknesses. These material weaknesses were not remedied during the Class Period by Sino-Forest, Overseas Management, the Audit Committee Defendants or Defendant Horsley.

- 130. Sino-Forest failed to disclose the extent of the concentration of duties in Overseas Management. It did not disclose that Overseas Management and their nominees had complete control over the operation of the BVI Model, including control over related parties, described in paragraphs 93 to 113, the creation and execution of the Purchase Contracts and Sales Contracts, described in paragraphs 114 to 127 and the extent of the "off-book" cash flow, set out in paragraphs 88 to 92. This concentration of control in the hands of Overseas Management facilitated the fraudulent course of conduct perpetrated in the BVI Model.
- 131. Although Sino-Forest did state that the concentration of authority in Overseas Management, their improper control over significant transactions and related entities, and lack of segregation of duties created a risk in terms of "measurement and completeness of transactions," and of "non-compliance with existing controls," Defendants omitted the fact that these were not simply risks but were, in fact, actually causing the issuance of materially false and misleading financial statements in violation of Canadian GAAP.

# F. Four Examples of Fraudulent Transactions within the Standing Timber Fraud

- 132. During the Class Period, the Sino-Forest Defendants engaged in significant fraudulent transactions related to their purchase and sale of Standing Timber. These fraudulent transactions overstated Sino-Forest's assets, revenue, and income during the Class Period.
- 133. By way of example, four series of fraudulent transactions are detailed below: (i) the Dacheng Fraud; (ii) the 450,000 Fraud; (iii) Gengma Fraud #1; and (iv) Gengma Fraud #2.

**134.** In these transactions, Sino-Forest used certain Suppliers, AIs, and other nominee companies that it controlled to falsify the financial disclosure of Sino-Forest, including the value of its Standing Timber assets, revenue, and income.<sup>7</sup>

## i. The Dacheng Fraud

- 135. Sino-Forest and the Individual Defendants committed fraud (the "Dacheng Fraud") in a series of purported transactions commencing in 2008, related to purchases of timber plantations (the "Dacheng Plantations") from a Supplier called Guangxi Dacheng Timber Co. Ltd. ("Dacheng"). Companies controlled by Sino-Forest through Huang Ran were used in the Dacheng Fraud.
- 136. The Dacheng Fraud involved duplicating the same Standing Timber assets within the Dacheng Plantations in the records of two Sino-Forest subsidiaries. Sino-Forest recorded the same assets once in the WFOE Model and again in the BVI Model.
- 137. In 2008, these Standing Timber assets were recorded at a value of RMB 47 million (approximately \$6.3 million) in the WFOE Model and this amount was paid to Dacheng. These funds were then funneled through Dacheng back to other subsidiaries of Sino-Forest, as the purported collection of receivables.
- 138. At the same time, Sino-Forest recorded these Standing Timber assets in the BVI Model at a value of approximately \$30 million. In 2009, Sino-Forest purported to sell the Standing Timber assets from the Dacheng Plantations held in the BVI Model for approximately \$48 million. This revenue was recorded in Q3 of 2009.
- 139. As a result of the Dacheng Fraud, in 2008, Sino-Forest overstated the value of certain Standing Timber assets by approximately \$30 million and, in 2009, Sino-Forest

<sup>&</sup>lt;sup>7</sup> These fraudulent transactions have been identified by the OSC.

overstated its revenue by approximately \$48 million. The effect of this revenue overstatement in Q3 of 2009 is set out in the table below:

# Approximately Effect of the Dacheng Fraud on Q3 of 2009 (\$ millions)

| Quarterly Reported Revenue             | 367.0 |
|----------------------------------------|-------|
| Overstated Revenue                     | 47.7  |
| Overstated Revenue as a % of Quarterly |       |
| Reported Revenue                       | 13.0% |

**140.** Sino-Forest improperly reported this revenue for Q3 of 2009 on page 20 of its annual MD&A for 2009 (dated March 16, 2010) and page 87 of its 2009 Annual Report, summarizing the "2009 Quarterly Highlights." Accordingly, Sino-Forest's Financial Statements for 2009 were also materially false and misleading.

#### ii. The 450,000 Fraud

- 141. Sino-Forest and Individual Defendants committed fraud (the "450,000 Fraud") in a complex series of transactions involving the purchase and sale of 450,000 cubic meters of timber in Q4 of 2009, again utilizing companies controlled by Sino-Forest through Huang Ran. In an email, Defendant Yeung described this purchase and sale of timber as "a pure accounting arrangement."
- **142.** Three subsidiaries of Sino-Panel (the "Sino-Panel Companies") purported to purchase 450,000 cubic meters of Standing Timber at a cost of approximately \$26 million from Guangxi Hezhou Yuangao Forestry Development Co. Ltd. ("Yuangao") during October 2009.
- **143.** In Q4 of 2009, the Sino-Panel Companies purportedly sold this Standing Timber to the following three customers:
  - a. Gaoyao City Xinqi Forestry Development Co., Ltd. ("Xinqi");
  - b. Guangxi Rongshui Meishan Wood Products Factory ("Meishan"); and

- c. Guangxi Pingle Haosen Forestry Development Co., Ltd. ("Haosen").
- **144.** The sales price for this Standing Timber was approximately \$33 million for an apparent profit of approximately \$7.1 million.
- 145. The purported supplier (Yuangao) and the purported customers (Xinqi, Meishan, and Haosen) are all so-called "peripheral" companies of Sino-Forest, *i.e.*, they are nominee companies controlled by Huang Ran on behalf of Sino-Forest. Xinqi, Meishan, and Haosen are also companies included in the Caretaker Company List, and Haung Ran is identified as the "caretaker" of each company. *See* ¶ 93 herein.
- 146. This \$33 million sale of Standing Timber was recorded in Sino-Forest's WFOE Model, as opposed to its BVI Model. As noted in paragraph 88, the BVI Model employs the Offsetting Arrangement whereby payables and receivables are made and collected "off-book." However, in the WFOE Model, Sino-Forest takes receipt of the sales proceeds directly or "onbook."
- 147. By July 2010, none of the sales proceeds had been collected and the receivable was long overdue. In order to evidence the "collection" of the \$33 million in sales proceeds, Sino-Forest devised two separate "on-book" payables/receivables offsetting arrangements, one in 2010 and one in 2011, whereby Sino-Forest made payments to various companies, including Yuangao and at least two other Sino-Forest nominee companies.<sup>8</sup>
- 148. To account for the purported profit of \$7.1 million, Sino-Forest had to "collect" more than just the purchase price (\$26 million). Consequently, Sino-Forest created additional "payables" to complete the circular flow of funds needed to collect the sales proceeds of \$33

<sup>&</sup>lt;sup>8</sup> Dao County Juncheng Forestry Development Co., Ltd. And Guangxi Rongshui Taiyuan Wood Co., Ltd.

million. These "on-book" offsetting arrangements, therefore, included the purported settlement of various accounts payable, not just the Yuangao payable arising from the 450,000 Fraud.

- **149.** The companies funneled the money to Xinqi, Meishan and Haosen who, in turn, repaid the money to the Sino-Panel Companies to achieve the purported collection of the \$33 million in revenue.
- 150. The "on-book" offsetting arrangements required that Suppliers and customers have bank accounts through which the funds could flow. In July and August 2010, Sino-Forest set up bank accounts for the suppliers and customers associated with the 450,000 Fraud to facilitate the circular cash flows. These bank accounts were overseen by Defendants Ip and Ho, as well as a former Sino-Forest employee and his associate.
- **151.** Had the E&Y properly conducted its audit properly, utilizing procedures designed to obtain competent evidence of these transactions, the true substance of these transactions would have been revealed.
- 152. These circular cash-flows commenced in July 2010 and continued until February 2011. The circular flow of funds underlying the 450,000 Fraud demonstrates that the sales contracts purportedly entered into between the Sino-Panel Companies and Xinqi, Meishan, and Haosen are fraudulent and have no true economic substance. As a result of the 450,000 Fraud, Sino-Forest overstated the value of its revenue by approximately \$30 million for Q4 of 2009. The effect of this revenue overstatement on the financial statements of Sino-Forest for Q4 of 2009 is set out in this table:

#### Approximately Effect of the 450,000 Fraud on Q4 of 2009 (\$ millions)

| Quarterly Reported Revenue                | 469.6 |
|-------------------------------------------|-------|
| Fraudulently Overstated Revenue           | 30.1  |
| Fraudulently Overstated Revenue as a % of | 6.4%  |

## Quarterly Reported Revenue

153. Sino-Forest reported its revenue for Q4 of 2009 at page 20 of its annual MD&A for 2009 (dated March 16, 2010) and page 87 of its 2009 Annual Report, summarizing the "2009 Quarterly Highlights." Accordingly, Sino-Forest's Financial Statements for 2009 were also materially false and misleading as they overstated revenue, income and assets.

## iii. Gengma Fraud #1

- 154. Sino-Forest entered into a fraudulent transaction in 2007 related to Standing Timber assets purchased from Gengma Dai and Wa Tribe Autonomous Region Forestry Co., Ltd. ("Gengma Forestry") by Sino-Panel (Gengma) Co., Ltd. ("Sino-Panel Gengma"), a Sino-Forest subsidiary ("Gengma Fraud #1").
- 155. In 2007, Sino-Panel Gengma purchased certain land use rights and Standing Timber for approximately \$14 million from Gengma Forestry. These contracts were signed by Chan. However, this transaction between Sino-Panel Gengma and Gengma Forestry was not recorded. Instead, Sino-Forest purported to purchase the same assets from Yuda Wood, allegedly paying approximately \$68 million for the Standing Timber in 2007 and approximately \$15 million for certain land use rights during the period from June 2007 to March 2009. This purchase was recorded and these Standing Timber assets remained on the books of Sino-Forest until 2010.
- 156. These fraudulent transactions resulted in an overstatement of Sino-Forest's timber holdings for 2007, 2008, and 2009.
- **157.** In 2010, this Standing Timber was purportedly sold for approximately \$231 million. However, these same Standing Timber assets were offered as collateral for a bank loan

by Sino-Forest in 2011, so the sale of those assets in 2010 could not have taken place and been recorded as revenue in that year.

**158.** Sino-Forest included these revenues in its reports for Q1 and Q2 at page 20 of its annual MD&A for 2010 (dated March 15, 2011) and page 88 of its 2010 Annual Report, summarizing the "2010 Quarterly Highlights."

### The Gengma Fraud #1's Effect on the Reported Revenue of Sino-Forest

**159.** Gengma Fraud #1 resulted in Sino-Forest fraudulently overstating its revenue for Q1 and Q2 of 2010 as set out in the table below:

|                         | Q1 2010 | Q2 2010 |
|-------------------------|---------|---------|
| Quarterly Reported      |         |         |
| Revenue                 | 251.0   | 305.8   |
| Amount Overstated       |         |         |
| Revenue                 | 73.5    | 157.8   |
| Fraudulently Overstated |         |         |
| Revenue as a % of       |         |         |
| Quarterly Reported      |         |         |
| Revenue                 | 29.3%   | 51.6%   |

**160.** This income fraudulently inflated Sino-Forest's revenue, income, and assets for Q1 and Q2 of 2010, misleading Class Members.

### iv. Gengma Fraud #2

- **161.** In 2007, Sino-Forest and the Individual Defendants committed fraud in another series of transactions to artificially inflate its assets and revenue from the purchase and sale of Standing Timber.
- **162.** In September 2007, Sino-Forest recorded the acquisition of Standing Timber from Yuda Wood at a cost of approximately \$21.5 million related to Standing Timber in Yunnan

Province (the "Yunnan Plantation"). However, Yuda Wood did not actually acquire these assets in the Yunnan Plantation until in September 2008 – one year later. ("Gengma Fraud #2")

- 163. In 2007, Sino-Forest also purportedly purchased the land use rights to the Yunnan Plantation from Yuda Wood at a cost of approximately \$7 million, about 99% of which was paid to Yuda Wood during the period from January 2009 to April 2009. Sino-Forest then fabricated the sale of the land use rights to Guangxi Hezhou City Kun'an Forestry Co., Ltd. ("Kun'an") pursuant to a contract dated November 23, 2009. Kun'an was controlled by Sino-Forest through Person #1 and is a company included in the Caretaker Company list referred to in paragraph 93 above.
- 164. Sino-Forest then purported to sell the Standing Timber in the Yunnan Plantation in a series of transactions between March 2008 and November 2009 for approximately \$49 million. As Yuda Wood did not own this Standing Timber asset until September 2008, Sino-Forest could not have recorded sales of this Standing Timber prior to that time. Accordingly, Sino-Forest's Financial Statements for 2007 through 2009 were materially false and misleading as they overstated revenues, income, and assets.

#### The Gengma Fraud #2's Effect on the Reported Revenue of Sino-Forest

**165.** The purported transactions underlying Gengma Fraud #2 resulted in Sino-Forest fraudulently overstating its revenue for Q1, Q2, Q3 of 2008, and Q4 of 2009 as set out in this table:

Approximate Effect of Gengma Fraud #2 on Q1, Q2, and Q3 of 2008 and Q4 of 2009 (\$ millions)

|                    | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2009 |
|--------------------|---------|---------|---------|---------|
| Quarterly Reported |         |         |         |         |
| Revenue            | 136.1   | 187.1   | 295.5   | 469.6   |
| Fraudulently       | 5.7     | 4.9     | 59      | 32.6    |

| Overstated Revenue    |      |      |      |      |
|-----------------------|------|------|------|------|
| Fraudulently          |      |      |      |      |
| Overstated Revenue as |      |      |      |      |
| a % of Quarterly      |      |      |      |      |
| Reported Revenue      | 4.2% | 2.6% | 2.0% | 6.9% |

**166.** Sino-Forest reported its revenue for Q1, Q2, and Q3 of 2008 at page 19 of its annual MD&A for 2008 (dated March 16, 2009) and page 73 of its 2008 Annual Report summarizing the "2008 Quarterly Highlights." Revenue for Q4 of 2009 was reported as set out above in paragraph 141. Accordingly, Sino-Forest's Financial Statements for 2008 and 2009 were also materially false and misleading as they overstated revenues, income, and assets.

## **G.** The Greenheart Transaction

- 167. In 2010, following a complex series of transactions, Sino-Forest completed the purchase of a controlling interest in Greenheart Group Ltd. ("Greenheart"), a public company listed on the Hong Kong Stock Exchange. Sino-Forest's 64% interest in Greenheart was acquired for approximately \$120 million in cash and Company stock. Greenheart holds natural forest concessions, mostly in Suriname. Greenheart controls most of Sino-Forest's supposedly substantial forestry assets outside of China. Sino-Forest also holds a 39.6% stake in Greenheart Resources Holdings Ltd. ("GRH"), a subsidiary of Greenheart. GRH, in turn, indirectly owns 100% of Greenheart's forest assets and operations in the western part of Suriname, supposedly one of Sino-Forest's principal timber holdings.
- 168. The Sino-Forest Defendants made materially misleading statements in Sino-Forest's AIFs for 2008, 2009, and 2010 by not disclosing Chan's interest in the Greenheart Transaction. These misleading statements were also contained in Sino-Forest's short form

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prospectuses filed in 2009 (which incorporated by reference the relevant AIFs and MD&A as required by Ontario securities law).<sup>9</sup>

- **169.** Two of the companies holding shares of GRHL, thus benefitting from the Greenheart Transaction, were Fortune Universe Ltd. ("Fortune Universe") and Montsford Ltd. ("Montsford"). Both Fortune and Montsford were BVI shelf companies incorporated in 2004 and subsequently acquired by, or for the benefit of, Chan in 2005.
- 170. As a result of the Greenheart Transaction, Fortune Universe and Montsford received over \$22.1 million, comprised of approximately \$3.7 million in cash and approximately \$18.4 million in securities of Sino-Forest. The Sino-Forest securities received by Fortune Universe and Montsford appreciated in value and were subsequently sold for a total of approximately \$35 million. With the help of Chan's assistant, these securities were sold through brokerage accounts of Fortune Universe and Montsford, which were opened at her direction on the instructions of Chan. However, Chan arranged for the sole director/shareholder of Fortune Universe and the sole director/shareholder of Montsford to act as Chan's nominees. Chan was the true beneficial owner of Fortune Universe and Montsford.
- 171. The sole director/shareholder of Fortune Universe was the legal representative and director of one of Sino-Forest's largest Suppliers during the Class Period. The sole director/shareholder of Montsford was an acquaintance of Chan based in the PRC.
- 172. While Sino-Forest disclosed that another director of Sino-Forest had an interest in the Greenheart Transaction in its AIFs for 2008, 2009, and 2010, it did not disclose that Chan benefitted directly or indirectly from the Greenheart Transaction through Fortune Universe and Montsford.

<sup>&</sup>lt;sup>9</sup> See also the Company's short form prospectuses filed in 2008 and 2010.

173. Chan failed to disclose his substantial personal interest in the Greenheart Transaction and the over \$22 million received by entities under his control. Chan and Sino-Forest misled the investing public in Sino-Forest's filings and public statements. Chan falsely certified the accuracy of Sino-Forest's AIFs for 2008, 2009, and 2010, as these documents failed to disclose his interest in the Greenheart Transaction. Accordingly, Sino-Forest's Financial Statements for these years were also materially false and misleading for improperly reporting related party transactions.

## IV. SINO-FOREST'S MATERIALLY FALSE AND MISLEADING STATEMENTS

174. During the Class Period, Sino-Forest made numerous statements that were materially false and misleading and which had the effect of artificially inflating the value of Sino-Forest's securities. These false statements were contained in the Company's public filings, press releases, reports and other statements to the investing public. As described above, during the Class Period, the Company reported steadily increasing holdings of timber assets (mostly in the PRC) achieved through acquisitions and purchases, and increasing revenues and earnings, all of which contributed to the Company's rising stock price and its ability to issue additional debt and equity securities to investors.

175. By omitting material facts and failing to disclose the improper recognition of revenues, overstatement of assets, and other misconduct described above, the Sino-Forest Defendants made materially misleading statements or omitted material facts in its filings to the Ontario Securities Commission during the Class Period. The materially false and misleading statements or omitted facts related to Sino-Forest's business and financial results were contained in (or absent from) the Company's public filings, including its audited annual financial

statements, AIFs, prospectuses, and MD&As filed with the Ontario Securities Commission during the Class Period as required by Canadian securities law.

- **176.** Besides the issuance of false and misleading financial statements, examples of other materially false and misleading statements include:
- a. Sino-Forest's statement in its 2010 AIF that the Company applied for Plantation Rights Certificates and obtained confirmation of ownership from the forestry bureaus: "For our purchased plantations, we have applied for the corresponding Plantation Rights Certificates with the relevant local forestry bureaus. As the relevant locations where we purchased our purchased plantations have not fully implemented the new form of Plantation Rights Certificate, we are not able to obtain all the corresponding Plantation Rights Certificates for our purchased plantations. Instead, we obtained confirmation of our ownership of our purchased plantations from the relevant forestry bureaus. Based on the relevant purchase contracts and the approvals issued by the relevant forestry bureaus, we legally own our purchased plantations."
- b. Sino-Forest's statement in its 2010 AIF that "The PRC government is in the process of gradually implementing the issuance of the new form of certificates on a nationwide scale. However, the registration and issuance of the new form plantation rights certificates by the PRC State Forestry Administration have not been fully implemented in a timely manner in certain parts of the PRC. We have obtained the plantation rights certificates or requisite approvals for acquiring the relevant plantation rights for most of the purchased plantations and planted plantations currently under our management, and we are in the process of applying for

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the plantation rights certificates for those plantations for which we have not obtained such certificates."<sup>10</sup>

177. Thus, beginning at least as early as March 19, 2007, the Company's MD&A and annual filings were materially false and misleading with respect to the Company's operations and financial performance because they described the Company as a fast-growing, legitimate business that followed good corporate governance practices, while failing to disclose: (1) that the Company engaged in multiple fraudulent transactions which resulted in the overstatement of assets, revenues and income; (2) that the Company lacked adequate internal controls to substantiate its financial performance or verify its assets and contractual relationships; (3) that its operations were permeated by unsubstantiated and undisclosed related party transactions; and (4) that its financial statements were materially misleading and not prepared in accordance with the applicable accounting standards. These material facts were omitted from the Company's filings and reports listed in Paragraphs 190 and 192 herein.

178. These misleading statements and omissions, including the assets, revenue, and income recorded as a result of the Standing Timber Fraud, among other things, were material as they related to Sino-Forest's primary business in the BVI Model and the WFOE Model, representing approximately 90% of Sino-Forest's stated timber assets as of December 31, 2010 and 75% of its stated revenue from 2007 to 2010.

179. In addition, Sino-Forest's statements in its public disclosures, including its AIFs and its MD&As filed with the Ontario Securities Commission during the Class Period, regarding the extent of its internal control weaknesses and deficiencies were wholly inadequate and

<sup>&</sup>lt;sup>10</sup> See also the Company's 2007, 2008, and 2009 AIFs wherein the Company gives conflicting responses as to the issuance of plantation rights certificates.

misleading in light of the pervasive control management had over the transactions and entities Sino-Forest conducted business with and their ability to circumvent the Company's accounting practices and policies.

# C. <u>Misrepresentations and Omissions With Respect to Sino-Forest's Financial Statements</u>

annual basis via press releases and public filings, consistently portrayed Sino-Forest as a profitable and rapidly expanding company. As set forth in Sino-Forest's 2006 Annual Consolidated Financial Statements, dated March 19, 2007; its 2007 Annual Consolidated Financial Statements, dated March 18, 2008; its 2008 Annual Consolidated Financial Statements, dated March 16, 2009; its 2009 Annual Consolidated Financial Statements, dated March 16, 2010; and its 2010 Annual Consolidated Financial Statements, dated March 15, 2011, the Company's revenue, earnings, and assets supposedly grew during the Class Period as follows:

|         | 2006            | 2007            | 2008            | 2009            | 2010            |
|---------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Assets  | \$1,207,255,000 | \$1,837,497,000 | \$2,603,924,000 | \$3,963,899,000 | \$5,729,033,000 |
| Revenue | \$555,480,000   | \$713,866,000   | \$896,045,000   | \$1,238,185,000 | \$1,923,536,000 |
| Net     |                 |                 |                 |                 |                 |
| Income  | \$113,480,000   | \$152,273,000   | \$228,593,000   | \$286,370,000   | \$395,426,000   |

- **181.** Each of the annual financial statements, except for the 2006 statements, were accompanied by an audit opinion from E&Y stating that E&Y had conducted annual audits in accordance with Canadian GAAS and that these financial statements were presented in accordance with Canadian GAAP. Defendant Chan signed each annual financial statement.
- **182.** E&Y consented to the inclusion in the June 2009 and December 2009 Prospectuses, as well as the July 2008, June 2009, December 2009, and October 2010 Offering

Memoranda, of its audit reports on Sino's Annual Financial Statements issued during the Class Period.

- 183. Defendants Hyde and West are former E&Y partners and employees. They served on Sino-Forest's Audit Committee but purported to exercise oversight of their former E&Y colleagues. In addition, Sino-Forest's Vice-President, Finance (Corporate), Thomas M. Maradin, is a former E&Y employee. Also, during the Class Period, at least 3 other former E&Y staff members were employed by Sino-Forest.
- 184. The charter of Sino-Forest's Audit Committee required that Ardell, Bowland, Hyde, and West review and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the Auditor. Sino-Forest's practice of hiring numerous former E&Y staff and appointing former E&Y partners to its board and the audit committee and paying them handsomely (for example, Hyde was paid \$163,623 by Sino-Forest in 2010, \$115,962 in 2009, \$57,000 in 2008, and \$55,875 in 2007, plus stock options and other compensation) undermined the Audit Committee's oversight of E&Y.
- 185. E&Y's independence was further impaired by the significant non-audit fees it was paid during 2008-2010, which total \$712,000 in 2008, \$1,225,000 in 2009, and \$992,000 in 2010.
- 186. As described above, the Sino-Forest Defendants created and executed the Purchase Contracts in the BVI Model in the quarters after the assets acquired in those transactions were recognized. This made Sino-Forest's audited annual financial statements, AIFs, and MD&A for the years 2006, 2007, 2008, 2009, and 2010 materially false and misleading as revenues, income, and assets were all overstated. *See* paragraphs 114 to 124 above.

- 187. Further, given that Sino-Forest did not have sufficient proof of ownership of the majority of its Standing Timber assets due to the conduct described above, the information regarding Sino-Forest's timber holdings in its audited annual financial statements, AIFs, and MD&As for the years 2006, 2007, 2008, 2009, and 2010 were materially false and misleading. For the same reasons, the information regarding Sino-Forest's timber holdings in its short form prospectuses filed in 2007 and 2009 (which incorporated by reference the relevant audited annual financial statements, AIFs, and MD&As as required by Ontario securities law) was materially false and misleading as revenues, income, and assets were all overstated.
- **188.** In addition, the creation and execution of sales contracts in the BVI model following the close of a quarter where the revenue related to those transactions was recognized, was contrary to the revenue recognition process set out in Sino-Forest's public filings including its MD&A and the notes to its audited annual financial statements making those representations therefore, materially false and misleading as revenues, income, and assets were all overstated. *See* paragraphs 126 to 127 above.
- 189. The Company also issued materially false and misleading unaudited "Interim Financial Statements" during the Class Period, which incorporated prior period audited financial statements and similarly overstated the Company's revenue, earnings, and assets. The Company's materially false and misleading quarterly financial statements (through 2010) which, like the annual financial statements, showed increasing revenue, earnings, and assets, were released on the following dates:

| Document                              | Date of<br>Filing |
|---------------------------------------|-------------------|
| 2007 Q-1 Interim Financial Statements | 5/14/2007         |
| 2007 Q-2 Interim Financial Statements | 8/13/2007         |
| 2007 Q-3 Interim Financial Statements | 11/12/2007        |

| Document                              | Date of<br>Filing |
|---------------------------------------|-------------------|
| 2008 Q-1 Interim Financial Statements | 5/13/2008         |
| 2008 Q-2 Interim Financial Statements | 8/12/2008         |
| 2008 Q-3 Interim Financial Statements | 11/13/2008        |
| 2009 Q-1 Interim Financial Statements | 5/11/2009         |
| 2009 Q-2 Interim Financial Statements | 8/10/2009         |
| 2009 Q-3 Interim Financial Statements | 11/12/2009        |
| 2010 Q-1 Interim Financial Statements | 5/12/2010         |
| 2010 Q-2 Interim Financial Statements | 8/10/2010         |
| 2010 Q-3 Interim Financial Statements | 11/10/2010        |

Each of the financial statements listed above, as well as the reports listed in Paragraph 192, contained materially false and misleading financial statements and statements regarding the Company's financial results that omitted material facts described in Paragraph 191.

190. Sino-Forest's quarterly and annual financial statements (through December 31, 2010) were materially false and misleading because they failed to comply with Canadian GAAP. Specifically, at the time each of these financial statements was issued, it overstated the Company's assets, inflated the reported revenue and earnings, and misled investors regarding the Company's then-current financial situation and future prospects. Defendants failed to disclose to investors that: (1) the Company engaged in multiple fraudulent transactions which resulted in the overstatement of assets, revenues, and income; (2) the Company lacked adequate internal controls to substantiate its financial performance or verify its assets and contractual relationships; (3) the Company's operations were permeated by unsubstantiated and undisclosed related party transactions; and (4) the Company's financial statements were materially misleading and not prepared in accordance with the applicable accounting standards. Sino-Forest's quarterly financial statements for the first two quarters of fiscal year 2011 also overstated the Company's

assets, revenues, and net earnings at the time they were issued and were not presented in accordance with the applicable Canadian accounting standards.

## D. Other Misrepresentations and Omissions In Annual And Quarterly Filings

- 191. In addition to filing false and misleading financial statements, the Company made numerous other false and misleading statements to investors in other periodic securities filings made pursuant to Canadian disclosure regulations. During the Class Period, the Sino-Forest Defendants repeatedly made statements in Sino-Forest's periodic filings that falsely and misleadingly described the Company as a fast-growing, legitimate business that followed good corporate governance practices.
- 192. The Company's periodic reports to investors included (in addition to the separately filed financial statements) a "Management Discussion and Analysis" ("MD&A") that Sino-Forest filed each quarter during the Class Period, "Annual Information Forms" ("AIFs") and annual reports. These documents provided to investors and others gave narrative explanations of the Company's business, operations and financial performance for the specific period, and of the Company's financial condition and future prospects. Canadian law specifically requires that the MD&A discuss important trends and risks that have affected the Company and that are reasonably likely to affect it in future. The dates of these false and misleading statements are set out in the table below:

| Document           | Date of Filing |
|--------------------|----------------|
| 2006 MD&A          | 3/19/2007      |
| 2006 AIF           | 3/30/2007      |
| 2006 Annual Report | 5/4/2007       |
| 2007 Q-1 MD&A      | 5/14/2007      |
| 2007 Q-2 MD&A      | 8/13/2007      |

| Document           | Date of Filing |
|--------------------|----------------|
| 2007 Q-3 MD&A      | 11/12/2007     |
| 2007 MD&A          | 3/18/2008      |
| 2007 AIF           | 3/28/2008      |
| 2007 Annual Report | 5/6/2008       |
| 2008 Q-1 MD&A      | 5/13/2008      |
| 2008 Q-2 MD&A      | 8/12/2008      |
| 2008 Q-3 MD&A      | 11/13/2008     |
| 2008 MD&A          | 3/16/2009      |
| 2008 AIF           | 3/31/2009      |
| 2008 Annual Report | 5/4/2009       |
| 2009 Q-1 MD&A      | 5/11/2009      |
| 2009 Q-2 MD&A      | 8/10/2009      |
| 2009 Q-3 MD&A      | 11/12/2009     |
| 2009 MD&A          | 3/16/2010      |
| 2009 AIF           | 3/31/2010      |
| 2009 Annual Report | 5/11/2010      |
| 2010 Q-1 MD&A      | 5/12/2010      |
| 2010 Q-2 MD&A      | 8/10/2010      |
| 2010 Q-3 MD&A      | 11/10/2010     |
| 2010 MD&A          | 3/15/2011      |
| 2010 AIF           | 3/31/2011      |
| 2010 Annual Report | 5/10/2011      |

Each of the reports listed above contained materially false and misleading financial statements and contained statements regarding the Company's financial results that omitted material facts described in Paragraph 176.

## E. False Certifications

**193.** Each annual financial statement, AIF, and MD&A filing was accompanied by separate certifications signed by Defendants Chan and Horsley, which asserted the following:

- 1. Review: I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of Sino-Forest Corporation (the "issuer") for the financial year ended December 31...
- 2. No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
- 3. Fair presentation: Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.
- **194.** Similarly, each of the quarterly interim financial statements and quarterly MD&As were accompanied by separate certifications signed by Defendants Chan and Horsley, which also asserted the following:
  - 1. Review: I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Sino-Forest Corporation (the "issuer") for the interim period ended....
  - 2. No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
  - 3. Fair presentation: Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

195. However, these publicly filed certifications were materially false and misleading because the Company's quarterly and annual financial statements overstated its assets, revenues and earnings, and the narrative statements were materially false and misleading. These statements failed to disclose (1) that the Company engaged in multiple fraudulent transactions which resulted in the overstatement of assets, revenues and income; (2) that the Company lacked adequate internal controls to substantiate its financial performance or verify its assets and contractual relationships; (3) that its operations were permeated by unsubstantiated and undisclosed related party transactions; and (4) that its financial statements were materially misleading and not prepared in accordance with the applicable accounting standards.

## F. <u>Misrepresentations and Omissions Relating To Yunnan Forestry Assets</u>

- 196. On March 23, 2007, Sino-Forest issued a press release announcing that it had entered into an agreement to sell 26 million shares to several institutional investors for gross proceeds of \$200 million and that the proceeds would be used for the acquisition of standing timber including, pursuant to a new agreement, the purchase of standing timber in China's Yunnan Province. The press release further stated that Sino-Forest-Panel (Asia) Inc. ("Sino-Forest-Panel"), a wholly-owned subsidiary of Sino-Forest, entered into (on that same day) an agreement with Gengma Dai and Wa Tribes Autonomous Region Forestry Company Ltd., ("Gengma Forestry") in Lincang City, Yunnan Province in the PRC. Under that Agreement, Sino-Forest-Panel would acquire approximately 200,000 hectares of non-state owned commercial standing timber in Lincang City and surrounding cities in Yunnan for \$700 million to \$1.4 billion over a 10-year period.
- 197. Similar representations regarding the acquisition of these assets were also made in Sino-Forest's Q1 2007 MD&A. Moreover, throughout the Class Period, Sino-Forest discussed

AIF, filed on March 31, 2010, the Company asserted that "[a]s of December 31, 2010, we have acquired approximately 190,300 hectares of plantation trees for US \$925.9 million under the terms of the master agreement" which was entered into in March 2007. It made a similar statement in its 2010 annual report, which was filed on May 10, 2011.

198. However, as discussed above in paragraphs above 196 to 198, Sino-Forest's and Defendants' statements concerning the acquisition of assets in Yunnan Province were materially false and misleading because, among other reasons, Sino-Forest acquired the rights to far less timber than the Company claimed and/or the value attributed to the timber assets purportedly owned by Sino-Forest was materially overstated. As a result, the Company's representations relating to its financial results and business were materially misleading as Defendants failed to disclose the true amount of timber acquired from Gengma Forestry, thereby overstating the assets carried on the balance sheet.

## G. Misrepresentations and Omissions Relating to the Offering of 2017 Notes

- 199. On October 14, 2010, Sino-Forest, through the Underwriter Defendants, offered and sold the 2017 Notes. The Underwriter Defendants served as Joint Global Coordinators and Lead Bookrunning Managers. The 2017 Notes were purportedly exempt from registration requirements under the U.S. Securities Act because they were offered, pursuant to SEC Rule 144A, to qualified institutional buyers (including those in the U.S.), and in offshore transactions to investors other than U.S. persons under SEC Regulation S.
- **200.** The 2017 Notes were sold pursuant to the Offering Memorandum, which was materially false and misleading as described below, and which was prepared by the Sino-Forest Defendants and the Underwriter Defendants. The Offering Memorandum specifically

incorporates by reference Sino-Forest's misleading 2007, 2008, and 2009 annual financial statements, its misleading unaudited interim financial statements for the six months ended June 30, 2009 and June 30, 2010, and Defendant E&Y's audit reports dated March 13, 2009 and March 16, 2010 (with E&Y's consent). The Offering Memorandum states that the documents incorporated by reference "form [an] integral part of [the] Offering Memorandum."

- 201. As underwriters of the Note Offering, the Underwriter Defendants had a duty to investors to conduct an adequate due diligence with respect to the representations in the Offering Memorandum. The Underwriter Defendants were reckless or negligent in performing due diligence on the Note Offering by failing, among other things, to determine the legitimacy of the Company's revenues, earnings and income, its lack of internal controls, the existence of multiple related party transactions or to ascertain the true value of the assets, properties and business of Sino-Forest, resulting in the issuance of a materially false and misleading Offering Memorandum.
- 202. The Offering Document was signed by the Underwriter Defendants and contained both Sino-Forest's misleading financial statements and the misleading narrative description of the Company' results and its future prospects, including the portrayal of the Company as a fast-growing, legitimate business which followed good corporate governance practices with positive future prospects for growth. In particular, the Offering Memorandum cited the Company's competitive strengths including, among others, the following: (i) "Leading commercial forest plantation operator in the PRC with established track record;" (ii) "First mover advantage with strong track record of obtaining and developing commercial tree plantations and ability to leverage our industry foresight;" (iii) "Future growth supported by long-term master agreements

at agreed capped prices;" (iv) "Strong research and development capability, with extensive forestry management expertise in the PRC;" and (v) "Diversified revenue and asset base."

203. As described above, each of these additional statements in the Offering Document were materially false and misleading because, contrary to the financial results reported in its financial statements, and contrary to the description of Company with major strengths as a forest plantation operator, the Company was engaged in fraudulent practices, resulting in the overstatement of assets, revenues and earnings, and misleading statements about its contractual relationships with certain parties in the PRC related to the purchase of timber acreage. Thus, at the time of the Note Offering, investors were misled because the Company's actual financial condition, results of operation, and future business prospects were much worse than these public statements indicated.

## H. Misrepresentations and Omissions Relating to Code of Business Conduct

204. At all material times, Sino-Forest maintained it had in place a Code of Business Conduct (the "Code"), which governed its employees, officers and directors. The full text of the code was posted on the Company's Internet site and available to investors. It stated that the members of senior management "are expected to lead according to high standards of ethical conduct, in both words and actions." The Code further required that Sino-Forest representatives act in the best interests of shareholders, that corporate opportunities not be used for personal gain, that insiders not trade in Sino-Forest securities based on undisclosed knowledge stemming from their position or employment with Sino-Forest, that the Company's books and records be honest and accurate, that conflicts of interest be avoided, and that any violations or suspected violations of the Code, and any concerns regarding accounting, financial statement disclosure, internal accounting or disclosure controls or auditing matters, be reported.

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**205.** Nonetheless, as explained in this Complaint, the publicly disclosed Code contained materially false and misleading statements because, as described herein in paragraphs 204-205 Sino-Forest's top executives placed their own interests ahead of the Company's and did not actually follow the provisions of the Code in that they sold Sino-Forest stock while in possession of material, non-public information and profited from transactions entered into with related parties.

# G. <u>Misrepresentations and Omissions Relating to Poyry's Valuation of Sino-Forest's Forestry Assets</u>

- **206.** As particularized above, Sino-Forest overstated its forestry assets in Yunnan and Jiangxi Provinces in the PRC and in Suriname. Accordingly, Sino-Forest's total assets are overstated to a material degree in all of the Financial Statements, Annual Reports, MD&As, AIFs, and other investor documents, in violation of Canadian GAAP, and each such statement of Sino's total assets constitutes a misrepresentation or omission of material fact.
- **207.** In addition, during the Class Period, Poyry and entities affiliated with it made statements that are misrepresented Sino-Forest's Yunnan Province "assets," namely:
  - a. In a report dated March 14, 2008, filed on SEDAR (the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators) on March 31, 2008, (the "2008 Valuations"), Poyry: (a) stated that it determined the valuation of the Sino-Forest assets to be \$3.2 billion as of December 31, 2007; (b) provided tables and figures regarding Yunnan; (c) stated that "Stands in Yunnan range from 20 ha to 1000 ha," that "In 2007 Sino-Forest purchased an area of mixed broadleaf forest in Yunnan Province," that "Broadleaf forests already acquired in Yunnan are

all mature," and that "Sino-Forest is embarking on a series of forest acquisitions/expansion efforts in Hunan, Yunnan, and Guangxi;" and (d) provided a detailed discussion of Sino-Forest's Yunnan "holdings" at Appendices 3 and 5. Poyry's 2008 Valuations were incorporated in Sino-Forest's 2007 Annual MD&A, amended 2007 annual MD&A, 2007 AIF, each of the Q1, QW2, and Q3 2008 MD&As, Annual 2008 MD&A, amended Annual 2008 MD&A, each of the Q1, Q2, and Q3 2009, annual 2009 MD&A, and July 2008 and December 2009 Offering Memoranda;

- b. In a report dated April 1, 2009 and filed on SEDAR on April 2, 2009 (the "2009 Valuations"), Poyry stated that "[t]he area of forest owned in Yunnan has quadrupled from around 10,000 ha to almost 40,000 ha over the past year," provided figures and tables regarding Yunnan, and stated that "Sino-Forest has increased its holding of broadleaf crops in Yunnan during 2008, with this province containing nearly 99% of its broadleaf resource." Poyry's 2009 Valuations were incorporated in Sino-Forest's 2008 AIF, each of the Q1, Q2, and Q3 2009 MD&As, Annual 2009 MD&A, June 2009 Offering Memorandum, and June 2009 and December 2009 Prospectuses;
- c. In a "Final Report" dated April 23, 2010, filed on SEDAR on April 30, 2010 ( the "2010 Valuations"), Poyry stated that "Guangxi, Hunan, and Yunnan are the three largest provinces in terms of Sino-Forest's holdings. The largest change in area by province, both in absolute and relative terms [sic] has been Yunnan, where the area of forest owned has almost tripled,

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from around 39,000 ha to almost 106,000 ha over the past year," provided figures and tables regarding Yunnan, stated that "Yunnan contains 106,000 ha, including 85,000 ha or 99% of the total broadleaf forest," stated that "the three provinces of Guangxi, Hunan, and Yunnan together contain 391,000 ha or about 80% of the total forest area of 491,000 ha" and that "[a]lmost 97% of the broadleaf forest is in Yunnan," and provided a detailed discussion of Sino-Forest's Yunnan "holdings" at Appendices 3 and 4. Poyry's 2010 Valuations were incorporated in Sino-Forest's 2009 AIF, the annual 2009 MD&A, each of the Q1, Q2, and Q3 2010 MD&As, and the October 2010 Offering Memorandum;

- In a "Summary Valuation Report" regarding "Valuation of Purchased Forest Crops as at 31 December 2010" and dated May 27, 2011, Poyry provided tables and figures regarding Yunnan, stated that "[t]he major changes in area by species from December 2009 to 2010 has been in Yunnan pine, with acquisitions in Yunnan and Sichuan provinces" and that "[a]nalysis of [Sino's] inventory data for broadleaf forest in Yunnan, and comparisons with an inventory that Poyry undertook there in 2008 supported the upwards revision of prices applied to the Yunnan broadleaf large size log," and stated that "[t]he yield table for Yunnan pine in Yunnan and Sichuan provinces was derived from data collected in this species in these provinces by Poyry during other work;" and
- e. In a press release titled "Summary of Sino-Forest's China Forest Asset 2010 Valuation Reports" and which was "jointly prepared by Sino-Forest

and Poyry to highlight key findings and outcomes from the 2010 valuation reports," Poyry reported on Sino's "holdings" and estimated the market value of Sino's forest assets on the 754,816 ha to be approximately \$3.1 billion as of December 31, 2010.

208. These Poyry reports were materially false and misleading based on the lack of evidence that Sino-Forest owned the assets described therein..

## V. INITIAL DISCLOSURE OF FRAUD AT SINO-FOREST

- **209.** A report published on June 2, 2011 by Muddy Waters (the "Report"), a research firm that specializes in analyzing Chinese companies traded in the United States and Canada, reported that Sino-Forest and its financial statements were permeated by fraud.
- **210.** The Report detailed the extensive investigative effort and resources that Muddy Waters had undertaken to discover the truth about the Company:

In order to conduct our research, we utilized a team of 10 persons who dedicated most to all of their time over two months to analyzing [Sino-Forest]. The team included professionals who focus on China from the disciplines of accounting, law, finance, and manufacturing. Our team read over 10,000 pages of documents in Chinese pertaining to the company. We deployed professional investigators to five cities. We retained four law firms as outside counsel to assist with our analysis.

211. The Muddy Waters report concluded that the Company was extensively involved in business practices that were "blatantly illegal" and that the Company's financial statements and other reports to investors were permeated by fraud. According to the Report, Sino-Forest's remarkably consistent growth during the Class Period was illusory – simply the result of "a Ponzi scheme," rather than a real expansion in Sino-Forest's business. According to Muddy Waters, the Company used its supposed growth and profitability to raise money from private

lenders and the financial markets. This money, in turn, was used to bolster an appearance of further growth and increased profitability, which in turn opened the door to additional funding from private lenders and the capital markets. According to the Report, however, the capital raised by Sino-Forest was not used to expand the Company's business, but was instead largely siphoned off by insiders in undisclosed related party transactions.

- 212. At the heart of the misconduct at Sino-Forest, according to Muddy Waters, is the Company's use of AIs. The Report noted that AIs apparently act as both buyers and sellers in Sino-Forest transactions. For example, in one case uncovered by Muddy Waters, an AI purchased logs from Sino-Forest and delivered them to a chipping facility. Once the logs reached the facility they were sold back to Sino-Forest. Sino-Forest then turned around and sold the logs back to the AI who then proceeded to turn the logs into wood chips. The purpose of these transactions, which were pointless from a business perspective, was to create the appearance of additional revenue for Sino-Forest. This type of "circular" transaction was also found by the Ontario Securities Commission during its investigation of the Company.
- 213. The Report also disclosed that Sino-Forest vastly overstated its forestry assets. In China's Yunnan Province alone, the overstatement is potentially hundreds of millions of dollars. As noted above, in March 2007 Sino-Forest publicly announced that it had entered into an agreement to purchase up to 200,000 hectares of trees in Lincang City in Yunnan for \$700 million to \$1.4 billion, but a review of relevant government documents by Muddy Waters indicated that the actual size of this purchase was about 40,000 hectares.
- **214.** Furthermore, although Sino-Forest generally does not identify the companies from which it purchases forestry assets, Muddy Waters was able to identify many of these companies by means that included careful review of government records. Muddy Waters visited

many of these entities, finding that they "generally operated out of apartments while purportedly each doing annual revenue in the hundreds of millions from TRE [Sino-Forest] alone." This discovery supports Muddy Waters' conclusion that a substantial portion of the Company's reported purchases of forestry assets were greatly exaggerated or never occurred at all.

- 215. The Report also noted that Sino-Forest had engaged in substantial transactions with undisclosed related parties, transactions which are in violation of the applicable accounting rules and which require disclosure of related party transactions. An example is Jiangxi Zhonggan Industrial Development Company Ltd., which was incorporated just months before it entered into an approximately \$700 million contract with Sino-Forest in June 2009. The legal representative and President of this company is Sino-Forest Executive Vice President, Lam Hong Chiu. According to Muddy Waters, Zhonggan's 2008 and 2009 audit report shows "numerous large transactions between the Company, TRE, and other parties." Separately, Muddy Waters identified Huaihua Yuda Wood Company Ltd., as "an undisclosed TRE subsidiary that has been receiving massive amounts of money from TRE's subsidiaries."
- 216. On publication of the Muddy Waters Report, the price of Sino-Forest's securities dropped dramatically. On June 2, 2011, the Company's shares, which ended trading at \$18.64 on June 1, ended trading on the OTC market at \$7.33 and then fell further, to \$5.41 on June 3, a price drop of 71% over two days on substantially larger volume than normal. The prices of the Company's debt securities also declined significantly.

## VI. <u>SINO-FOREST'S DENIALS AND FURTHER MISLEADING STATEMENTS</u>

217. Soon after publication of the Muddy Waters Report, Defendants began an organized campaign to further mislead investors by falsely claiming that there was no

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misconduct at the Company. These denials and misleading statements (¶¶ 174-179) continued to prop up the prices of Sino-Forest securities until trading was halted on August 26, 2011.

- 218. In a June 3, 2011 press release, the Company asserted that "[t]he Board of Directors and management of Sino-Forest wish to state clearly that there is no material change in its business or inaccuracy contained in its corporate reports and filings that needs to be brought to the attention of the market. Further we recommend shareholders take extreme caution in responding to the Muddy Waters report." The release also quoted Defendant Chan as saying the following: "let me say clearly that the allegations contained in this report [by Muddy Waters] are inaccurate and unfounded." The release quoted Defendant Horsley as saying "I am confident that the [Sino-Forest Board of Directors'] independent committee's examination will find these allegations to be demonstrably wrong."
- 219. In a June 6, 2011 press release, Sino-Forest further stated that "The Company believes Muddy Waters' report to be inaccurate, spurious and defamatory." The press release quoted Defendant Chan as saying the following: "I stand by our audited financial statements, including the revenue and assets shown therein. All material related party transactions are appropriately disclosed in our financial statements. We do business with the parties identified in the report at arm's length. Those parties are not related or connected to the Company or any of its management."
- **220.** During a June 14 conference call with investors, Defendant Chan suggested that the Muddy Waters allegations were entirely inaccurate, accusing Muddy Waters of a "pattern of sloppy diligence and gross inaccuracy."
- **221.** Moreover, even after the release of the Muddy Waters Report, the Sino-Forest Defendants continued their practice of making false and misleading statements about Sino-

Forest's financial condition and future prospects. On both June 14, 2011 and August 15, 2011, Sino-Forest filed, respectively, its Interim Financial Statements and its MD&A covering the first quarter which were materially false and misleading.

222. The August 15, 2011 MD&A also made the following false statement: "[u]nder the master agreement entered in March 2007 to acquire 200,000 hectares of plantation trees over a 10-year period in Yunnan, the Company has actually acquired 230,200 hectares of plantation trees for \$1,193,459,000 as at March 31, 2011." In fact, as the Muddy Waters Report disclosed, the Company vastly overstated the value of its holdings in Yunnan under the March 2007 agreement. The statements set forth in paragraphs 196 to 198 and the financial statements and results in the June 14th and August 15th filings (which investors were later told they should not rely upon) contained material misrepresentations and omissions similar to those made in filings earlier in the Class Period: they falsely portrayed the Company as a fast-growing, legitimate business that followed good corporate governance practices with positive future prospects for growth and they materially overstated the Company's revenue, earnings, and assets.

### VII. CONFIRMATION OF THE FRAUD

**223.** After publication of the Muddy Waters Report, additional investigations and disclosures evidence that numerous statements by Sino-Forest during the Class Period were materially false and misleading or omitted material information.

## A. The Globe and Mail Investigation

**224.** A June 18, 2011 article in the highly respected *Globe and Mail*, Canada's largest-circulation national newspaper, confirmed that Sino-Forest provided materially inaccurate information about the Company's holdings in Yunnan, which comprised a substantial portion of the Company's supposed forestry assets. The article stated, in part:

The Globe's investigation raises particularly hard questions about a key agreement in March, 2007, that Sino-Forest says gave it the right to buy timber rights for up to 200,000 hectares of forest in Yunnan over a 10-year period for between \$700-million (U.S.) and \$1.4-billion. The trees were to be bought through a series of agreements with an entity called Gengma Dai and Wa Tribes Autonomous Region Forestry Co. Ltd., also known as Gengma Forestry.

The company says it has fulfilled virtually all of the agreement with Gengma and now owns more than 200,000 hectares in Yunnan.

But officials with Gengma Forestry, including the chairman, dispute the company's account of the deal, telling *The Globe and Mail* that the actual numbers are much smaller.

**225.** The Globe and Mail article reported that an interview with officials involved in the Sino-Forest transactions indicated that the Company acquired less than 14,000 hectares. The article went on to say:

Mr. Xie's account corroborates the assertions of senior forestry officials in the province. Speaking on condition of anonymity, these officials challenged the company's statements that it controls more than 200,000 hectares of Yunnan trees, and said they are now investigating.

#### **226.** *The Globe and Mail* further reported:

In a written response to questions from The Globe, Sino-Forest said it stands by its public statements regarding its Yunnan holdings. The company said it has purchased about 13,300 hectares of 'forestry assets and leased land' directly from Gengma Forestry, and another 180,000 hectares of 'forestry assets only' from other sellers, using Gengma as a purchasing agent.

'The agreement has not been yet fulfilled as we have not completed the purchase of 200,000 hectares,' the company said.<sup>11</sup>

That statement from Sino-Forest appears to contradict its own publicly filed financial reports. In its first quarter 2011 report,

<sup>&</sup>lt;sup>11</sup> Unless otherwise indicated, all emphasis in quotations is added.

the company said that 'under the master agreement entered in March 2007 to acquire 200,000 hectares of plantation trees over a 10-year period in Yunnan, the Company has actually acquired 230,200 hectares of plantation trees for \$1,193,459,000 as at March 31, 2011.'

The company's 2010 annual information form filed with regulators earlier this year said that as of December 31, 2010, Sino-Forest had 'acquired approximately 190,300 hectares of plantation trees for \$925.9-million (U.S.) under the terms of the master agreement.'

The Globe's investigation of the company's dealings and holdings in Yunnan points to inconsistencies in the company's accounting of its timber rights and raises broader questions about its business practices.

#### **227.** In addition, it was reported that:

As of the end of 2010, the company claimed control of about 800,000 hectares of trees in nine Chinese provinces plus New Zealand. Its operation in Yunnan province, in addition to being its largest, is also the one for which it has made additional disclosures recently in an attempt to defuse the allegations made in the Muddy Waters report.

So far, however, it has disclosed purchase agreements as well as forest and woodland rights certificates for about 7,000 hectares of forest in Yunnan. The company has not disclosed significant documentation regarding its forestry holdings in other provinces.

To find Gengma Forestry, Sino-Forest's local partner in the so-called 'Yunnan master agreement' – the 2007 deal said to be worth as much as \$1.4-billion – you have to duck down an alleyway behind the drugstore on the main street of this nondescript trading city, then up a dusty cement staircase.

On the landing is the litter-strewn office with an open door and a window protected by metal bars. Despite signing a deal with Sino-Forest that should guarantee a windfall, the company has clearly fallen on hard times. 'Our relations with [Sino-Forest] were not totally good. They talked about a lot of things, but in the end it was hard to get money from them,' said Zhang Ling, Gengma Forestry's office manager.

**228.** Statements of local officials in Yunnan province also contradict the reported size of Sino-Forest's holdings:

Senior forestry officials in the province challenged the company's assertion that it controls about 200,000 hectares of forest in the region. Speaking on condition they not be identified, they said their records showed Sino-Forest manages far less than that and said the Yunnan Forestry Bureau would begin an investigation aimed at determining the company's true holdings.

**229.** Not only have the size of the holdings been questioned, but so has the value as reported in *The Globe and Mail*:

In addition to the questions about Sino-Forest's disclosures on the size of its holdings, forestry officials, as well as local timber brokers who spoke to The Globe raised questions regarding the value Sino-Forest attributes to its Yunnan assets.

'It's very hard for anyone to say what the value of their property is,' said one forestry official, adding that forested land in Yunnan needed to be evaluated by a special body jointly appointed by the Forestry Bureau and the Ministry of Finance. Sino-Forest has not requested such an official valuation of its land, he said. '(The valuation) must have two chops (official seals) and two forestry resource evaluation experts and two licensed evaluators.... Even I can't just go there and give it a value.'

**230.** Subsequently, in early September 2011, *The Globe and Mail* reported that "A Globe investigation, based on interviews with people associated with Sino-Forest and an examination of legal and regulatory documents in Hong Kong and mainland China, has uncovered a pattern of questionable deals and disclosures from the company that date back to its earliest days."

#### **B.** Investigations and Regulatory Actions

**231.** On August 26, 2011 the Ontario Stock Commission issued a "Temporary Order" stating: "Sino-Forest and certain of its officers and directors including Chan appear to be engaging or participating in acts, practices or a course of conduct related to its securities which it

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and/or they know or reasonably ought to know perpetuate a fraud on any person or company contrary to section 126.1 of the [Ontario Securities] Act and contrary to the public interest."

- **232.** The Commission halted trading in Sino-Forest's stock on the Toronto Stock Exchange effective August 26, 2011 and demanded that several of Sino-Forest's executives resign. Trading was halted in the U.S. on the OTC Bulletin Board at 5:30 p.m. on August 26, 2011.
- 233. On August 28, 2011, *The Globe and Mail* reported that CEO Chan had resigned. The newspaper also reported that "[t]hree Sino-Forest-Forest vice-presidents Alfred Hung, George Ho and Simon Yeung have been placed on administrative leave. Senior vice-president Albert Ip has been relieved of most of his duties but remains with the Company to assist the internal probe." The newspaper also explained why Chan's departure occurred: "According to people familiar with the case, Mr. Chan was confronted by company officials in Hong Kong last week after a review of e-mail accounts outside the company's network revealed questionable transactions and money transfers." Despite this evidence of misconduct, Chan remains with the Company, having been granted the title "Founding Chairman Emeritus."
- **234.** In late August 2011, Standard & Poor's Ratings Services announced that it was withdrawing its ratings on the Company's debt because "[r]ecent developments point towards a higher likelihood that allegations of fraud at the company will be substantiated."
- 235. As a result of the suspension in the trading of Sino-Forest's common stock and disclosure of the suspected fraud by the OSC, the shares are now virtually worthless and the value of its securities, notes, bonds, etc. that were issued by the Company and outstanding during the Class Period ("Debt Securities"), including the 2017 Notes, have declined substantially. On

November 11, 2011, it was announced that the Royal Canadian Mounted Police had commenced a criminal investigation.

- 236. Subsequently, on January 10, 2012, Sino-Forest announced that investors should no longer rely upon its historical financial statements and related audit reports. The Company stated that there was "no assurance" that it would be able to release third quarter financial results or audited financial statements for its 2011 fiscal year. The Company further disclosed in the January 10, 2012 announcement that it was still unable to explain or resolve outstanding issues, relating to its financial results and business relationships, including matters raised by documents identified by its auditor E&Y and the OSC.
- 237. Sino-Forest was required to file its 2011 audited annual financial statements with the Ontario Securities Commission by March 30, 2012. That same day, Sino-Forest initiated proceedings in front of the Superior Court of Justice (Ontario) requesting protection from its creditors. Sino-Forest has never filed its 2011 audited annual financial statements with the Commission.
  - 238. On April 4, 2012, the auditors of Sino-Forest, Defendant E&Y, resigned.
  - **239.** On May 9, 2012, the Toronto Stock Exchange delisted the shares of Sino-Forest.
- **240.** On May 22, 2012, the Ontario Securities Commission filed its Statement of Allegations in the Matter of Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho, Simon Yeung, and David Horsley.

#### VIII. <u>ADDITIONAL SCIENTER ALLEGATIONS</u>

**241.** As alleged herein, the Sino-Forest Defendants and E&Y acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company or in their own names were materially false and misleading or were extremely

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reckless in not so knowing; knew that such statements or documents would be issued or disseminated to the investing public or were extremely reckless in not so knowing; and knowingly, or acting with extreme recklessness, substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Sino-Forest Defendants and E&Y knew or were deliberately reckless in not knowing the true facts regarding Sino-Forest that were concealed as a result of the fraud alleged herein.

242. Given the scale of the fraud alleged herein, and the degree to which it affected Sino-Forest's central business operations, there is a strong inference that the Sino-Forest Defendants and E&Y knew of the misconduct alleged herein, or, at a minimum, were deliberately reckless in not so knowing.

#### A. Individual Defendants Scienter Allegations

- 243. As alleged herein, each of the Individual Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company or in their own names were materially false and misleading or were extremely reckless in not so knowing; knew that such statements or documents would be issued or disseminated to the investing public or were extremely reckless in not so knowing; and knowingly, or acting with extreme recklessness, substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws.
- **244.** Based on the facts specified above, the Sino-Forest Defendants participated directly in the scheme to falsify the Company's financial statements and financial results, and orchestrated the use of related parties to accomplish that scheme, which resulted in overstatement of revenues, earnings, and assets. Among other things:

- a. The Sino-Forest Defendants established a collection of "nominee"/"peripheral" companies that were controlled, on its behalf, by various "caretakers" which they utilized to engage in improper transactions. Sino-Forest conducted a significant level of its business with these companies, the true economic substance of which was misstated in Sino-Forest's financial disclosures;
- b. The Sino-Forest Defendants falsified purchase, sale, and ownership documents related to the vast majority of Sino-Forest's timber holdings, which included the creation of backdated Purchase Contracts and Sales Contracts and related documentation. The Sino-Forest Defendants then relied upon these documents to evidence the purported purchase, ownership, and sale of Standing Timber in the BVI Model;
- c. The Sino-Forest Defendants bypassed or ignored internal controls and accounting processes in order to complete improper transactions;
- d. The Sino-Forest Defendants failed to properly document the BVI timber purchases, in particular by failing to obtain required proof of ownership documents including (i) Plantation Rights Certificates from either the Counterparty or original owner or (ii) villager resolutions:
- e. In 2010, Sino-Forest improperly recognized revenues from the purported sale of Standing Timber, despite the fact that these same Standing Timber assets were offered as collateral for a bank loan by Sino-Forest in 2011; so the sale of those assets in 2010 could not have taken place and been recorded as revenue in that year; and
- f. The Sino-Forest Defendants engaged in and structured "circular" cash flows and unusual offsetting arrangements by which money flowed between various Sino-Forest controlled companies.

- 245. In addition, the Audit Committee Defendants knew or were extremely reckless in not knowing of the financial misconduct occurring at the highest levels of Company management. Among other duties, members of the Audit Committee are required to oversee (i) "the accounting and financial reporting processes of the Corporation....and their appropriateness in view of the Corporation's operations and current GAAP"; (ii) "the adequacy and effectiveness of management's system of internal controls and procedures"; (iii) "the quality and integrity of the Corporation's...financial reporting and disclosure"; (iv) "the relationship with the external auditor..."; and (v) "compliance with laws, regulations and guidelines affecting the Corporation which relate to the duties and functions of the Audit Committee." In addition, the Audit Committee is "primarily responsible for satisfying itself and on behalf of the Board, that the Corporation (including its subsidiaries) fulfill all of its audit and financial reporting obligations...."
- **246.** As reflected in Paragraphs 183 to 184, above, each of the Audit Committee Defendants knew of the multitude of red flags, questionable transactions, and murky corporate relationships, all of which indicated the potential for management to commit fraud and issue misleading financial statements. As directors of the Company, they had direct access to senior management and as members of the Audit Committee they had the ability and duty to investigate the "quality and integrity" of the Company's financial reporting and disclosure which, in the face of obvious red flags, they failed to do.

### **B.** E&Y Scienter Allegations

**247.** In April 2012, E&Y resigned as Sino-Forest's independent auditor and took the highly unusual step of disassociating itself from Sino-Forest's financial statements, which E&Y had previously audited and given a clean opinion.

- 248. As articulated by the staff of the OSC in a report issued on March 12, 2012 related to a review of public companies in Ontario, the "[i]ntegrity of public disclosure is the bedrock of investor protection." In that regard, the "external auditor has a unique role in the reporting process for annual financial statements which are relied upon by the board, audit committee and most importantly, investors to provide an independent assessment of whether the information presented in the issuer's annual financial statements has been fairly presented." [Emphasis added].
- 249. In February 2012, the Canadian Public Accountability Board ("CPAB") issued a "Special Report" regarding auditing in foreign jurisdictions, which consisted of a "review of audit files for Canadian public companies with their primary operations in China." Audits of twenty-four higher risk issuers were reviewed. The Special Report noted that it viewed its results as "a wake-up call for Canada's auditing profession." The Special Report stated: "CPAB is disappointed by the results of its review. In too many instances, auditors did not properly apply procedures that would be considered fundamental in Canada, such as maintaining control over the confirmation process. CPAB's findings indicate that auditors often did not appropriately identify and assess the risks of material misstatement in the financial statements, through a sufficient understanding of the entity and its environment. CPAB also found a lack of professional skepticism when auditors were confronted with evidence that should have raised red flags regarding potential fraud risk."
- **250.** Among the significant findings, which reads like a textbook of the audit deficiencies in this case, the CPAB found the following: (i) failure to control the confirmation process; (ii) reliance on confirmations with questionable reliability; (iii) insufficient evidence to support the ownership or existence of significant assets; (iv) inadequate procedures to identify

related party transactions; (v) insufficient evidence to support the recognition of revenue; and (vi) insufficient evidence to support the appropriateness of the income tax rate used. The Special Report outlines specific audit procedures that should be used in foreign jurisdictions like China to combat fraud.<sup>12</sup>

- 251. As set forth above, the fraudulent practices at Sino-Forest were so widespread and material that numerous red flags should have alerted E&Y to the materially misleading financial statements issued by Sino-Forest. That E&Y certified Sino-Forest's Financial Statements year after year and never once alerted investors or regulators to these fraudulent transactions shows that their audits were extremely reckless.
- **252.** Although financial reporting requirements may vary from country to country, basic audit principles remain constant. These fundamental auditing principles require that:
  - (a) financial statements reflect the true financial condition of the company;
  - (b) financial statements are informative and complete;
  - (c) financial statements do not mischaracterize an item or omit any information if that would result in a misleading statement;
  - (d) related-party transactions are disclosed and subjected to scrutiny because the terms cannot be assumed to be the result of arms-length dealings; and
  - (e) in performing an audit, the auditor must obtain sufficient information to support a reasonable basis for an opinion regarding the truth, accuracy, and integrity of the financial statements.

<sup>&</sup>lt;sup>12</sup> On February 21, 2012, *The Globe and Mail* reported that when asked, CPAB's Chief Executive Officer, Brian Hunt, would not comment on whether Sino-Forest was one of the audits scrutinized and E&Y would not comment on the Special Report.

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- 253. E&Y ignored and/or violated applicable auditing and accounting standards including the basic auditing principles enumerated above in the face of warning signs and numerous red flags described herein. If E&Y had complied with these standards and principles, the auditors would certainly have detected and reported the multitude of improper and fraudulent and related party transactions (which involved both large transactions and important business partners). Such transactions should have received extraordinary scrutiny particularly in light of the well-known deficiencies in the Company's internal controls. A proper audit of either Sino-Forest related party transactions or its most significant transactions, would have revealed this fraud.
- **254.** Despite these serious audit deficiencies, E&Y misrepresented to the investing public and regulators that it had audited Sino-Forest's Financial Statements in compliance with applicable auditing standards and that the Company's financial statements were presented in accordance with Canadian GAAP.

## E&Y's Materially Misleading Auditors' Reports

**255.** On March 11, 2011 E&Y issued an Auditor's Report for Sino-Forest's 2010 fiscal year, addressed "To The Shareholders of Sino-Forest Corporation (the "2010 Auditors Report"). In the 2010 Auditors Report, E&Y stated:

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to

fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness on the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sino-Forest Corporation as at December 31, 2010 and 2009 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

**256.** On March 15, 2010, E&Y issued an Auditor's Report for Sino-Forest's 2009 fiscal year, addressed "To the Shareholders of Sino-Forest Corporation" (the "2009 Auditors Report"). In the 2009 Audit Report, E&Y stated:

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

**257.** On March 13, 2009, E&Y issued an Auditor's Report for Sino-Forest's 2008 fiscal year, addressed "To the Shareholders of Sino-Forest Corporation" (the "2008 Auditors Report"). In the 2008 Audit Report, E&Y stated:

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

**258.** On March 12, 2008, E&Y issued an Auditor's Report for Sino-Forest's 2007 fiscal year, addressed "To the Shareholders of Sino-Forest Corporation" (the "2007 Auditors Report"). In the 2007 Audit Report, E&Y stated:

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

- 259. These statements were materially false and misleading when made because E&Y knew, or recklessly disregarded the facts that: a) it failed to conduct its audit in compliance with Canadian GAAS; and b) Sino-Forest's financial statements were not presented in accordance with Canadian GAAP as they were materially false and misleading with respect to revenues, assets, earnings, and related party transactions.
- **260.** The fact that the Company alerted its auditors to the material weaknesses in its internal controls (*i.e.* "This concentration of authority, or lack of segregation of duties, creates risk in terms of measurement and completeness of transactions as well as the possibility of non-

compliance with existing controls, either of which may lead to the possibility of inaccurate financial reporting.") was a clear red flag to E&Y, which had a duty to expand its audit procedures to inquire further into the nature of transactions and compliance with existing controls. Similarly, Sino-Forest's declaration that these risks "may lead to the possibility of inaccurate financial reporting" should have served as an additional red flag requiring E&Y to scrutinize Sino-Forest's financial statements. All of these facts, including the red flags described in Paragraph 10, required E&Y to conduct an even more rigorous audit to confirm the accuracy Sino-Forest's financial statements and the evidentiary material supporting the Company's presentation. Defendant E&Y was extremely reckless in either failing to modify its audit procedures in light of the Company's known internal control problems and lack of transparency or recklessly disregarded the red flags existing at the time of the audit.

261. Given the nature of Sino-Forest's business and lack of transparency, E&Y was required to exercise due professional care in performing its audit; to adequately plan its audit; to obtain a sufficient understanding of Sino-Forest's internal controls; and to obtain sufficient, competent evidence in auditing Sino-Forest's revenues, assets, and related party transactions. E&Y failed to conduct its audits in compliance with these fundamental Canadian GAAS provisions. Had E&Y performed its audits in compliance with Canadian GAAS, it would have uncovered Sino-Forest's overstatements of revenues, assets, income, and improper related party transactions.

## IX. MOTIVATION FOR FRAUD

**262.** The Sino-Forest Defendants had ample motive to commit fraud: the exaggerated revenue, earnings, and assets allowed the Company to continue to raise substantial funds from

lenders and investors, inflated the Company's stock price and provided a personal financial windfall to the Individual Defendants who sold highly inflated stock to unsuspecting investors.

- 263. The purported steady and impressive growth of Sino-Forest helped fuel a series of capital raising activities by the Company. By making the Company appear to be on a much more economically sound footing than was actually the case, Sino-Forest was able to raise the funds it needed to finance its rapid expansion. Because the Company's cash flow did not cover its operating expenses, the Company would not have been able to continue to operate absent cash infusions from debt and equity investors.
- **264.** During the Class Period, Sino-Forest conducted numerous debt and equity offerings, issuing over \$1.8 billion in debt securities to investors and also selling investors hundreds of millions of dollars of common stock. Specifically, the following securities were issued to investors:
  - On July 17, 2008, the Company closed an offering of convertible guaranteed senior notes (the "2013 Convertible Notes") for gross proceeds of \$300,000,000. On August 6, 2008, the Company issued an additional \$45,000,000 of 2013 Convertible Notes pursuant to the exercise of an over-allotment option granted to the underwriters in connection with the offering, increasing the gross proceeds to \$345,000,000.
  - On June 24, 2009, the Company offered to eligible holders of outstanding Senior Notes due in 2011 (the "2011 Senior Notes") to exchange these notes for up to \$300,000,000 of new guaranteed senior notes due 2014 (the "2014 Senior Notes"). On July 27, 2009, the Company completed this exchange offer, issuing an aggregate principal amount of \$212,330,000 of 2014 Senior Notes,

Senior Notes.

- representing approximately 70.8% of the aggregate principal amount of the 2011
- In June 2009, the Company completed a public offering and international private placement of 34,500,000 common shares (including 4,500,000 common shares issued upon the exercise of the underwriters' over-allotment option) for gross proceeds of approximately \$339,810,000.
- On December 17, 2009, the Company closed an offering of convertible guaranteed senior notes (the "2016 Convertible Notes") for gross proceeds of \$460,000,000.
- In December 2009, the Company completed a public offering of 21,850,000 common shares (including an overallotment exercise) for gross proceeds of approximately \$345,318,000.
- In May 2010, Sino-Forest issued 1,990,566 shares of common stock as a \$33.3 million payment to acquire 34% of Greenheart Resources.
- In August 2010, the Company issued \$2.3 million shares of common stock in partial payment of its acquisition of Mandra Forestry Holdings Limited, a company which supposedly owned the rights to technology relevant to the Company's business. In connection with this acquisition of Mandra, the Company also exchanged nearly \$195 million of Mandra notes for Sino-Forest notes—the Sino-Forest notes had a longer duration and lower interest rate than the Mandra notes for which they were exchanged.
- On October 21, 2010, the Company completed the \$600,000,000 Note Offering of the 2017 Notes.

- **265.** Thus, during the Class Period, while Defendants were issuing materially false and misleading financial statements and other reports to investors, Sino-Forest was taking advantage of the illusory growth portrayed to investors through these large debt and equity offerings, which in less than three years, cumulatively totaled over \$2.5 billion.
- **266.** In addition to the billions of dollars raised by Sino-Forest during the Class Period (described above), Company insiders also benefited directly by the inflated value of Sino-Forest's stock because of their substantial stock holdings and because part of their compensation was in the form of stock options. Documents filed by the Company revealed that the Individual Defendants have sold over \$44 million of Company stock since 2006.

**Defendants' Sales Of Shares During Class Period** 

| Detendants Sures of Shares During Class I crod |                 |                 |                                                        |
|------------------------------------------------|-----------------|-----------------|--------------------------------------------------------|
| Defendant                                      | Net Shares Sold | Value \$Can     | Value \$U.S.<br>(on 11/15/11<br>\$Can 1 =\$US 0.98494) |
| Chan                                           | 182,000.00      | \$3,003,200.20  | \$2,957,970                                            |
| Horsley                                        | 531,431.00      | \$11,157,962.93 | \$10,989,900                                           |
| Poon                                           | 3,037,900       | \$30,054,387.32 | \$29,601,800                                           |
| TOTAL                                          | 3,751,331       | \$44,215,550.45 | \$43,549,670                                           |

### X. CLASS ALLEGATIONS

267. Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons or entities who purchased (i) Sino-Forest's common stock during the Class Period on the OTC market who were damaged thereby; and (ii) all persons or entities who, during the Class Period, purchased Debt Securities issued by Sino-Forest other than in Canada and who were damaged thereby. Excluded from the Class are Defendants, the officers and directors of Sino-Forest during any portion of the Class Period, members of the immediate families of the foregoing persons and the legal representatives, heirs, successors or assigns of such persons and any entity in which any

Defendant has or had a controlling interest. The Class specifically excludes any investor who purchased Sino-Forest securities on the Toronto Stock Exchange or in Canada.

- 268. The claims of Plaintiffs and the members of the Class have a common origin and share a common basis. The claims of all Class Members originate from the same improper conduct and arise from securities purchases entered into on the basis of the same materially misleading statements and omissions by Defendants during the Class Period. If brought and prosecuted individually, each Class Member would necessarily be required to prove his respective claims upon the same facts, upon the same legal theories and would be seeking the same or similar relief, resulting in duplication and waste of judicial resources.
- **269.** The members of the Class are so numerous that joinder of all members is impracticable. Although all Class Members cannot be identified without discovery, Plaintiffs believe that there are many thousands of class members. Sino-Forest has over 246 million shares outstanding which actively traded on the OTC market (as well as in Canada on the Toronto Stock Exchange) and there are approximately \$1.8 billion in Debt Securities outstanding including, approximately, \$600 million in 2017 Notes.
- **270.** Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:
  - a. Whether Defendants made materially false and misleading statements or omissions regarding Sino-Forest's financial statements and operations;
  - b. Whether Defendants engaged in any acts that operated as a fraud or deceit, or negligently misrepresented the Company's financial condition to the Class;
  - c. Whether the Company issued materially false and misleading financial statements and Defendant E&Y issued materially false audit opinions regarding Sino-Forest's financial statements;

- d. Whether Defendants' acts proximately caused injury to the Class or irreparably harmed the Class, and if so, the appropriate relief to which the Class is entitled; and,
- e. Whether Defendants' acts constitute violations of law for which the Class is entitled to recover damages or other relief.
- 271. The prosecution of separate actions by individual members of the Class would also create a risk of inconsistent or varying adjudications with respect to individual members of the Class which would establish incompatible rights and standards of conduct for the parties involved in this case. The prosecution of separate actions by individual members of the Class would also create a risk of adjudications with respect to individual members of the Class which would, as a practical matter, be dispositive of the interests of other members of the Class or substantially impair or impede their ability to protect their interests.
- **272.** Plaintiffs have engaged counsel experienced in complex class litigation and will fairly and adequately represent the interests of the Class. Plaintiffs' interests are co-extensive with and not antagonistic to those of the absent members of the Class.
- 273. The members of the Class cannot reasonably be expected to litigate this matter individually. Whether litigated individually or as a class, the causes of action asserted in this Complaint involve complex issues of law and will likely require extensive and costly factual discovery, especially if this case proceeds to trial. The costs of successfully prosecuting such litigation will likely be beyond the resources of most members of the Class.

## XI. APPLICATION OF THE FRAUD ON THE MARKET PRESUMPTION

**274.** During the Class Period, Sino-Forest was a high profile Company which regularly provided purportedly accurate information to investors about the Company's operations. The Company was followed by numerous securities analysts including Dundee Capital Markets,

RBC, and JP Morgan. The securities at issue, Sino-Forest common stock and debt securities, were actively traded on efficient markets and publicly disclosed information about the Company was incorporated in the price of these securities within a reasonable amount of time.

### A. Common Stock

- 275. During the Class Period, Sino-Forest common stock was traded on the OTC market in the United States, which is an open, well-developed and efficient market. Sino-Forest common stock was simultaneously traded on the Toronto Stock Exchange, an open, well developed and efficient market. There was a substantial volume of trading in both the United States and Canada and the price of the shares traded in the United States was affected in the same way as the price of shares traded in Canada. During the Class Period over 146 million shares of Sino-Forest common stock traded in the OTC market.
- 276. The OTC market has no fixed location, but investors throughout the United States, including in New York County, New York, can purchase OTC securities through registered brokers. The principal regulator of the OTC market is the Financial Industry Regulatory Authority, which has its principal offices in New York, NY and Washington, DC.

## B. <u>2017 Notes and Other Debt Securities</u>

- **277.** According to the Company, the 2017 Notes "offering was made on a private placement basis in Canada, the United States and internationally pursuant to available exemptions, through a syndicate of initial purchasers." The indenture agreement, which governs the 2017 Notes, provided that the notes are governed by New York law.
- **278.** The 2017 Notes were initially purchased by the Underwriter Defendants and then sold to Plaintiff and other investors on the initial Offering. In the purchase agreement between the Underwriter Defendants and Sino-Forest, Banc of America Securities LLC listed its address

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as One Bryant Park, New York, NY 10036 and Credit Suisse Securities (USA) LLC listed its address as Eleven Madison Avenue New York, NY 10010. During the Class Period and after their issuance, there was an efficient market for the 2017 Notes.

- 279. The 2017 Notes could only be legally sold to non-U.S. persons and to U.S. persons who were qualified institutional buyers. There is an open and well developed market for such securities, which are issued by large and well known issuers such as Sino-Forest and, specifically, there was an active and well-developed market for the 2017 Notes and Sino-Forest's other Debt Securities during the Class Period. Class Members were able to purchase 2017 Notes and other Debt Securities in the OTC market.
- **280.** Accordingly, Class Members who purchased Sino-Forest common stock or 2017 Notes, and other Debt Securities in the secondary market are entitled to a presumption of reliance on the accuracy of the prices paid.

#### XII. LOSS CAUSATION

281. During the Class Period, as detailed herein, Sino-Forest and the Individual Defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the prices of Sino-Forest stock by failing to disclose and misrepresenting the adverse facts detailed herein. When their misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the price that purchasers were willing to pay for Sino-Forest stock fell precipitously as the prior artificial inflation came out of the stock's price. Moreover, as a direct and foreseeable result of their fraud, trading in Sino-Forest stock was halted and eventually de-listed, making the stock virtually worthless and impossible to sell. Consequently, Plaintiffs and the other Class Members suffered economic loss as a result of their conduct.

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- **282.** By failing to disclose to investors the adverse facts detailed herein, Sino-Forest, the Individual Defendants, E&Y, Poyry, and the Underwriter Defendants presented a misleading picture of Sino-Forest's business and prospects. Their false and misleading statements had the intended effect and caused Sino-Forest common stock to trade at artificially inflated levels throughout the Class Period, reaching as high as \$26.08 per share on March 31, 2011.
- 283. The decline in the price of Sino-Forest shares, and the suspension in trading of these shares, was a direct result of the nature and extent of Sino-Forest and the Individual Defendants' fraud. The timing and magnitude of the price decline in Sino-Forest stock negates any inference that the loss suffered by Plaintiffs and the other Class Members was caused by changed market conditions, macroeconomic or industry features or Company-specific facts unrelated to Sino-Forest and the Individual Defendants' fraudulent conduct. The economic loss suffered by Plaintiffs and the other Class Members was a direct result of Sino-Forest and the Individual Defendants' scheme to artificially inflate the prices of Sino-Forest stock and the subsequent significant decline in the value of Sino-Forest stock when Sino-Forest and the Individual Defendants' prior misrepresentations and other fraudulent conduct were revealed and when regulators de-listed Sino-Forest stock as a result of the fraud.

### XIII. CAUSES OF ACTION

# COUNT ONE AGAINST SINO-FOREST, THE INDIVIDUAL DEFENDANTS, AND E&Y FOR VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5

- **284.** Plaintiffs repeat and reallege each of the allegations set forth above. This claim is asserted against Sino-Forest, the Individual Defendants, and E&Y for violation of Section 10(b) of the Exchange Act and Rule 10b-5.
  - 285. Sino-Forest, the Individual Defendants, and E&Y:

- a. Knew or recklessly disregarded the material, adverse non-public information about Sino-Forest's financial results and then-existing business conditions, which was not disclosed; and
- b. Participated in drafting, reviewing, and/or approving the misleading financial statements, releases, reports and other public representations of and about Sino-Forest.
- **286.** During the Class Period, with knowledge of or reckless disregard for the truth, Sino-Forest, the Individual Defendants, and/or E&Y disseminated or approved the false statements specified above, which were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
- **287.** As described herein, Sino-Forest, the Individual Defendants, and/or E&Y made or caused to be made a series of false statements and failed to disclose various material information concerning Sino-Forest. Those material misrepresentations and omissions created a false assessment of Sino-Forest, its business, and its prospects in the market, and caused the Company's securities to be overvalued and artificially inflated at all relevant times.
- **288.** Sino-Forest's, the Individual Defendants', and/or E&Y's false portrayal of Sino-Forest's financial results, business operations, and prospects during the Class Period resulted in Plaintiffs and other members of the Class purchasing Sino-Forest securities at market prices in excess of the actual value of those securities.
- **289.** Plaintiffs and other members of the Class would not have purchased Sino-Forest common stock and other securities at the prices they paid, if at all, had they been aware of the true facts concerning the Company's financial statements, business operations, and prospects, as well as the true facts concerning Sino-Forest's misleading audit reports.

- **290.** When the market determined that Sino-Forest's financial results reported during the Class Period were falsely reported by the Company and/or Individual Defendants, and that E&Y issued materially false and misleading audit reports, the Company's stock price decreased substantially in value and thereby caused injury to Plaintiffs and members of the Class.
- **291.** Sino-Forest, the Individual Defendants, and E&Y have violated § 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder in that they:
  - a. Employed devices, schemes and artifices to defraud;
  - b. Made untrue statements of material facts or omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and/or
  - c. Engaged in acts, practices and a course of business that operated as a fraud or deceit upon the purchasers of Sino-Forest stock during the Class Period.
- **292.** At all relevant times, the material financial statement misstatements, misrepresentations, and omissions particularized herein, directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiffs and other members of the Class.
- **293.** Plaintiffs and the Class have suffered damage because, in reliance on the integrity of the market, they paid artificially inflated prices for Sino-Forest stock.

## <u>COUNT TWO</u> AGAINST SINO-FOREST AND THE INDIVIDUAL DEFENDANTS FOR FRAUD

- **294.** Plaintiffs repeat and reallege each of the allegations set forth in above. This claim is asserted against Sino-Forest and the Individual Defendants for common law fraud.
- 295. As set forth herein, Sino-Forest and the Individual Defendants knowingly or recklessly engaged and participated in a continuous course and scheme of fraudulent conduct to disseminate materially false information about Sino-Forest's financial condition or failed to

disclose material information with the purpose of inflating the prices of Sino-Forest's common stock, the 2017 Notes and Sino-Forest's other debt securities. As intended by the Sino-Forest Defendants, Plaintiffs and Class Members reasonably relied on these false and misleading statements and failures to disclose and suffered substantial damages as a result.

**296.** As a direct and proximate result of Sino-Forest's and the Individual Defendants' fraud, Plaintiffs and the Class have suffered economic losses in an amount to be determined at trial. Sino-Forest and the Individual Defendants are jointly and severally liable to the Class for common law fraud.

# COUNT THREE AGAINST SINO-FOREST AND THE INDIVIDUAL DEFENDANTS FOR CIVIL CONSPIRACY TO DEFRAUD

- **297.** Plaintiffs repeat and reallege each of the allegations set above. This claim is asserted against Sino-Forest and the Individual Defendants for civil conspiracy to commit fraud.
- **298.** In furtherance of a scheme to defraud investors, the Sino-Forest Defendants corruptly agreed to combine their respective skills, expertise, resources, and reputations, thereby causing injury to Plaintiffs and the Class.
- **299.** As set forth in detail above, one or more of the conspirators made false representations of material facts, with scienter, and Plaintiffs and Class Members justifiably relied upon these misrepresentations and were injured as a result.
- **300.** As a direct and proximate consequence of the foregoing, Plaintiffs and the Class have suffered economic losses in an amount to be determined at trial. Because Sino-Forest and the Individual Defendants conspired amongst themselves and with others to carry out this fraudulent scheme, the Sino-Forest Defendants are jointly and severally liable both for their own

knowledge and conduct and for the knowledge and conduct of their co-conspirators in furtherance of the fraud.

## COUNT FOUR AGAINST E&Y AND POYRY FOR AIDING AND ABETTING FRAUD

- **301.** Plaintiffs repeat and reallege each of the allegations set forth above. This claim is asserted against E&Y and Poyry for aiding and abetting common law fraud committed by Sino-Forest and the Individual Defendants. E&Y and Poyry were aware of the fraudulent scheme that is the subject of this Complaint and each of these Defendants provided substantial assistance to the perpetrators of this scheme.
- **302.** As a direct and proximate result of E&Y's and Poyry's aiding and abetting of the fraud, Plaintiffs and the Class have suffered economic losses in an amount to be determined at trial. E&Y and Poyry are jointly and severally liable to the Class for aiding and abetting common law fraud.

# COUNT FIVE AGAINST THE INDIVIDUAL DEFENDANTS FOR VIOLATION OF SECTION 20(a) OF THE EXCHANGE ACT

- **303.** Plaintiffs repeat and reallege each of the allegations set forth above. This claim is asserted against the Individual Defendants for violation of Section 20(a) of the Exchange Act.
- 304. The Individual Defendants acted as controlling persons of Sino-Forest within the meaning of Section 20(a) of the Exchange Act, as alleged herein. By reason of their positions as officers or directors of Sino-Forest, and their ownership of Sino-Forest stock, the Individual Defendants had the power and authority to cause Sino-Forest to engage in the wrongful conduct complained of herein.

- 305. At the time they obtained their shares, Plaintiffs and members of the Class did so without knowledge of the facts concerning the materially false and misleading statements alleged herein.
- 306. By reason of the foregoing, the Individual Defendants are jointly and severally liable pursuant to Section 20(a) of the Exchange Act.

## **COUNT SIX** AGAINST SINO-FOREST FOR UNJUST ENRICHMENT

- Plaintiffs repeat and reallege each of the allegations set forth above. This claim is asserted against Sino-Forest for unjust enrichment.
- In connection with the fraudulent scheme set out in this Complaint, Defendant 308. Sino-Forest received payment for the sale of the 2017 Notes. Defendant Sino-Forest would not have been able to sell the 2017 Notes or would only have been able to sell these notes at a lower price had the true facts about Sino-Forest's business and financial condition been known. Consequently, Sino-Forest unjustly received money from the Offering of its securities and it would be unjust to allow Sino-Forest to keep this improperly earned money and should be required to repay it.

## AGAINST THE UNDERWRITER DEFENDANTS FOR VIOLATION OF SECTION 12(a)(2) OF THE SECURITIES ACT

309. Plaintiff IMF repeats and realleges each and every allegation contained in this Complaint as if fully set forth herein only to the extent, however, that such allegations do not allege fraud, scienter, or the intent of the Underwriter Defendants to defraud Plaintiffs or members of the Class with respect to this claim.

- 310. This Claim is brought against the Underwriter Defendants and is based on the Offering of 2017 Notes.
- 311. This Claim is brought pursuant to Section 12(a)(2) of the Securities Act and is predicated upon Underwriter Defendants' liability for material misstatements and omissions in the Offering Documents.
- 312. This Count is not based on and does not sound in fraud. Any allegations of fraud or fraudulent conduct and/or motive are specifically excluded from this Count. For purposes of asserting this claim under the Securities Act, Plaintiffs do not allege that Underwriter Defendants acted with scienter or fraudulent intent. Plaintiffs expressly exclude and disclaim any allegation that could be construed as alleging fraud or intentional or reckless misconduct, as this Count is based solely on claims of strict liability under the Securities Act.
- **313.** As provided for in Section 12(a)(2) of the Securities Act, the Underwriter Defendants named in this claim are responsible for the materially false and misleading statements in the Offering Documents and failed to make a reasonable and diligent investigation of the statements contained in the Offering Documents to ensure that such statements were true and correct and that there was no omission of material facts required to be stated in order to make the statements contained therein not misleading.
- Plaintiffs and Class Members suffered significant losses and are entitled to 314. rescission or rescissionary damages under Section 12. Plaintiff and Class Members who continue to hold the 2017 notes hereby tender their shares to the Underwriter Defendants.
- At the time they obtained their shares, Plaintiffs and members of the Class did so without knowledge of the facts concerning the misstatements or omissions alleged herein.

**316.** By reason of the foregoing, each of the Defendants named in this claim are jointly and severally liable for violation of Section 12(a)(2) of the Securities Act.

# COUNT EIGHT AGAINST SINO FOREST AND THE INDIVIDUAL DEFENDANTS FOR VIOLATION OF SECTION 15(a) OF THE SECURITIES ACT

- **317.** Plaintiff IMF repeats and realleges each and every allegation contained in this Complaint as if fully set forth herein.
- **318.** This Count is asserted against Sino-Forest and the Individual Defendants and is based upon Section 15 of the Securities Act.
- 319. Sino-Forest and the Individual Defendants acted as controlling persons of the Underwriter Defendants with respect to the Offering and within the meaning of Section 15 of the Securities Act, as alleged herein. By reason of their positions as directors and members of the board, Sino-Forest and those Individual Defendants had the power and authority to cause the Underwriter Defendants to engage in the wrongful conduct complained of herein.
- 320. The Individual Defendants at all relevant times participated directly and indirectly in the conduct of Sino-Forest's business affairs. As directors and board members of a publicly owned company, the Individuals Defendants had a duty to disseminate accurate and truthful information with respect to Sino-Forest's financial condition and results of operations. Because of their positions of control and authority as directors and board members of Sino-Forest, the Individual Defendants were able to, and did, control the contents of the Offering Documents, which contained materially false and misleading statements and omissions of material facts. The Individual Defendants' control and positions made them privy to and provided them with knowledge of the material facts concealed from Plaintiffs and members of the Class.

- 321. Plaintiff and members of the Class suffered significant losses as a result of these Defendants' materially false and misleading statements and omissions of material fact in the Offering Documents.
- 322. By reason of the foregoing, Sino-Forest and each of the Individual Defendant is jointly and severally liable pursuant to Section 15 of the Securities Act.

### XIV. PRAYER FOR RELIEF AND JURY DEMAND

WHEREFORE, Plaintiffs and the Class hereby demands a trial by jury, and seek a judgment:

- A. Awarding Plaintiffs and the Class all compensatory damages they suffered, including lost profits and consequential and incidental damages, as a result of the wrongful conduct of the Defendants, in an amount to be determined at trial;
- B. Awarding Plaintiffs and the Class damages arising from Defendants' unjust enrichment;
- C. Awarding Plaintiffs and the Class punitive damages in an amount to be determined at trial:
- D. Awarding Plaintiffs and the Class pre-judgment and post-judgment interest;
- E. Awarding Plaintiffs and the Class their costs, expert fees, expenses and attorneys' fees incurred in connection with this action to the maximum extent permitted by law;
- F. Awarding Plaintiffs and the Class such other and further relief as the Court finds just and proper.

Dated: September 28, 2012

Respectfully submitted,

COHEN MILSTEIN SELLERS &

TOLL PLLC

Richard A. Speirs Kenneth M. Rehns

88 Pine Street 14th Floor

New York, NY 10005

Phone: (212) 838-7797 Facsimile: (212) 838-7745

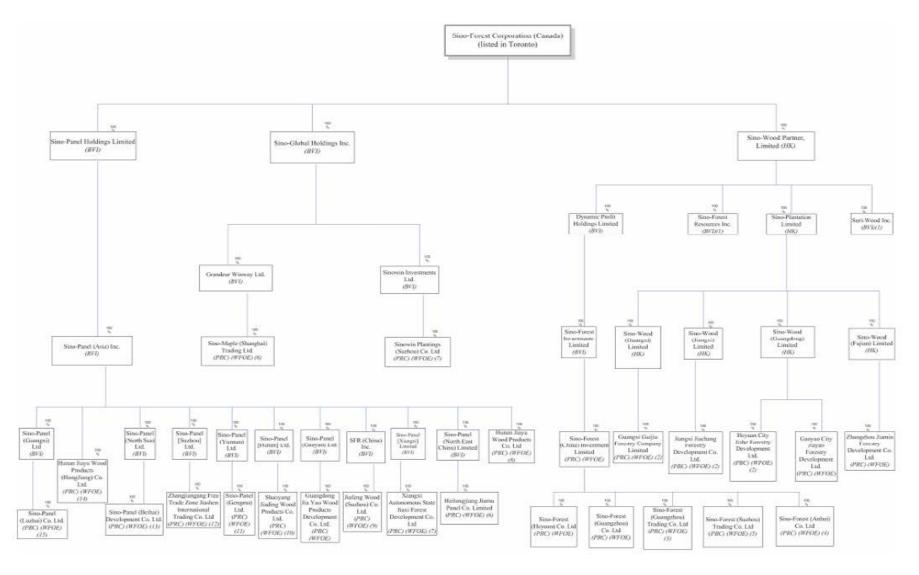
-and-

Steven J. Toll 1100 New York, Ave., N.W. West Tower, Suite 500 Washington, D.C. 20005 Phone: (202) 408-4600

Facsimile: (202) 408-4699

Attorneys for Plaintiff and the Proposed Class

## **Exhibit A (Sino-Forest Organizational Chart)**



FAX No. 864 574 8141

P. 002

## CERTIFICATION OF PLAINTIFF PURSUANT TO FEDERAL SECURITIES LAWS

| I, DAVID W. LEAPARD                      | , ("Plaintiff") declare, as to the claims asserted |
|------------------------------------------|----------------------------------------------------|
| under the federal securities laws, that: |                                                    |

- 1. I have reviewed a class action complaint asserting securities claims against Sino-Forest Corp. ("Sino-Forest" or the "Company") (OTC: SNOFF), and wish to join as a plaintiff retaining Cohen Milstein Sellers & Toll PLLC as my counsel.
- 2. Plaintiff did not purchase the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action.
- 3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
- 4. My transactions in against Sino-Forest Corp. ("Sino-Forest" or the "Company") (OTC: SNOFF) during the Class Period of March 31, 2009 through August 26, 2011 were as follows:

| <u>DATE</u>                             | TRANSACTION (buy/sell) | NO. OF SHARES | PRICE PER SHARE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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- 5. During the three years prior to the date of this Certificate, Plaintiff has not sought to serve or served as a representative party for a class in any action under the federal securities laws except as follows:
- 6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

I declare under penalty of perjury that the foregoing true and correct.

Executed this 24Th Day of SEPT. , 2011.

David W. Leagard

## CERTIFICATION OF PLAINTIFF PURSUANT TO FEDERAL SECURITIES LAWS

I, IMAD M FATHALLAH, on behalf of IMF FINANCE SA, ("Plaintiff") declares, as to the claims asserted under the federal securities laws, that:

- 1. I have reviewed a class action complaint asserting securities claims against Sino Forest Corp. ("Sino-Forest" or the "Company") OTC: SNOFF, and wish to join as a plaintiff retaining Cohen Milstein Sellers & Toll PLLC as my counsel.
- 2. Plaintiff did not purchase the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action.
- 3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
- 4. My transactions in Sino Forest Corp. securities during the Class Period of March 19, 2007 through August 26, 2011.

| <u>DATE</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TRANSACTION (buy/self)                                                                  | NO. OF SHARES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | PRICE PER SHARE      |
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- 5. During the three years prior to the date of this Certificate, Plaintiff has not sought to serve or served as a representative party for a class in any action under the federal securities laws except as follows:
- 6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

I declare under penalty of perjury that the foregoing true and correct.

Executed this <u>24th</u> Day of September, 2012.

IMAD M/FATHALLAH, on behalf of IMF FINANCE SA This is Exhibit "B" to the affidavit of Adam C. Pritchard sworn before me at the City of Ann Arbor, in the State of Michigan, in the United States of America, this 9th day of January 2013.

Commissioner of Oaths

JANICE L. ABBOTT
NOTARY PUBLIC, STATE OF MI
COUNTY OF LIVINGSTON
MY COMMISSION EXPIRES OF 10, 2015
OTHAR IN COUNTY OF WOULD AWAY

## UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

DAVID LEAPARD and IMF FINANCE SA on their own behalf and on behalf of all others similarly situated, :

:

Plaintiffs,

Case No. 1:12-cv-01726 (VM)

v.

ALLEN T.Y. CHAN, DAVID J. HORSLEY, KAI KIT POON, BANC OF AMERICA SECURITIES LLC, CREDIT SUISSE SECURITIES (USA) LLC, SINO-FOREST CORPORATION, ERNST & YOUNG GLOBAL LIMITED, and ERNST & YOUNG LLP,

:

Defendants.

:

-----X

### **DECLARATION OF RICHARD A. SPEIRS**

- I, Richard A. Speirs, declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.
- 1. I am an attorney with the law firm of Cohen Milstein Sellers & Toll PLLC and a member in good standing of the bar of the State of New York and the Bar of the Southern District of New York. I represent David Leapard and IMF Finance S.A. ("IMF Finance") (collectively "Plaintiffs") in the above captioned matter.
- 2. Attached as Exhibit A is a true and correct copy of the initial press release announcing a securities class action involving the common stock and debt securities of Sino-Forest Corporation, dated October 18, 2012 published on Business Wire.
- 3. Attached as Exhibit B is a true and correct copy of a certification executed by David Leapard.

Case 1:12-cv-01726-VM Document 35 Filed 12/17/12 Page 2 of 2 1002

4. Attached as Exhibit C is a true and correct copy of a certification executed by

IMF Finance.

5. Attached as Exhibit D is a true and correct copy of a certification executed by

Myong Hyon Yoo.

6. Attached as Exhibit E is a chart of David Leapard's estimated losses.

7. Attached as Exhibit F is a chart of IMF Finance's estimated losses.

8. Attached as Exhibit G is a chart of Myong Hyon Yoo's estimated losses.

9. Attached as Exhibit H is a true and correct copy of the firm resume of Cohen

Milstein Sellers & Toll PLLC.

Dated: December 17, 2012

/s/ Richard A. Speirs
Richard A. Speirs

1664276.1 1

# **EXHIBIT A**



October 18, 2012 05:00 PM Eastern Time

## Cohen Milstein Sellers & Toll PLLC Announces Filing of Amended Class Action Lawsuit Against Sino-Forest Corporation

WASHINGTON--(BUSINESS WIRE)--Cohen Milstein Sellers & Toll PLLC announces that it has filed an amended class action lawsuit in the U.S. District Court for the Southern District of New York on behalf of (i) all persons or entities who, from March 19, 2007 through August 26, 2011 (the "Class Period") purchased the common stock of Sino-Forest on the Over-the-Counter ("OTC") market and who were damaged thereby; and (ii) all persons or entities who, during the Class Period, purchased debt securities issued by Sino-Forest other than in Canada and who were damaged thereby.

The Amended Complaint asserts claims against Defendants Sino-Forest Corporation ("Sino-Forest"), Allen T.Y. Chan, David J. Horsley, Kai Kit Poon, W. Judson Martin, William E. Ardell, James P. Bowland, James M.E. Hyde, Edmund Mak, Garry J. West, Albert Ip, Alfred C.T. Hung, George Ho, Simon Yeung, Poyry (Beijing) Consulting Company Limited, Banc Of America Securities LLC, Credit Suisse Securities (USA) LLC, and Ernst & Young LLP, for misleading investors in connection with the offer and sale of Sino-Forest common stock and debt securities.

The Amended Complaint alleges that during the Class Period, Sino-Forest and the individual defendants made materially false and misleading statements in the Company's financial statements and regulatory filings regarding Sino-Forest's business and financial condition. The Amended Complaint also alleges that the Company's auditor Ernst & Young failed to properly audit Sino-Forest's financial statements and that its audit reports misrepresented that the financial statements were presented in conformance with Canadian GAAP and that its audits complied with Canadian GAAS. In addition, the Amended Complaint alleges that, among other things, the underwriters for Sino-Forest's \$600 million note offering in October 2010 failed to perform proper due diligence in connection with the offering and sale of securities to the public.

Cohen Milstein Sellers & Toll PLLC has significant experience in prosecuting investor class actions and actions involving securities fraud. The firm has offices in Washington, D.C., New York, Chicago, Philadelphia, and Palm Beach Gardens and is active in major litigation pending in federal and state courts throughout the nation.

If you purchased the common stock of Sino-Forest on the Over the Counter market, or its debt securities from March 19, 2007 through August 26, 2011, you may move the court no later than 60 days after the date of this notice and request that the Court appoint you as lead plaintiff. A lead plaintiff is a representative party acting on behalf of other class members in directing the litigation. To be appointed lead plaintiff, the Court must decide that your claim is typical of the claims of other class members, and that you will adequately represent the class. Your share in any recovery will not be enhanced or diminished by the decision whether or not to serve as a lead plaintiff. You may retain Cohen Milstein Sellers & Toll PLLC, or other attorneys, to serve as your counsel in this action.

The firm's reputation for excellence has repeatedly been recognized by courts which have appointed the firm to lead positions in complex multi-district or consolidated litigation. Cohen Milstein Sellers & Toll PLLC has taken a lead role in numerous important cases on behalf of defrauded investors, and has been responsible for a number of outstanding recoveries which, in the aggregate, total in the billions of dollars.

If you have any questions about this notice or the action, or with regard to your rights, please contact one of the following:

Steven J. Toll, Esq. Stefanie M. Ramirez, Esq. Cameron Clark Cohen Milstein Sellers Carell P.42 cv-01726-VM Document 35-1 Filed 12/17/12 Page 3 of 3 1005

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### **Contacts**

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# EXHIBIT B

## CERTIFICATION OF PLAINTIFF PURSUANT TO FEDERAL SECURITIES LAWS

| I, DAVID W. LEAPIARD under the federal securities laws, that:                                | , ("Plaintiff") declare, as to the claims asserted                                                         |
|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| 1. I have reviewed a class action complain Corp. ("Sino-Forest" or the "Company") (OTC: SNO) | nt asserting securities claims against Sino-Forest<br>FF), and wish to join as a plaintiff retaining Cohen |

2. Plaintiff did not purchase the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action.

Milstein Sellers & Toll PLLC as my counsel.

- 3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
- 4. My transactions in against Sino-Forest Corp. ("Sino-Forest" or the "Company") (OTC: SNOFF) during the Class Period of March 31, 2009 through August 26, 2011 were as follows:

| <u>DATE</u>                            | TRANSACTION (buy/sell) | NO. OF SHARES | PRICE PER SHARE |
|----------------------------------------|------------------------|---------------|-----------------|
| 8-5-2011                               | Buy                    | 200           | 5.87            |
| <del></del>                            | •                      |               |                 |
|                                        |                        |               |                 |
| ************************************** |                        |               |                 |
| · · · · · · · · · · · · · · · · · · ·  |                        |               |                 |

- 5. During the three years prior to the date of this Certificate, Plaintiff has not sought to serve or served as a representative party for a class in any action under the federal securities laws except as follows:
- 6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

I declare under penalty of perjury that the foregoing true and correct.

Executed this 24.7h Day of 5EPT. , 2011.

David W. Leagurd

# EXHIBIT C

### CERTIFICATION OF PLAINTIFF PURSUANT TO FEDERAL SECURITIES LAWS

I, IMAD M FATHALLAH, on behalf of IMF FINANCE SA, ("Plaintiff") declares, as to the claims asserted under the federal securities laws, that:

- 1. I have reviewed a class action complaint asserting securities claims against Sino Forest Corp. ("Sino-Forest" or the "Company") OTC: SNOFF, and wish to join as a plaintiff retaining Cohen Milstein Sellers & Toll PLLC as my counsel.
- 2. Plaintiff did not purchase the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action.
- 3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
- 4. My transactions in Sino Forest Corp. securities during the Class Period of March 19, 2007 through August 26, 2011.

| DATE        | TRANSACTION (buy/self) | NO. OF SHARES       | PRICE PER SHARE    |
|-------------|------------------------|---------------------|--------------------|
| 15 oct 2010 | Purchase               | 500,000 6.25% Notes | G101.45 = \$ 50412 |
|             |                        | due Oct 2017        |                    |
|             |                        |                     |                    |
|             |                        |                     |                    |
|             |                        |                     |                    |

- 5. During the three years prior to the date of this Certificate, Plaintiff has not sought to serve or served as a representative party for a class in any action under the federal securities laws except as follows:
- 6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

I declare under penalty of perjury that the foregoing true and correct.

Executed this 27th Day of September, 2012.

IMAD M/FATHALLAH, on behalf of IMF FINANCE SA

# **EXHIBIT D**

### CERTIFICATION OF PLAINTIFF PURSUANT TO FEDERAL SECURITIES LAWS

- I, Myong Hyon Yoo, ("Plaintiff") declares, as to the claims asserted under the federal securities laws, that:
- I have reviewed a class action complaint asserting securities claims against Sino Forest Corp. ("Sino-Forest" or the "Company") OTC: SNOFF, and wish to join as a plaintiff retaining Cohen Milstein Sellers & Toll PLLC as my counsel.
- 2. Plaintiff did not purchase the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action.
- 3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
- My transactions in Sino Forest Corp. securities during the Class Period of March 19, 2007 through August 26, 2011.

| <u>DATE</u>        | TRANSACTION (buy/sell) | NO. OF SHARES               | PRICE PER SHARE |
|--------------------|------------------------|-----------------------------|-----------------|
| <del>717</del> /11 | Βυγ                    | 2 <i>0</i> 9 <sup>000</sup> | 5 0194          |
| 7/8/4              | 13vy                   | 200 000                     | 4.9583          |
| <b>୭</b> /4∫ n     | Buy                    | 100.000                     | 6.2682          |
| 8/41/11            | BLY                    | 100-000                     | 6.2772          |
| 8/4 n              | BUY                    | 100.0G0                     | 6.2631          |

5. During the three years prior to the date of this Certificate, Plaintiff has not sought to serve or served as a representative party for a class in any action under the federal securities laws except as follows:

6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

| I declare under penalty | of perjury that the foregoi           | ng true and correct |               |
|-------------------------|---------------------------------------|---------------------|---------------|
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| Drawtad this 75th       | Day of June , 20                      | io                  |               |
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### Schedule A

| Trade Date                                                                                                     | STATESTOCKES PASSOTATS AND ANTONIO AND |          |          |
|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------|----------|
| Separation of the property of the second | Transaction Type                                                           | Quantity | Price    |
| 6/10/7                                                                                                         | /3 W                                                                       | 100,000  | 6.7411   |
| 8/10/11                                                                                                        | BUY<br>BUJ                                                                 | 100.000  | 6.7344   |
| P/10/10                                                                                                        | $B \cup U$                                                                 | 100 600  | 6-7209   |
| μ/it [10                                                                                                       | βυγ                                                                        | 20,000   | 6.4698   |
| 8/16/11                                                                                                        | 19 <b>.</b> 4                                                              | \$0.000  | 2.2323   |
| 8/16/11                                                                                                        | BVV                                                                        | 100.000  | 5 5346   |
| 8/16/11                                                                                                        | Puyl                                                                       | 7:00:000 | 5 533 (  |
| P/IIb (it)                                                                                                     | Bull                                                                       | 100,000  | 5- 539 9 |
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## **EXHIBIT E**

| Trade Date | Transaction<br>Type | Quantity | Share Price (\$) | Class Period<br>Purchases | Class Period<br>Sales | Sales on Class<br>Period<br>Purchases | Class Period<br>Net Holdings | Cost        | Proceeds |
|------------|---------------------|----------|------------------|---------------------------|-----------------------|---------------------------------------|------------------------------|-------------|----------|
| 8/5/2011   | Purchase            | 200.00   | 5.87             | 200.00                    | -                     | -                                     | 200.00                       | \$ 1,174.00 | -        |

| Total Class Period Purchases:          | 200.00 |
|----------------------------------------|--------|
| Total Class Period Sales:              | 1      |
| Total Sales on Class Period Purchases: | ı      |
| Total Class Period Shares Retained:    | 200.00 |
| 90-day Loss Price                      | \$ -   |

| Total Purchases:      | \$<br>1,174.00 |
|-----------------------|----------------|
| Total Sales Proceeds  | \$<br>-        |
| Total Retained Value: | \$<br>-        |

| T-4-11      | A 474.00    |
|-------------|-------------|
| Total Loss: | \$ 1,174.00 |

## **EXHIBIT F**

| Trade Date | Transaction<br>Type | Quantity   | Share Price (\$) | Class Period<br>Purchases | Class Period<br>Sales | Sales on Class<br>Period<br>Purchases | Class Period<br>Net Holdings | Cost          | Proceeds |
|------------|---------------------|------------|------------------|---------------------------|-----------------------|---------------------------------------|------------------------------|---------------|----------|
| 10/15/2010 | Purchase            | 500,000.00 | 1.01             | 500,000.00                | -                     | -                                     | 500,000.00                   | \$ 507,250.00 | -        |

437,250.00

| Total Class Period Purchases:          | 500,000.00       |
|----------------------------------------|------------------|
| Total Class Period Sales:              | -                |
| Total Sales on Class Period Purchases: | -                |
| Total Class Period Shares Retained:    | 500,000.00       |
| Market Price as of 12/14/2012:         | \$<br>0.14       |
|                                        |                  |
| Total Purchases:                       | \$<br>507,250.00 |
| Total Sales Proceeds                   | \$<br>-          |
| Total Retained Value:                  | \$<br>70,000.00  |
|                                        |                  |

Total Loss: \$

## EXHIBIT G

|            |             |            |             |              |              | Sales on Class |              |                 |          |
|------------|-------------|------------|-------------|--------------|--------------|----------------|--------------|-----------------|----------|
|            | Transaction |            | Share Price | Class Period | Class Period | Period         | Class Period |                 |          |
| Trade Date | Type        | Quantity   | (\$)        | Purchases    | Sales        | Purchases      | Net Holdings | Cost            | Proceeds |
| 7/7/2011   | Purchase    | 200,000.00 | 5.02        | 200,000.00   | -            | -              | 200,000.00   | \$ 1,003,880.00 | -        |
| 7/8/2011   | Purchase    | 200,000.00 | 4.96        | 200,000.00   | -            | -              | 400,000.00   | \$ 991,660.00   | -        |
| 8/4/2011   | Purchase    | 100,000.00 | 6.27        | 100,000.00   | -            | -              | 500,000.00   | \$ 626,820.00   | -        |
| 8/4/2011   | Purchase    | 100,000.00 | 6.28        | 100,000.00   | -            | -              | 600,000.00   | \$ 627,720.00   | -        |
| 8/4/2011   | Purchase    | 100,000.00 | 6.26        | 100,000.00   | -            | -              | 700,000.00   | \$ 626,310.00   | -        |
| 8/10/2011  | Purchase    | 100,000.00 | 6.74        | 100,000.00   | -            | -              | 800,000.00   | \$ 674,110.00   | -        |
| 8/10/2011  | Purchase    | 100,000.00 | 6.73        | 100,000.00   | -            | -              | 900,000.00   | \$ 673,440.00   | -        |
| 8/10/2011  | Purchase    | 100,000.00 | 6.72        | 100,000.00   | -            | -              | 1,000,000.00 | \$ 672,040.00   | -        |
| 8/11/2011  | Purchase    | 20,000.00  | 6.47        | 20,000.00    | -            | -              | 1,020,000.00 | \$ 129,396.00   | -        |
| 8/16/2011  | Purchase    | 50,000.00  | 5.54        | 50,000.00    | -            | -              | 1,070,000.00 | \$ 276,760.00   | -        |
| 8/16/2011  | Purchase    | 100,000.00 | 5.53        | 100,000.00   | -            | -              | 1,170,000.00 | \$ 553,460.00   | -        |
| 8/16/2011  | Purchase    | 100,000.00 | 5.53        | 100,000.00   | -            | -              | 1,270,000.00 | \$ 553,360.00   | -        |
| 8/16/2011  | Purchase    | 100,000.00 | 5.54        | 100,000.00   | -            | -              | 1,370,000.00 | \$ 553,900.00   | -        |

| Total Class Period Purchases:          | 1,370,000.00 |
|----------------------------------------|--------------|
| Total Class Period Sales:              | -            |
| Total Sales on Class Period Purchases: | -            |
| Total Class Period Shares Retained:    | 1,370,000.00 |
| 90-day Loss Price                      | \$ -         |

| Total Purchases:      | \$<br>7,962,856.00 |
|-----------------------|--------------------|
| Total Sales Proceeds  | \$<br>-            |
| Total Retained Value: | \$<br>-            |

| Total Loss:  | \$ | 7,962,856.00 |
|--------------|----|--------------|
| i Otai LOSS. | Ψ  | 1,302,030.00 |

## EXHIBIT H



Firm Resume

#### Cohen Milstein Sellers & Toll PLLC

For decades, Cohen Milstein Sellers & Toll PLLC has represented individuals, small businesses, institutional investors, and employees in many of the major class action cases litigated in the United States for violations of the antitrust, securities, consumer protection, civil rights/discrimination, environmental, ERISA, employment, and human rights laws. Cohen Milstein is also at the forefront of numerous innovative legal actions that are expanding the quality and availability of legal recourse for aggrieved individuals and businesses both domestic and international. Over its history, Cohen Milstein has obtained many landmark judgments and settlements for individuals and businesses in the United States and abroad. The firm's most significant past and present cases include:

- In re Vitamins Antitrust Litigation, MDL No. 1285 (D.D.C.). Cohen Milstein served as co-lead counsel for two certified classes of businesses that directly purchased bulk vitamins and were overcharged as a result of a ten year global price-fixing and market allocation conspiracy. Chief Judge Hogan approved four major settlements between certain vitamin defendants and Class Plaintiffs, including a landmark partial settlement of \$1.1 billion. In a later trial before Chief Judge Hogan concerning four Class Plaintiffs' remaining unsettled Vitamin B4 (choline chloride) claims, a federal jury in Washington unanimously found Japan's second largest trading company, Mitsui & Co., Ltd., its wholly-owned U.S. subsidiary Mitsui & Co. (U.S.A.), Inc., DuCoa, LP, a choline chloride manufacturer based in Highland, Illinois, and DuCoa's general partner, DCV, Inc. liable for participating in the conspiracy and ordered them to pay \$49,539,234, which is trebled to \$148,617,702 under the federal antitrust laws. The case was subsequently settled against those defendants.
- <u>Keepseagle v. Vilsack</u>, Civil Action No. 1:99CV03119 (D.D.C.). A class of Native American farmers and ranchers allege that they have been systematically denied the same opportunities to obtain farm loans and loan servicing that have been routinely afforded white farmers by the USDA. A class was certified in 2001 by Judge Emmet Sullivan, District Judge for the U.S. District Court for the District of Columbia, and the D.C. Circuit declined USDA's request to review that decision. On October 19, 2010, the case reached a historic settlement, with the USDA agreeing to pay \$680 million in damages to thousands of Native American farmers and ranchers and forgive up to \$80 million worth of outstanding farm loan debt.
- In re Parmalat Securities Litigation, No. 04 MD 1653 (S.D.N.Y.). In this securities litigation case, Cohen Milstein has successfully negotiated two partial settlements totaling approximately \$90 million. At the second partial settlement hearing, Judge Lewis A. Kaplan remarked that plaintiffs counsel "did a wonderful job here for the class and were in all respects totally professional and totally prepared. I wish I had counsel this good in front of me in every case." Our clients, four large European institutional investors, were appointed as co-lead plaintiffs and we were appointed as co-lead counsel. Most notably, this case allowed us the opportunity to demonstrate our expertise in the bankruptcy area. During the litigation, the company subsequently emerged from bankruptcy and we added "New Parmalat" as a defendant because of the egregious fraud committed by the now-bankrupt old Parmalat. New Parmalat strenuously objected and Judge Kaplan of the Southern District of New York ruled in the class plaintiffs' favor, a ruling which was affirmed on appeal. This innovative approach of adding New Parmalat enabled the class to obtain an important additional source of compensation, as

we subsequently settled with New Parmalat.

- <u>Dukes v. Wal-Mart Stores, Inc.</u>, No. C-01-2252 (N.D. Cal.). Cohen Milstein is co-lead counsel in this sex discrimination case. In 2004, the U.S. District Court certified a nationwide class action lawsuit for all female employees of Wal-Mart who worked in U.S. stores anytime after December 26, 1998. This was the largest civil rights class action ever certified against a private employer, including approximately 1.5 million current and former female employees. That ruling was appealed, and while affirmed by the Ninth Circuit, was reversed by the Supreme Court in June 2011. Cohen Milstein argued the case for the plaintiffs-respondents in the Supreme Court. Since then, the *Dukes* action has been amended to address only the Wal-Mart regions that include stores in California, and other regional class cases have been or are soon to be filed. This litigation to resolve the merits of the claims whether Wal-Mart discriminates against its female retail employees in pay and promotions continues.
- Rubin v. MF Global, Ltd. (08-CV-02233, S.D.N.Y.). Acting as co-lead counsel in this class action, the Firm represented the Central States, Southeast and Southwest Areas Pension Fund which was one of the co-lead plaintiffs in the case. In September 2010, as a result of Plaintiffs' decision to appeal, the U.S. Second Circuit Court of Appeals vacated in part the lower court's dismissal of the case and remanded the case for further proceedings. In overturning the District Court decision, the Second Circuit issued a decision which differentiated between a forecast or a forward looking statement accompanied by cautionary language -- which the Appellate Court said would be insulated from liability under the bespeaks caution doctrine -- from a factual statement, or non-forward-looking statement, for which liability may exist. Importantly, the Second Circuit accepted Plaintiffs' position that where a statement is mixed, the court can sever the forward-looking aspect of the statement from the non-forward looking aspect. The Court further stated that statements or omissions as to existing operations (and present intentions as to future operations) are not protected by the bespeaks caution doctrine. Mediation followed this decision and resulted in a settlement comprised of \$90 million in cash.
- <u>Hughes v. Huron Consulting Group</u> (09-CV-04734, N.D. Ill.). Cohen Milstein represented lead plaintiffs the Public School Teachers' Pension & Retirement Fund of Chicago and the Arkansas Public Employees Retirement System ("APERS") in this case against Huron Consulting Group, founded by former Arthur Anderson personnel following its collapse in the wake of the Enron scandal. In August 2010, the District Court for the Northern District of Illinois denied defendants' motions to dismiss <u>in their entirety</u> and upheld plaintiffs' allegations that defendants intentionally improperly accounted for acquisition-related payments, which allowed plaintiffs to move forward with discovery. The case was settled for \$40 million, comprised of \$27 million in cash and 474,547 shares in Huron common stock, with an aggregate value at the time of final approval in 2011 of approximately \$13 million.
- <u>In re Lucent Technologies Securities Litigation</u>, Civ. Action No. 00-621 (JAP) (D.N.J.). A settlement in this massive securities fraud class action was reached in late March 2003. The class portion of the settlement amounts to over \$500 million in cash, stock and warrants and ranks as the second largest securities class action settlement ever completed. Cohen Milstein represented one of the co-lead plaintiffs in this action, a private mutual fund.
- RehabCare, Civil Action No. 6197 (Delaware Court of Chancery). Cohen Milstein served as
  co-lead counsel in this shareholder litigation challenging the acquisition of healthcare provider
  RehabCare Group, Inc. by Kindred Healthcare, Inc. A settlement was approved in September

2011 and provided for additional disclosures regarding the process leading up to the merger along with a \$2.5 million payment for the benefit of the class of RehabCare shareholders.

- Nate Pease, et al. v. Jasper Wyman & Son, Inc., et al., Civil Action No. 00-015 (Knox County Superior Court, Me.). In 2004, a state court jury from Maine found three blueberry processing companies liable for participating in a four-year price-fixing and non-solicitation conspiracy that artificially lowered the prices defendants paid to approximately 800 growers for wild blueberries. The jury ordered defendants Cherryfield Foods, Inc., Jasper Wyman & Son, Inc., and Allen's Blueberry Freezer, Inc. to pay \$18.68 million in damages, the amount which the growers would have been paid absent the defendants' conspiracy. After a mandatory trebling of this damage figure under Maine antitrust law, the total amount of the verdict for the plaintiffs is just over \$56 million. The Firm served as co-lead counsel.
- In re StarLink Corn Products, Liability Litigation, MDL No. 1403. (N.D. Ill.). Cohen Milstein successfully represented U.S. corn farmers in a national class action against Aventis CropScience USA Holding and Garst Seed Company, the manufacturer and primary distributor of StarLink corn seeds. StarLink is a genetically modified corn variety that the United States government permitted for sale as animal feed and for industrial purposes, but never approved for human consumption. However, StarLink was found in corn products sold in grocery stores across the country and was traced to widespread contamination of the U.S. commodity corn supply. The Firm, as co-lead counsel, achieved a final settlement providing more than \$110 million for U.S. corn farmers, which was approved by a federal district court in April 2003. This settlement was the first successful resolution of tort claims brought by farmers against the manufacturers of genetically modified seeds.
- In re Diet Drug Litigation (Fen-Phen), MDL No. 1203 (E.D. Pa.). As a member of the Plaintiffs' Management Committee and Sub-Class Counsel, Cohen Milstein played a major part in the success of the Fen-Phen diet drug litigation and settlement (*In re: Diet Drugs (Phentermine, Fenfluramine, Dexfenfluramine) Products Liability Litigation*, MDL 1203). Cohen Milstein and other plaintiffs' counsel achieved the largest settlement ever obtained in a mass tort case \$3.75 billion on behalf of millions of U.S. consumers who used Pondimin (fenfluramine) or Redux (dexfenfluramine), either alone or in combination with phentermine, diet drugs that are associated with heart valve damage.
- Snyder v. Nationwide Mutual Insurance Company, No. 97/0633 (Sup. Ct. N.Y. Onondaga Cty.). Cohen Milstein served as one of plaintiffs' principal counsel in this case on behalf of persons who held life insurance policies issued by Nationwide through its captive agency force. The action alleged consumer fraud and misrepresentations. Plaintiffs obtained a settlement valued at more than \$85 million. The judge praised the efforts of Cohen Milstein and its cocounsel for having done "a very, very good job for all the people." He complimented "not only the manner" in which the result was arrived at, but also the "time ... in which it was done."
- Oncology & Radiation Associates, P.A. v. Bristol Myers Squibb Co., et al., No. 1:01CV02313 (D.D.C.). Cohen Milstein has been co-lead counsel in this case since its inception in 2001. Plaintiffs alleged that Bristol-Myers Squibb unlawfully monopolized the United States market for paclitaxel, a cancer drug discovered and developed by the United States government, which Bristol sells under the brand name Taxol. Bristol's scheme included a conspiracy with American BioScience, Inc., a generic manufacturer, to block generic competition. Cohen Milstein's investigation and prosecution of this litigation on behalf of direct purchasers of

Taxol led to a settlement of \$65,815,000 that was finally approved by U.S. District Judge Emmet G. Sullivan on August 14, 2003 and preceded numerous Taxol-related litigations brought by the Federal Trade Commission and State Attorneys General offices.

- <u>Kruman v. Christie's International PLC</u>, et al., Docket No. 01-7309. A \$40 million settlement on behalf of all persons who bought or sold items through Christie's or Sotheby's auction houses in non-internet actions was approved in this action. Cohen Milstein served as one of three leading counsel on behalf of foreign plaintiffs. The Court noted that approval of the settlement was particularly appropriate, given the significant obstacles that faced plaintiffs and plaintiffs' counsel in the litigation. The settlement marked the first time that claims on behalf of foreign plaintiffs under U.S. antitrust laws have been resolved in a U.S. court, a milestone in U.S. antitrust jurisprudence.
- <u>In re Infant Formula Consumer Antitrust Litigation</u> (multiple state courts). Cohen Milstein instituted price-fixing cases on behalf of indirect-purchasers in 17 states under state antitrust laws against three companies who conspired to drive up the price of infant formula. The cases resulted in settlements of \$64 million for purchasers of infant formula.
- <u>Domestic Air Transportation Antitrust Litigation</u> (N.D. Ga.). Plaintiffs alleged a conspiracy among major airlines to set prices. In one of the largest consumer class actions ever brought to a successful conclusion, Cohen Milstein was one of the lead counsel and obtained a settlement of travel discounts and cash totaling \$458 million for the class of individuals and businesses.
- In re The Exxon Valdez Litigation, No. A89-095 Civ. (D. Ak.). The firm was selected from dozens of law firms around the country by federal and state judges in Alaska to serve as co-lead counsel for plaintiffs in the largest environmental case in United States history that resulted in a jury verdict of more than \$5 billion (reversed and remanded for revised punitive damages award; further proceedings pending).
- <u>Holocaust Litigation</u>. In the historic Swiss Banks litigation, Cohen Milstein served, *pro bono*, as co-lead counsel for Holocaust survivors against the Swiss banks that collaborated with the Nazi regime during World War II by laundering stolen funds, jewelry and art treasures. Cohen Milstein obtained a \$1.25 billion settlement, leading the presiding judge to call the firm's work "indispensable." *See In re Holocaust Victim Assets Litig.*, Case No. CV 96-4849 (ERK) (MDG) (Memorandum of Chief Judge Korman dated July 26, 2002). The Firm was also a lead counsel in litigation by survivors of World War II-era forced and slave labor in litigation against the German companies that profited from using the labor of concentration camp inmates. This litigation, which resulted in an unprecedented settlement of \$5.2 billion, was resolved by multinational negotiations involving the defendants, plaintiffs' counsel, and the governments of several countries for approximately two million claimants.

Cohen Milstein has contributed over tens of thousands of hours of time to human rights and *pro bono* cases since 1996. As an example, the Firm represented eight survivors and/or families of the victims of the September 11, 2001 attack on the Pentagon before the Federal compensation fund. Cohen Milstein has obtained a substantial recovery for each, including the highest recovery to date, \$6.8 million, for an injured individual.

• Roberts v. Texaco, Inc., 94-Civ. 2015 (S.D.N.Y.). Cohen Milstein represented a class of African-American employees in this landmark litigation that resulted in the then-largest race

discrimination settlement in history (\$176 million in cash, salary increases and equitable relief). The Court hailed the work of class counsel for, *inter alia*, "framing an imaginative settlement, that may well have important ameliorative impact not only at Texaco but in the corporate context as a whole ...".

- Conanan v. Tanoue, No. 00-CV-3091 (ESH). Cohen Milstein represented African-American employees at the Federal Deposit Insurance Corporation (FDIC) in this race discrimination suit, which settled for \$14 million. The settlement provides the largest payment made in an employment discrimination class action based on race against a federal agency.
- Trotter v. Perdue Farms, Inc., Case No. 99-893 (RRM) (JJF) (MPT), D. Del. This suit on behalf of hourly workers at Perdue's chicken processing facilities which employ approximately 15,000 people forced Perdue to pay employees for time spent "donning and doffing," that is, obtaining, putting on, sanitizing and removing protective equipment that they must use both for their own safety and to comply with USDA regulations for the safety of the food supply. The suit alleged that Perdue's practice of not counting donning and doffing time as hours worked violated the Fair Labor Standards Act and state law. In a separate settlement with the Department of Labor, Perdue agreed to change its pay practices. In addition, Perdue is required to issue retroactive credit under one of its retirement plans for "donning and doffing" work if the credit would improve employees' or former employees' eligibility for pension benefits. Cohen Milstein was co-lead counsel.

In addition, Cohen Milstein is an innovator in new areas of the law. Cohen Milstein was in the forefront of filing antitrust claims on behalf of indirect purchasers in 1993 and 1994, when it filed state-court actions in 18 states on behalf of indirect purchasers of infant formula. This was the first effort to systematically and simultaneously pursue treble damages claims on behalf of indirect-purchasing consumers in all states where antitrust laws permitted such claims. This approach, and variations of it, has since become the accepted model for pursuing antitrust damages on behalf of indirect-purchasing consumers. The Firm also has been in the forefront of the development of international antitrust theory and litigation of claims. As the global economy has produced worldwide conglomerates, so, too, has the nature of antitrust violations changed. For example, in *Kruman v. Christie's International PLC*, et al. Docket No. 01-7309 and *In re Bulk Vitamins Antitrust Litigation*, MDL 1285 (D.D.C.), both the parties and the anticompetitive actions were played out on a world, rather than domestic, stage. The firm also represents and won Lead Plaintiff status for domestic and foreign investors in a foreign company's bonds, in a PSLRA litigation being pursued in the United States, *In re Parmalat Securities Litigation*, Master Docket 04 Civ. 0030 (LAK) (S.D.N.Y.).

Cohen Milstein has also served as lead or co-lead counsel, or on Plaintiffs' Executive Committee(s), in many dozens of antitrust, securities, consumer protection or product liability, civil rights, and human rights class action cases.

#### **Awards & Recognition**

- In 2012, Cohen Milstein was ranked as a top firm by the 2011 SCAS Report on Total Securities Class Action Settlements.
- In 2012, Cohen Milstein was ranked as a Leading Plaintiff Class Action Antitrust Firm in the United States by the Legal 500 for the fourth year in a row.
- In 2012, Partner Joseph M. Sellers was selected as a **Washington DC Super Lawyer**. Mr. Sellers was also selected for this prestigious award in 2007, 2008, 2009, 2010, and 2012.
- In 2012, Partner Steven J. Toll was selected as a **Washington DC Super Lawyer**. Mr. Toll was also selected for this prestigious award in 2007, 2009, 2010, and 2011.
- In 2012, Partner Daniel S. Sommers was selected as a **Washington DC Super Lawyer**. Mr. Sommers was also selected for this prestigious award in 2011.
- In 2012, Partner Christine E. Webber was selected as a **Washington DC Super Lawyer**. Ms. Webber was also selected for this prestigious award in 2007.
- In 2012, Partner Agnieszka M. Fryszman was selected as a Washington DC Super Lawyer.
- In 2012, Partner Kit A. Pierson was selected as a Washington DC Super Lawyer.
- In 2012, Partner Carol V. Gilden was selected as an **Illinois Super Lawyer**. Ms. Gilden was also selected for this prestigious award in 2005, 2006, 2007, 2008, 2009, 2010, and 2011.
- In 2011, Cohen Milstein was selected to the National Law Journal Plaintiffs' Hot List.
- In 2011, Partner Joseph M. Sellers was selected as a "Visionary" by The National Law Journal.
- In 2011, Partner J. Douglas Richards, Of Counsel Joel Laitman, and Of Counsel Christoper Lometti were selected as **New York Metro Super Lawyers**.
- In 2011, Partner Joseph M. Sellers and the *Keepseagle v. Vilsack* team were selected as a finalist for the **2011 Trial Lawyer of the Year Award** from the Public Justice Foundation.
- In 2011, Cohen Milstein was ranked as a Leading Plaintiff Class Action Antitrust Firm in the United States by the Legal 500 for the third year in a row.
- In 2011, Partners Steven Toll, Joseph Sellers, and Daniel Sommers were selected as **Washington DC Super Lawyers**. Partner J. Douglas Richards, Of Counsel Joel Laitman and Christoper Lometti were selected as **New York Metro Super Lawyers**. Partner Carol Gilden was selected as an **Illinois Super Lawyer**.
- In 2011, Cohen Milstein was a recipient of The *National Law Journal's* **Pro Bono Award**. The Firm was named one of the "six firms that best reflect the pro bono tradition."

In 2010, Partner Steven J. Toll was named one of Law360's "Most Admired Attorneys".

In 2010, Partner Andrew N. Friedman was selected as a Washington DC Super Lawyer.

In 2010, Partner Linda Singer was selected as one of "Washington's Most Influential Women Lawyers" by *The National Law Journal*.

In 2010, Partner Agnieszka M. Fryszman was selected as a finalist for the **Trial Lawyer of the Year Award** from the Public Justice Foundation.

In 2010, Partners Joseph M. Sellers and Agnieszka M. Fryszman were both selected as one of the Lawdragon 500 Leading Lawyers in America.

In 2010, Cohen Milstein was once again ranked as a **Leading Plaintiff Class Action Antitrust Firm** in the United States by the Legal 500.

In 2009, Partner Steven J. Toll was named a **Top Attorney in Corporate Litigation for Securities Litigation** by Super Lawyers.

In 2009, Partners Joseph M. Sellers and Christine E. Webber were named as **Top Washington Lawyers** by the Washingtonian Magazine.

In 2009, Cohen Milstein was recognized as one of the top 50 law offices in Washington D.C. for diversity efforts.

In 2009, Cohen Milstein was nominated for the prestigious Class Action Law Firm of the Year award by Global Pensions magazine for the third year in a row.

Cohen Milstein ranked as a **2009 Leading Plaintiff Class Action Antitrust Firm in the United States** by *The Legal* 500.

The **2008 SCAS Report on Total Securities Class Action Settlements** ranked Cohen Milstein as a top firm for the second year in a row.

In 2008, Cohen Milstein was nominated for the prestigious Class Action Law Firm of the Year award by Global Pensions magazine for the second year in a row.

In 2008, Managing Partner Steven J. Toll was named one of Lawdragon's **100 Lawyers You Need to Know in Securities Litigation.** 

In 2008, Steven J. Toll and Joseph M. Sellers were both named as one of Lawdragon's "500 Leading Lawyers in America."

#### 500 Leading Plaintiffs' Lawyers in America

Lawdragon

January-February, 2007

#### **Top Antitrust Plaintiffs' Firm**

Competition Law 360 February 14, 2007 Cohen Milstein named #1

Joseph M. Sellers was selected by his peers to be included in the 2007 edition of **The Best Lawyers in America**® in the specialty of Civil Rights Law.

**Beacon of Justice Award -** For Cohen Milstein's work on the Guantanamo cases. From the National Legal Aid and Defender Association
Summer 2007

**Fierce Sister Award -** For Cohen Milstein's work on the comfort woman case. Summer 2007

#### The Plaintiffs' Hotlist

The National Law Journal October 9, 2006

#### Runner up for Matter of the Year

Global Competition Review February, 2005 On Empagran matter, praised for ingenuity in how the case was prosecuted

#### **Attorney Profiles – Partners**

#### Steven J. Toll

Steven J. Toll joined the Firm in 1979 and has been lead or principal counsel in some of the most highly publicized stock fraud cases for over 30 years. He has been Managing Partner of the Firm since 1997 and is co-chair of the Securities Fraud/Investor Protection practice group. Mr. Toll was profiled in the February 1996 *Washington Business Journal* as one of five attorneys that stand out as the "cream of the crop" in the Washington D.C. legal community. *Lawdragon* named him as one of the 500 Leading Lawyers in America in 2006-07-08, as well as naming him one of the 100 Lawyers You Need to Know in Securities Litigation in 2008. In 2010, Mr. Toll was named to *Law360*'s "Most Admired Attorneys".

In July 2005, Mr. Toll was lead trial counsel in one of the few securities class actions to go to trial involving Globalstar, a satellite manufacturer. Mr. Toll successfully argued the motions before and during trial and ultimately achieved a settlement of \$20 million shortly before the case was scheduled to go to the jury. In approving the settlement, U.S. District Judge Kevin Castel remarked that Mr. Toll and his colleagues had "done a terrific job in presenting the case for the plaintiffs."

Some of Mr. Toll's other notable cases include those against Lucent Technologies, which was settled in 2001 for approximately \$575 million, at the time, the second largest securities class action settlement ever achieved; *Converium*, where he negotiated a global settlement in the U.S. courts and the courts in Amsterdam of \$135 million; *MF Global*, where he helped negotiate a settlement of \$90 million; *Southmark Securities Litigation*, where he helped achieve a settlement of \$70 million from the company's auditors, Drexel Burnham and Michael Milken; *Norman v. Salomon Smith Barney*, where he negotiated a \$50 million settlement on behalf of customers of Salomon's Guided Portfolio Management Program, who alleged that Salomon invested their money in companies in order to boost Salomon's investment banking business; and the mortgage-backed securities case involving Lehman Brothers where he negotiated a settlement of \$40 million.

Mr. Toll also served as co-lead counsel in one of the most publicized frauds of the 1990s -- Cascade International (S.D. Fla.) where the mastermind of the fraud, Victor Incendy, is still a fugitive from justice. The case settled on the eve of trial against Raymond James Inc. -- the only securities class action ever successfully litigated against a brokerage firm for its role as a research analyst.

Mr. Toll is currently co-lead counsel in the BP Securities Litigation, a major case stemming out of the Deepwater Horizon explosion in 2010 and BP's process safety disclosures. He led the Firm's team as co-lead counsel in one of the most highly publicized fraud cases of this era, the securities fraud class action involving Parmalat, the Italian dairy manufacturer; the case is known as Europe's "Enron," because of the similarities of the fraudulent schemes and the non-existence of billions of dollars of assets that had been recorded on Parmalat's financial statements. That case was settled for \$90 million. He is also lead counsel in a mortgage-backed securities case involving Countrywide and Washington Mutual.

He has written for and spoken at various conferences about securities law and corporate governance issues, including, inter alia, The Plaintiffs' Perspective, Securities Regulation and the New Law, National Legal Center for the Public Interest, No. 1, Sept. 1996; The Sarbanes-Oxley Bill Provides No Assistance To Investors Seeking To Recovery From Corporate Fraud, ABA Annual Meeting, August 2002; The Analyst Cases Involving Merrill Lynch, and Its Internet Analyst Henry Blodget, and

Salomon Smith Barney and Its Telecommunications Analyst Jack Grubman, Mass Torts Made Perfect (presented January 2003); and Coming to Terms with Loss Causation after Dura: A Response to Professors Portnoy, Ferrell, and Saha, The Journal of Corporation Law, Fall 2009.

Mr. Toll is an honors graduate of the Wharton School of the University of Pennsylvania (B.S., Accounting, *cum laude*, 1972). He graduated from Georgetown University Law Center (J.D., 1975) where he was Special Project Editor of the Tax Lawyer.

Mr. Toll is admitted to practice in Virginia and the District of Columbia.

#### Joseph M. Sellers

Joseph Sellers, a Partner at the Firm and head of the Civil Rights & Employment practice group, joined Cohen Milstein in 1997.

Mr. Sellers has represented victims of discrimination and other illegal employment practices individually and through class actions. He has tried several civil rights class actions to judgment before juries and has argued more than 25 appeals in the federal and state appellate courts, including the United States Supreme Court. He has served as class counsel, and typically lead counsel, in more than 30 civil rights and employment class actions.

Those cases have included: *Beck. v. Boeing Company* (W.D. Wash.), which included a class of more than 28,000 women employees at Boeing facilities in Washington state alleging sex discrimination in pay and overtime decisions; *Conway, et al. v. Deutsch* (E.D. Va.), for a class of all female undercover case officers at the CIA alleging sex discrimination in promotions and job assignments; *Dukes v. Wal-Mart Stores, Inc.* (N.D. Cal.), where the Court has certified the largest class in such a case: more than 1.5 million women employees at Wal-Mart stores, alleging sex discrimination in promotions and pay decisions; *Johnson, et al. v. Freeh* (D.D.C.), for a class of African-American FBI special agents alleging racial discrimination in promotion and job assignments; *Keepseagle v. Veneman* (D.D.C.), for a class of Native American farmers and ranchers denied equal credit opportunities by USDA; *Neal v. Director, D.C Dept. of Corrections* (D.D.C.), the first sexual harassment class action tried to a jury, for a class of women correctional employees and women and men subject to retaliation at the D.C. Department of Corrections; and *Trotter, et al. v. Perdue Farms* (D. Del.), for a company-wide collective action brought under the Fair Labor Standards Act for violations of federal wage and hour law.

Throughout his career, Mr. Sellers has also been active in legislative matters. He has testified more than 20 times before Committees of the United States Senate and House of Representatives on various civil rights and employment matters. He worked on the passage of the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, and the Lily Ledbetter Fair Pay Restoration Act of 2009.

Mr. Sellers has trained lawyers at the U.S. Equal Employment Opportunity Commission and the U.S. Department of Justice on the trial of civil rights cases and has lectured extensively throughout the country on various civil rights and employment topics. He was an Adjunct Professor at the Washington College of Law at American University, where he taught Employment Discrimination law, and at the Georgetown University Law Center, where he taught a course on Professional Responsibility.

He served on the Clinton/Gore Transition Team in 1992 and 1993. He headed the teams reviewing the operations of the EEOC, the Office of the Assistant Attorney General for Civil Rights, and various

sections of the Civil Rights Division of the Department of Justice. He also served as a Co-Chair of the Task Force of the D.C. Circuit on Gender, Race and Ethnic Bias and was appointed by panels of the D.C. Circuit Court of Appeals and the U.S. District Court for the District of Columbia.

At the request of the Ford Foundation and the American Bar Association, Mr. Sellers delivered a series of lectures and designed and delivered a mock trial on civil rights law to Chinese judges, lawyers and other government officials in China.

Mr. Sellers has been recognized as one of the top lawyers in Washington and as one of the top 10 plaintiffs' employment lawyers in the country. In 2010, he was recognized as one of "The Decade's Most Influential Lawyers" by *The National Law Journal*. He is a professionally-trained mediator and has served as the President of the Washington Council of Lawyers.

Prior to joining Cohen Milstein, Mr. Sellers served as head of the Employment Discrimination Project of the Washington Lawyers' Committee for Civil Rights and Urban Affairs for over 15 years.

Mr. Sellers received a J.D. from Case Western Reserve School of Law (1979), where he served as Research Editor of the *Case Western Reserve Law Review*, and a B.A. in American History and Literature from Brown University (1975).

Mr. Sellers is admitted to practice in the District of Columbia.

#### Lisa M. Mezzetti

Lisa Mezzetti, a Partner at Cohen Milstein, joined the Firm in 1984, and is a member of the Securities Fraud/Investor Protection and the Consumer Protection & Unsafe Products practice groups.

In her securities work, Ms. Mezzetti has represented the corporate plaintiff in a private litigation alleging damages from the purchase of a healthcare technology company; in a separate matter, she represented 1,900 plaintiffs in a series of 25 federal court suits concerning municipal bonds. Her shareholder class actions include *In re VeriSign Securities Litigation* (settled for approximately \$78 million); *Murphy, Derivatively On Behalf of Nominal Defendant National Health Laboratories Inc. v. Perelman* (Cal. Super. San Diego Cty.) (global settlement of class and derivative litigations for total of \$65 million); *Flecker v. Hollywood Entertainment Corp.* (D. Or.) (\$15 million settlement, reached the day before trial was to begin); *Biben v. Card* (W.D. Mo.)(93% of class members' damages recovered in settlement) and, currently, *In re Parmalat Securities Litigation* (S.D.N.Y.), which is litigating one of the alleged largest corporate frauds in European history (thus far, settlements totaling approximately \$85 million). She also has represented parties in securities arbitrations (both as claimant's counsel or defense counsel for the broker) and defended clients in investigations and enforcement actions of the Securities and Exchange Commission.

In consumer cases, Ms. Mezzetti is or was one of the lead counsel in *In re Lupron Marketing and Sales Practices Litigation* (D. Mass.) (brought against pharmaceutical companies on pricing policies and methods; combined \$150 million settlement); *Howard v. Ford Motor Co.* (Cal. Sup. Ct.) (order of the Court on equitable count required prospective recall of 1.7 million cars; settled immediately before scheduled second jury trial); and *Fischl v. Direct Merchants Credit Card Bank, N.A.* (Henn. Cnty. Minn.) (brought by credit card consumers, alleging improper charges and payment processes; settlement included credits for overpayments and changes in business practices). She has litigated

class actions under the ERISA laws, and brought one of the first class actions filed under the federal Family and Medical Leave Act.

Ms. Mezzetti is a public arbitrator for FINRA (the Financial Industry Regulatory Authority), hearing disputes between customers and brokers. She regularly speaks at legal education seminars and has been quoted in the media on issues concerning both consumer law and securities class actions. On securities issues, she has spoken on foreign class actions and the protection of foreign shareholders in U.S. class actions, and on settlement concerns. She also speaks on corporate governance issues at conferences of institutional investors, and was a guest panelist on a Washington, D.C. cable television show concerning hiring and working with stock brokers and financial advisors. On consumer issues, Ms. Mezzetti has been a panelist at the Federal Trade Commission's Workshop on Consumer Class Actions and at an annual conference of the Association of Trial Lawyers of America on unfair trade practices and deceptive trade practices statutes. The transcript of the FTC workshop, and her related article, *The Coupon Can Be the Ticket: The Use of "Coupon" and Other Non-Monetary Redress in Class Action Settlements* (co-authored with Whitney Case) are published at 18.4 Geo. J. Legal Ethics 1431 (2005).

Before joining Cohen Milstein, Ms. Mezzetti was a litigation associate of Shea & Gould of New York City.

Ms. Mezzetti serves as a member of the Boards of Directors of The International Alliance for Women (a global umbrella organization that unites, supports and promotes professional women and their networks) and The Financial Women's Association of New York. She has served on the D.C. Advisory Board of The Joffrey Ballet of Chicago.

Ms. Mezzetti graduated from the Columbus School of Law, Catholic University of America in 1980, where she served as a Vice-Chancellor of the Moot Court Board. In 1986, she received a Master of Laws degree, with a specialty in Securities Regulation, from Georgetown University Law Center. Her bachelor's degree was awarded by Stonehill College (B.A, English., *magna cum laude*, 1977).

Ms. Mezzetti is admitted to practice in the District of Columbia and New York.

#### Andrew N. Friedman

Andrew Friedman, a Partner at the Firm, joined Cohen Milstein in 1985. He is a member of the Securities Fraud/Investor Protection practice group and the head of the Consumer Protection & Unsafe Products practice group.

Mr. Friedman has been involved in many successful securities class actions. In July, 2005, Mr. Friedman served as one of lead trial counsel at the trial of a certified class action in *In re Globalstar Securities Litigation* in the United States District court for the Southern District of New York. Near the end of the second week of trial, a cash settlement of \$20 million was reached for the benefit of the certified class. The settlement was approved by Judge P. Kevin Castel, who was highly complimentary of counsel: "This case has been litigated by top trial lawyers, each of whom, as to both lead counsel and the other counsel in the case, have been exceptionally fine in their presentation of the evidence. Mr. Toll, Mr. Friedman, Mr. Shalov, their colleagues Mr. Devore, Ms. Peterson, have all done a terrific job in presenting the case for the plaintiffs."

In addition, Mr. Friedman served as one of co-lead or principal counsel in *Norman Frank et al. v. David L. Paul* (recovery of over \$18 million); *In re Jiffy Lube Securities Litigation* (D. Md.) (recovery of over \$12 million); and *In re Immunex Securities Litigation* (W.D. Wash.) (recovery of \$14 million, then the largest securities class action settlement in Seattle). Mr. Friedman was one of the Firm's attorneys selected by the County of Cuyahoga, Ohio to prosecute a lawsuit that sought to recover losses from the County's Secured Assets Fund Earnings Program (S.A.F.E.). The lawsuit alleged that broker/dealers and a financial institution assisted the County in engaging in unsuitable and inappropriate investments and trading activity. The case settled favorably for \$9.5 million.

In the consumer protection area, Mr. Friedman has been instrumental in securing significant recoveries on behalf of thousands of consumers. He was one of the principal counsel in *Snyder v. Nationwide Mutual Insurance Company* (Sup. Ct., Onondaga Cnty, N.Y.), a class action that resulted in a settlement valued at between \$85 million and \$103 million. As one of two co-lead counsel in a class action against Thomson Consumer Electronics, Mr. Friedman reached a court-approved agreement that made up to \$100 million available for persons who paid for unreimbursed repairs to televisions. He was also part of the plaintiffs' team that secured nationwide benefits for GM vehicle purchasers as the result of defective automobile engine coolants. *In re General Motors Dex-Cool Products Liability Litigation* (S.D. Ill).

Mr. Friedman has been a speaker on numerous panels for legal education seminars and institutional investor conferences on the issues of securities class actions, securities fraud monitoring, accounting fraud and corporate governance. He was featured in a November 15, 1997 Washington Post article about securities class actions and profiled in the April 14, 2000 edition of The Washington Business Journal. In 2007, Lawdragon named Mr. Friedman as one of the 3,000 Leading Plaintiffs' Lawyers in America and in 2011, he was named to the Super Lawyers 2011 Business Edition for litigation.

Prior to joining Cohen Milstein, Mr. Friedman served as an attorney with the U.S. Patent and Trademark Office.

Mr. Friedman graduated from Tufts University with a B.A. in Psychology (1980, *magna cum laude*, Phi Beta Kappa) and is a 1983 graduate of the National Law Center, George Washington University.

Mr. Friedman is admitted to practice in the District of Columbia and New York.

#### **Daniel S. Sommers**

Daniel Sommers, a Partner at the Firm, joined Cohen Milstein in 1988. He is co-chair of the Firm's Securities Fraud practice group and is a member of the Firm's Executive Committee.

During his career at Cohen Milstein, Mr. Sommers served as lead or co-lead counsel or otherwise played a significant role in securities class actions in federal courts throughout the United States. He currently represents institutional investors including, among others, the New York State Common Retirement Fund, the Ohio Public Employees Retirement System, the State Teachers Retirement System of Ohio, and the Arkansas Public Employees Retirement System. He is one of the lead counsel for investors in significant securities litigation matters including *In re BP plc Securities Litigation* (S.D. Tex.) and in *In re Bear Stearns Mortgage Pass Through Certificates Litigation* (S.D.N.Y.), and is also currently involved in the prosecution of the *In re Fannie Mae Securities Litigation* (D.D.C.). In addition, Mr. Sommers serves as one of the lead U.S. counsel for investors in *In re Converium (Scor) Securities Litigation*, where he utilized the Dutch Collective Action Statute to

obtain a groundbreaking opinion from the Amsterdam Court of Appeal approving a world-wide settlement on behalf of non-U.S. investors.

Mr. Sommers has obtained significant recoveries for investors in numerous class action cases including: Steiner v. Southmark Corporation (N.D. Tex.) (over \$70 million recovery); In re PictureTel Inc. Securities Litigation (D. Mass.) (\$12 million recovery); In re Physician Corporation of America Securities Litigation (S.D. Fla.) (\$10.2 million recovery); In re Gilat Satellite Securities Litigation (E.D.N.Y.) (\$20 million recovery); In re Pozen Inc. Securities Litigation (M.D.N.C.) (\$11.2 million recovery); In re Nextel Communications Securities Litigation (D.N.J.) (up to \$27 million recovery); In re PSINet Inc. Securities Litigation (E.D. Va.) (\$17.8 million recovery); In re Cascade International Inc. Securities Litigation, (S.D. Fla.) (global recovery of approximately \$10 million); In re GT Solar Securities Litigation (D.N.H.) (recovery of \$10.5 million) and In re ECI Telecom Securities Ltd. Litigation (E.D. Va.) (\$21.75 million recovery). He has also handled significant appellate matters including arguing before the United States Court of Appeals for the Eleventh Circuit in *In re CP Ships* Ltd. Securities Litigation, 578 F. 3d 1306 (2009), where he successfully opposed objections to a settlement that provided non-U.S. investors with the protections of the federal securities laws. In addition, he was co-lead counsel for investors before the United States Supreme Court in Broudo v. Dura Pharmaceuticals, Inc., 544 U.S. 336 (2005) (addressing the standards for pleading loss causation).

Mr. Sommers is also experienced in non-class action litigation. He represented TBG Inc., a multibillion dollar privately-held overseas corporation, in a multi-party, complex action alleging fraud in a corporate acquisition and represented individuals in connection with investigations brought by the United States Securities and Exchange Commission. He also has represented publicly traded corporations in the prosecution and defense of claims. Mr. Sommers has litigated cases covering a wide-range of industries including the financial services, computer software, pharmaceutical, insurance, real estate and telecommunications industries among others. In addition, he has substantial experience in cases presenting complex accounting and auditing issues.

Mr. Sommers has lectured at both the Georgetown Law Center and the George Washington University Law School. He is a frequent commentator on the federal securities laws and corporate governance issues, and addresses institutional investor groups and others on these topics as illustrated below:

- Guest panelist on "It's Your Business," a nationally syndicated television program, where he spoke on investor lawsuits.
- Addressed the California State Association of County Retirement Systems, to whom he spoke on corporate governance and fiduciary duties and liabilities.
- Spoke at a District of Columbia Bar Association program in 2005 where he addressed "Attorney Liability in the Post-Enron, Post-Sarbanes-Oxley Era."
- Panelist at a 2006 presentation to Illinois-based institutional investors on the topic of "The Growing Emphasis on Fiduciary Responsibility: Implications for Illinois Pension Funds and the Emergence of Guiding Principles."
- Addressed the Professional Liability Underwriting Society in 2007 on the topic of "Global Companies, Global Risk: Exposure Arising Outside the U.S."
- Panelist at a 2008 District of Columbia Bar Association Program where he addressed "Developing Pleading Standards in Securities Cases."
- Spoke at a 2008 IQPC Forum on Subprime and Structured Finance Litigation on the topic of "Understanding the Plaintiff's View in the Subprime Crisis."

- Panelist at District of Columbia Bar Association Program in 2009 on "Public and Private Perspectives on the Enforcement of the Federal Securities Laws in our Global Markets."
- Panelist at a 2010 District of Columbia Bar Association Program on the topic of "Enforcement of the Federal Securities Laws in Our Global Financial Markets: Public and Private Perspectives on *Morrison v. National Australia Bank* and Beyond."
- Panelist at a 2010 District of Columbia Bar Association Program on the topic of "Private Securities Litigation: Critical Trends and Developments in Securities Class Actions."

Mr. Sommers was recognized in 2011 and 2012 as a Washington, D.C. "Super Lawyer" in the area of securities litigation. In 2007, Mr. Sommers was appointed to serve as the chairman of the Investor Rights Committee of the Corporation, Finance and Securities Law Section of the District of Columbia Bar, and currently serves as vice-chair of that committee. In addition, he is a member of the Securities Litigation Committee of the American Bar Association, the Council of Institutional Investors, and the National Association of Public Pension Attorneys.

He is a 1983 graduate of Union College, earning a B.A. in Political Science (*magna cum laude*), and a 1986 graduate of the George Washington University Law School. Mr. Sommers is admitted to practice in federal courts including the United States District Courts for the Districts of New Jersey, Maryland, Eastern District of Michigan and the District of Columbia, as well as the United States Courts of Appeals for the District of Columbia, Fourth, Ninth, Tenth and Eleventh Circuits. Mr. Sommers is also admitted to practice before the Supreme Court of the United States.

Mr. Sommers is a member of the bar of the states of New Jersey and New York as well as the District of Columbia. Mr. Sommers works in the Firm's Washington, D.C. office.

#### Daniel A. Small

Dan Small has been a partner at Cohen Milstein for over 14 years and has chaired the firm's antitrust practice group since 2008.

Mr. Small has represented plaintiff classes, often as lead counsel, in numerous antitrust cases over the last 21 years, and has recovered hundreds of millions of dollars. He has tried cases to verdict before juries and has argued cases in several appellate courts including the United States Supreme Court.

Among the cases on which Mr. Small has worked are: In re Intel Corp. Microprocessor Antitrust Litig. (D. Del.), where he serves as co-lead counsel on behalf of a putative class of purchasers of Intelpowered PCs asserting monopolization claims; Meijer, Inc. v. 3M (E.D. Pa.), a monopolization case in which Mr. Small, as lead counsel, negotiated a \$30 million settlement on behalf of direct purchasers of transparent tape; In re Buspirone Antitrust Litig. (S.D.N.Y.), in which the plaintiff class alleged that Bristol Myers-Squibb Co. unlawfully excluded generic drug competition, and Mr. Small, as co-lead counsel, helped negotiate a \$90 million settlement; and Pease v. Jasper Wyman & Son, et al., (Super. Ct., Knox Cty., Maine), a price-fixing class action on behalf of Maine wild blueberry growers in which Mr. Small successfully tried the case to a jury, obtaining a judgment of nearly \$60 million.

Mr. Small has substantial appellate experience, including briefing and arguing *Free v. Abbott Laboratories*, No. 99-391, in the United States Supreme Court. That case presented the issue of whether a supplemental jurisdiction statute overruled *Zahn v. International Paper Co.* The Court split 4-4, with Justice O'Connor recusing herself. Additionally, Mr. Small successfully briefed and argued appeals before the Seventh Circuit Court of Appeals in *In re Brand Name Prescription Drug Antitrust* 

Litig., 123 F.3d 599 (7th Cir. 1997), regarding whether the district court had subject matter jurisdiction, and in *Paper Systems, Inc. v. Nippon Paper Industries Co., Ltd.* (7th Cir. 2002), arguing that the federal direct purchaser rule does not immunize a defendant from liability for the direct sales of its co-conspirators. Finally, he briefed and argued the appeal in *Mack v. Bristol-Myers Squibb Co.*, 1996-1 Trade Cas. (CCH) ¶¶ 71,401 (Fla. 1st DCA 1996), obtaining the first opinion construing the Florida Deceptive and Unfair Trade Practices Act to permit indirect purchasers to sue for damages for antitrust violations.

Mr. Small is a member of the Advisory Board of the American Antitrust Institute and he chairs the committee that selects the annual winner of the Jerry S. Cohen Memorial Writing Award for the best antitrust scholarship. He has been invited to speak on antitrust and class action topics at events organized by the American Bar Association, the District of Columbia Bar, the Conference Board, and the American Antitrust Institute, among others.

Mr. Small is a 1981 graduate of Colgate University, receiving a B.A. (*cum laude*) in History. He graduated from American University's Washington College of Law in 1986, and joined Cohen Milstein after serving as a law clerk to the Honorable Roger Vinson, United States District Court for the Northern District of Florida (1986-1988). Mr. Small is admitted to practice in Maryland and the District of Columbia.

#### Christine E. Webber

Christine Webber, a Partner at the Firm and a member of the Civil Rights & Employment practice group, joined Cohen Milstein in 1997. Ms. Webber represents plaintiffs in class action employment discrimination and Fair Labor Standards Act cases. Ms. Webber's current docket includes *Dukes v. Wal-Mart Stores, Inc.* (N.D. Cal.), challenging Wal-Mart's treatment of women employees with complaints of discrimination in pay and promotion; and *In re Tyson Foods FLSA MDL*, (M.D. Ga.), a collective action involving FLSA claims at over 40 Tyson chicken processing plants. Ms. Webber was also counsel to the plaintiff class in *Keepseagle v. Vilsack*, and is currently administering the claims process through which \$760 million of relief will be awarded to Native American farmers and ranchers who were denied loans or loan servicing by the USDA. Ms. Webber was part of the team recognized by Public Justice as finalists for their Trial Lawyer of the Year award in 2011 for the work done in *Keepseagle*.

She represented plaintiffs in *Beck v. The Boeing Co.* (W.D. Wash.), a class action alleging sex discrimination in compensation and promotions which settled in 2004 for \$72.5 million. She was also lead counsel in *Hnot v. Willis* (S.D.N.Y.), representing a class of women at the vice-president level and above whose challenge to sex discrimination in compensation resulted in a settlement averaging \$50,000 per class member in 2008. She was counsel in *Trotter v. Perdue* (D. Del.), representing plaintiffs who were wrongly denied payment of overtime wages, and obtaining a \$10 million settlement.

In 2004 and 2007, Ms. Webber was named one of the Top Lawyers in Washington, D.C. by Washingtonian Magazine and was named one of the 2007 Washington, D.C. Superlawyers in the Civil Rights category. In 2011, Ms. Webber was recognized as one of the Top Women Lawyers in the Northeast in the labor and employment category by Arrive magazine.

Prior to joining Cohen Milstein, Ms. Webber received a Women's Law and Public Policy fellowship and worked for four years at the Washington Lawyers' Committee for Civil Rights and Urban Affairs

in their Equal Employment Opportunity Project. She worked on a variety of employment discrimination cases, and focused in particular on the sexual harassment class action *Neal v. Director*, *D.C. Department of Corrections*, *et al.* Ms. Webber participated in the trial of this ground-breaking sexual harassment class action in 1995. Ms. Webber also tried the race discrimination case *Cooper v. Paychex* (E.D. Va.), and successfully defended the plaintiffs' verdict before the Fourth Circuit.

Ms. Webber is a member of the National Employment Lawyers' Association (NELA) and co-chair of their Class Action Committee. She is also co-chair of the Class Action Sub-committee of the D.C. Bar Labor and Employment Law Section. She speaks regularly at CLE programs on employment discrimination and class actions, including presentations for NELA.

She graduated from Harvard University with a B.A. in Government (*magna cum laude*, 1988) and the University of Michigan Law School (J.D., *magna cum laude*, 1991, Order of the Coif). Following law school, Ms. Webber clerked for the Honorable Hubert L. Will, United States District Judge for the Northern District of Illinois.

Ms. Webber is admitted to practice in Illinois and the District of Columbia.

#### Richard A. Koffman

Richard Koffman, a Partner at the Firm, joined Cohen Milstein in 2003 and is a member of the Antitrust Practice Group. In both 2011 and 2012, the *U.S. Legal 500* listed Mr. Koffman as one of the nation's "leading lawyers" in the field of antitrust class actions.

Mr. Koffman is currently serving as co-lead counsel for plaintiffs in *In re Urethane Antitrust Litigation* (D. Kan.), in which plaintiffs allege price-fixing of chemicals used in the manufacture of polyurethanes; *In re Plasma-Derivative Protein Therapies Antitrust Litigation* (N.D. Ill.), in which plaintiffs allege price-fixing and collusion to reduce the supply of potentially life-saving therapies derived from blood plasma; and *Wallach*, *et al. v. Eaton Corp.*, *et al.* (D. Del.), in which plaintiffs allege a conspiracy to monopolize the market for heavy-duty truck transmissions. Mr. Koffman also served as co-lead counsel for plaintiffs in *In re Rubber Chemicals Antitrust Litigation* (N.D. Cal.), which settled for a total of approximately \$320 million; *In re Polyester Staple Antitrust Litigation* (W.D. N.C.), which settled for a total of \$46 million; *In re Endosurgical Products Antitrust Litigation* (C.D. Cal.), which settled for \$13 million in cash, plus structural relief worth more than \$26 million; and *Coalition for Elders' Independence, Inc.*, *et al.* v. *Biovail Corp.*, *et al.* (Cal. Super. Ct.), which settled for \$8.2 million.

Mr. Koffman came to Cohen Milstein after four years with the Antitrust and Civil Rights Divisions of the United States Department of Justice. In the Antitrust Division, Mr. Koffman served as a Senior Trial Attorney with the Computers and Finance Section (now Networks and Technology), which is responsible for antitrust enforcement and competition policy in the areas of information technology, Internet-related businesses, financial services, and the securities industry. In the Civil Rights Division, he served as a Senior Trial Attorney with the Housing and Civil Enforcement Section, where he worked to enforce the Fair Housing Act, the Equal Credit Opportunity Act, the Religious Land Use and Institutionalized Persons Act, and Title II of the Civil Rights Act of 1964.

Prior to joining the Department of Justice, Mr. Koffman spent seven years in private practice, first with Fine, Kaplan and Black in Philadelphia (working primarily on antitrust class actions and other complex commercial litigation) and then with Bernabei & Katz in Washington, D.C. (handling employment discrimination cases). While at Fine Kaplan, Mr. Koffman was actively involved in litigating several

successful antitrust class actions on behalf of plaintiffs and classes, including *In re Nasdaq Market-Makers Antitrust Litigation* (S.D.N.Y.) (settled for more than \$1 billion); *In re Polypropylene Carpet Antitrust Litigation* (N.D. Ga.); *In re Commercial Explosives Antitrust Litigation* (D. Utah); and *In re Drill Bits Antitrust Litigation* (S.D. Tex.). He was also co-counsel, along with John G. Roberts, Jr., who was then a Partner at Hogan & Hartson and is now Chief Justice of the United States Supreme Court, for Respondents in *First Options of Chicago, Inc. v. Kaplan*, 514 U.S. 938 (1995). In that case, argued by Mr. Roberts with Mr. Koffman assisting on the briefs, Mr. Koffman's clients won a unanimous ruling by the United States Supreme Court.

Immediately after law school, Mr. Koffman served as a judicial clerk for Judge James B. McMillan of the Western District of North Carolina, and for Judge Anthony J. Scirica of the United States Court of Appeals for the Third Circuit.

Mr. Koffman is a graduate of Yale Law School (J.D., 1990), where he was a Senior Editor of the Yale Law Journal, and Wesleyan University, from which he received a B.A., with honors, in English (1986).

Mr. Koffman is admitted to practice in the District of Columbia, the United States Supreme Court, and the United States Courts of Appeals for the Eighth, Ninth, and Tenth Circuits.

#### Agnieszka M. Fryszman

Agnieszka Fryszman, a Partner at Cohen Milstein, joined the Firm in 1998. She heads Cohen Milstein's International Human Rights and Pro Bono practice.

Ms. Fryszman regularly litigates complex cases against corporate giants. She was a member of the legal team that successfully represented survivors of Nazi-era forced and slave labor against the German and Austrian companies that allegedly profited from their labor. These cases were resolved by international negotiations that resulted in multi-billion dollar settlements. She also represented, pro bono, Holocaust survivors suing Swiss banks that collaborated with the Nazi regime during World War II. This litigation led academics to revise their assessment of Switzerland's relationship with Nazi Germany and exposed the extent of business participation in the Holocaust.

Ms. Fryszman and colleague Matthew Handley earned the National Law Journal's 2011 Pro Bono Award for their efforts on behalf of Nepali laborers injured or killed at U.S. military bases in Iraq and Afghanistan. They obtained several judgments and significant settlements on behalf of the families. She currently represents victims of a human trafficking ring that lured men from Nepal with the promise of employment at luxury hotels, but instead took them against their will to work at a U.S. military facility in Iraq. Ms. Fryszman investigated and initiated suit against military contractors KBR and Daoud & Partners, filing one of the first complaints under the recently passed Trafficking Victims Protection Act. Her work on behalf of the former "comfort women," women and girls trafficked into sexual slavery by the government of Japan during World War II, was recognized with the "Fierce Sister" award from the National Asian Pacific American Women's Forum. She also represents Indonesian villagers in a lawsuit against Exxon Mobil over abuses allegedly committed by the defendant's security force.

In 2010, Ms. Fryszman was recognized as a "Leading Lawyer in America" by Lawdragon and was a finalist for the 2010 Trial Lawyer of the Year Award by the Public Justice Foundation for her work on *Wiwa v. Royal Dutch Shell*. Ms. Fryszman joined the legal team in that long-running case to prepare it for trial, resulting in a multi-million dollar settlement on the morning of jury selection.

Ms. Fryszman represented, pro bono, a number of victims of the September 11 attack on the Pentagon and obtained one of the highest awards for an injured survivor from the Victim's Compensation Fund. Ms. Fryszman also represented, pro bono, two individuals indefinitely detained without charge by the United States at Guantanamo Bay, work that was recognized with the Frederick Douglass Award from the Southern Center for Human Rights.

In the Antitrust practice group, Ms. Fryszman represents small businesses that have been victims of alleged price-fixing.

Before joining Cohen Milstein, Ms. Fryszman was counsel to the United States House of Representatives Committee on the Judiciary, Subcommittee on Commercial and Administrative Law. She also served as counsel to Representative Henry Waxman, Ranking Member on the House Government Reform and Oversight Committee.

Ms. Fryszman graduated from Brown University with a B.A. in International Relations. She graduated (*magna cum laude* and Order of the Coif) from Georgetown University Law Center, where she was a Public Interest Law Scholar.

Ms. Fryszman is admitted to practice in the District of Columbia and New Jersey.

#### Julie Goldsmith Reiser

Julie Goldsmith Reiser joined Cohen Milstein in 1999. Ms. Reiser is a member of the Securities Fraud/Investor Protection practice group. She has extensive experience with motion practice, developing and implementing discovery strategies, depositions, expert discovery and case resolution. Ms. Reiser focuses much of her practice on enforcement of the federal securities laws on behalf of sophisticated domestic and international institutional investors. She has represented these investors in class action and individual "opt-out" actions as well as in transaction-related litigation in Delaware Chancery Court.

Ms. Reiser currently works on several securities fraud actions seeking to return assets lost due to corporate fraud. She represents the New York State Common Retirement Fund in a securities class action against BP Plc and certain of its former officers and directors. She also represents Iowa, Oregon and Orange County public retirement systems in a class action litigation against Countrywide related to its issuance of mortgage-backed securities. Ms. Reiser acted as co-lead counsel representing investors in the largest fraud in European corporate history, *In re Parmalat Sec. Litig.* (S.D.N.Y.). She was co-lead counsel in *In re SCOR Holding (Switzerland) Securities Litigation* (S.D.N.Y.) and was a member of the team representing Pacific Life Insurance Company in an opt-out action against WorldCom.

In the employment area, Ms. Reiser was a member of the legal team working on *Dukes v. Wal-Mart Stores, Inc.* (N.D. Cal.), representing current and former female employees of Wal-Mart with complaints of discrimination in pay and promotion. Ms. Reiser also represented and settled claims on behalf of African American employees who claimed that Kroger discriminated against them in pay and promotions in *Wade v. Kroger* (W.D. Ky.). She was involved in the litigation and successful settlement of *Beck v. The Boeing Co.* (W. D. Wash.), which alleged sex discrimination in compensation and promotions and was resolved for \$72.5 million.

Ms. Reiser is the author of "Why Courts Should Favor Certification of MBS Actions," ABA *Securities Litigation Journal*, Volume 22, Number 1, Fall 2011, and she is the co-author of "The Misapplication

of American Pipe Tolling Principles," ABA Securities Litigation Journal, Volume 21, Number 2, Winter 2011. She also co-authored Opt-Outs: Making Private Enforcement of the Securities Laws Even Better, featured in the Winter/Spring 2008 edition of the ABA's Class Action and Derivative Suit Committee Newsletter and Companies in the Cross Hairs: When Plaintiffs Lawyers Choose Their Targets, They Look for These Employment Practices, The Legal Times, February 21, 2005. In 1999, she co-authored Antitrust Introduction for the General Practitioner, a chapter in the Washington Lawyer's Practice Manual.

Ms. Reiser was President of the Board of Directors of Seattle Works and on the Executive Committee for the Board of Directors of the Eastside Domestic Violence Program. She also served a term as a Trustee for the Pacific Northwest Ballet. Ms. Reiser worked as a Legal Intern for U.S. Senator Patty Murray.

Ms. Reiser graduated from Vassar College (B.A. with honors) and the University of Virginia School of Law (J.D.).

Ms. Reiser is admitted to practice in Washington State and the District of Columbia.

#### Victoria S. Nugent

Victoria Nugent, a Partner at the Firm, joined Cohen Milstein in 2000 and is a member of the Consumer Protection & Unsafe Products practice group.

Ms. Nugent has focused on consumer protection and public health litigation throughout her career. Past cases include *In re StarLink Product Liability Litigation*, in which she represented farmers suing Aventis Cropscience after an unapproved variety of genetically modified corn was detected in the U.S. corn supply and drove down prices for all U.S. corn exports. More than \$100 million was recovered for the class in a landmark settlement. She also represented car owners seeking to enforce product warranties for an extended life coolant in *In re General Motors Dex-Cool Products Liability Litigation*. The Dex-Cool litigation ended with a settlement under which General Motors reimbursed its customers for repairs. Ms. Nugent has argued cases before the high courts of Georgia, Nebraska and the District of Columbia, as well as the federal D.C. Circuit Court of Appeals.

Ms. Nugent is currently working on cases against Sallie Mae, alleging excessive interest and late fee charges on student loans, and Vonage, alleging deceptive business practices in advertising and administering promotional offers.

Before joining Cohen Milstein, Ms. Nugent worked for seven years at Public Citizen, a national consumer advocacy organization. During that time, she worked on many legislative and regulatory campaigns addressing issues that ranged from automobile safety to international trade policy. In 1998, Ms. Nugent received a two-year fellowship sponsored by the National Association for Public Interest Law (NAPIL). As a NAPIL Fellow, she worked at Trial Lawyers for Public Justice (TLPJ), where she helped develop and prosecute impact litigation in the areas of arbitration, banking, credit and insurance.

Ms. Nugent received her undergraduate degree in History from Wesleyan University in 1991 and graduated from Georgetown University Law Center in 1998.

Ms. Nugent is admitted to practice in the District of Columbia and Maryland.

#### Benjamin D. Brown

Benjamin Brown, a Partner at Cohen Milstein, joined the firm in 2005 and is a member of the Antitrust practice group. He has extensive experience leading complex litigation, particularly class actions.

The Legal 500 has recognized Mr. Brown as one of the nation's leading class action antitrust attorneys and he has been listed as one of Washington D.C.'s "Leading Star" Plaintiffs' Litigators by Benchmark Litigation. He has served as class counsel in numerous successful cases litigated across the country and at all levels of federal appeals, helping to achieve over one hundred million dollars worth of recoveries on behalf of clients.

Mr. Brown is a contributing author of the ABA's Antitrust Class Actions Handbook, and, since 2005, has served as a state editor for the ABA's Survey of State Class Action Law. He has also authored chapters on private antitrust recovery actions for the Global Competition Review's Antitrust Review of the Americas. Most recently, Mr. Brown co-authored with fellow partner Douglas Richards "Predominance of Common Questions – Common Mistakes in Applying the Class Action Standard," 41 Rutgers L.J. 163 (2009). He discussed joint civil and criminal investigations and litigation as a featured panelist on both the National Association of Criminal Defense Lawyers (NACDL) 2009 Summer CLE Program and the 2010 University of Texas Law School's Review of Litigation Symposium. Mr. Brown has been honored by the United States District Court for the District of Columbia for outstanding commitment in pro bono litigation. He has been a repeated guest on CNBC and other networks discussing antitrust news and developments.

Mr. Brown currently serves as co-lead counsel or on steering committees for plaintiffs in, among other cases, In re Plasma-Derivative Protein Therapies Antitrust Litigation (N.D. Ill.); Allen, et al. v. Dairy Farmers of America, Inc. (D. Vt.); In Re Puerto Rican Cabotage Antitrust Litigation. (S.D. Fla.); and Carlin, et al. v. DairyAmerica, Inc. (E.D. Ca.).

Mr. Brown came to Cohen Milstein after four years as a trial attorney with the Antitrust Division of the United States Department of Justice. While there, Mr. Brown led and assisted in numerous investigations, litigations and trials involving anticompetitive conduct and mergers. Mr. Brown also prosecuted criminal cases as a Special Assistant United States Attorney in the Eastern District of Virginia. Prior to joining the Department of Justice, he was in private practice with Covington & Burling in Washington, D.C., handling insurance coverage and antitrust litigation. Prior to entering private practice, Mr. Brown served as a judicial law clerk for Chief Judge Juan R. Torruella of the U.S. Court of Appeals for the First Circuit.

Mr. Brown graduated cum laude from Harvard Law School and Phi Beta Kappa from the University of Wisconsin – Madison.

Mr. Brown is admitted to practice in California and the District of Columbia.

#### Carol V. Gilden

Carol Gilden is a Partner at Cohen Milstein Sellers & Toll, PLLC, and a member of the Securities Fraud/Investor Protection practice group. Ms. Gilden represents public pension funds, Taft-Hartley

Benefit Funds, private pension funds and high net worth individuals. She is the Resident Partner of the firm's Chicago office.

Ms Gilden has extensive experience in protecting the rights of investors, including five years of experience as an enforcement attorney in the Securities and Exchange Commission, Midwest Regional Office. Prior to joining Cohen Milstein, Ms. Gilden worked at the Chicago law firm of Much Shelist, where she was the head of Much Shelist's securities class action practice and the Vice Chair of the firm's Class Action Department. Ms. Gilden has been co-lead counsel, a member of the Executive Committee and on the litigation teams of many high profile cases.

Most recently, Ms. Gilden served as co-lead counsel in the *MF Global Securities* case, which settled for \$90 million. Her work in the case, which included winning an appeal before the Second Circuit Court of Appeals of the lower court's dismissal of the case, was singled out for recognition by the National Law Journal in connection with its selection of Hot Plaintiffs' Firms for 2011. Other recent significant cases in which she has served as co-lead counsel include the *Huron Consulting Inc. Securities Litigation*, which settled for \$40 million (cash plus stock) and the *RehabCare* merger case (settled for significant deal term changes, disclosure changes and a cash settlement fund). She is currently lead counsel in the City of Chicago's case against on-line travel companies, among other matters which she is handling, including the securities class action against Intralinks Corporation.

Ms. Gilden actively litigated and was on the Executive Committees of the Global Crossing Securities Litigation (settlements of \$448 million) and the Merrill Lynch & Co. Research Reports case (\$125 million settlement). Among other notable cases, Ms. Gilden has served as co-lead counsel in the Sears/Sears Acceptance Corp. Securities Litigation, Sara Lee Securities Litigation, 99 Cents Only Stores Securities Litigation, Quokka Sports Securities Litigation, ML Lee Securities Litigation and Smith Kline Litigation, as well as lead counsel in *Pach*, *et al. v. McKesson Corporation*, *et al.*, a private action which settled for a substantial, confidential sum. In addition, she was liaison counsel and an active litigation team member in the Waste Management Litigation, which settled for \$220 million. Under her leadership, her former firm was an active member of the litigation teams in the *AOL Time Warner Securities Litigation* (\$2.5 billion settlement), *Salomon Analyst Litigation/In re AT&T* (\$75 million settlement), and *CMS Securities Litigation* (\$200 million settlement).

Ms. Gilden lectures at legal conferences around the country on securities litigation and class action law. She has spoken on such topics as corporate ethics, financial reporting, officer and director liability, securities fraud class actions, the Sarbanes-Oxley Act of 2002, the Private Securities Reform Act of 1995, class certification standards and trends, Illinois class actions, deferred prosecution agreements, directors and officers insurance risks, advising companies in crisis, settlements and claims administration.. Ms. Gilden also served as a panelist and Advisory Committee member for the Francis McGovern Conferences on "Distribution of Securities Litigation Settlements: Improving the Process", at which regulators, judges, custodians, academics, practitioners and claims administrators participated. She most recently spoke about Settlements Objections at a seminar on "Recent Developments in Class Actions", sponsored by the Chicago Bar Association in May 2012.

In addition, Ms. Gilden regularly speaks at investor conferences and symposiums regarding shareholder rights and regulatory reform. In May 2012 Ms. Gilden spoke regarding the *Morrison decision* in a speech entitled "Pension Funds and Foreign Investments", at the Illinois Public Employee Retirement Systems Summit, in Chicago. In 2011, Ms. Gilden spoke at the National Summit on the Future of Fiduciary Responsibility on the impact of the Morrison decision on investor rights. She also

spoke at the Illinois Public Employee Retirement Systems Summit on the "Dodd-Frank Wall Street Reform and Consumer Protection Act - The Implications for Institutional Investors." At previous conferences she has given speeches titled "The Power of Your Pension Plan Assets", the "Overhaul of the U.S. Financial Regulatory System" and "What's Ahead in Regulatory Reform: Storm Clouds on the Horizon?" In March 2009, she was a panelist at Vanderbilt Law School's symposium on the "Future of Federal Regulation of Financial Markets, Corporate Governance and Shareholder Litigation." In December 2008, Ms. Gilden spoke at the Pension Group East Conference on "A New Era Of Regulation: The Three Legged Stool". In October 2008, she gave a presentation regarding the Emergency Economic Stabilization Act at the Illinois Public Retirement Systems Conference, and also led a roundtable discussion regarding the Bailout Bill and potential regulatory reform at the Made in America Conference. Ms. Gilden also has spoken at the International Foundation on shareholder rights and proxy voting.

Ms. Gilden has published a variety of scholarly articles and course materials. She is an author and coauthor of articles published by the National Law Journal, *Courts Grapple with Lead-Counsel Auctions*; IICLE on Illinois Causes of Action, Shareholder Derivative Suits; the American Bar Association, *The Impact of Central Bank on Securities Fraud Litigation: The Plaintiffs' Perspective*; Illinois Bar Journal, *Proposed Rule 225: A Death Warrant for Class Actions in Illinois*; and Practising Law Institute on Class Actions Litigation (2006 and 2007): *A Hybrid 23(B)(2) Rule For Hybrid Class Actions? New Developments In The Use Of Rule 23(b)(2) In Class Certification*; and *The Evolving Use of Rule 23(b)(2) in Hybrid Class Actions Seeking Monetary Damages: A Hybrid Approach*. In January 2005, Ms. Gilden testified against Proposed Rule 225 before the Illinois Supreme Court's Rules Committee.

Ms. Gilden is a frequent commentator in the national media on market scandals, recent developments and trends in securities law and high profile securities fraud cases. She has frequently appeared on CNBC, including an appearance on a special segment titled *I Want My Money Back* where she was described as "one of the top investor advocacy attorneys in the country." She also has been featured on the ABC news programs *World News Tonight*, *World News Now* and *Good Morning America*, as well as numerous appearances on *First Business* and an appearance on BBC World News. In addition to television appearances, Ms. Gilden has been quoted by prominent publications such as the *Associated Press*, *Bloomberg News*, *BBC*, *Crain's*, *CFO.Com*, *Fortune* magazine, the *National Law Journal*, *USA Today*, *London Mail*, *Chicago Tribune*, *Dow Jones*, *Business Insurance* and *Corporate Legal Times*. Ms. Gilden appeared on the cover of *Chicago Lawyer* in connection with a feature article on The Ebb and Flow of Securities Class Actions.

Ms. Gilden was the President of the National Association of Shareholder and Consumer Attorneys (NASCAT), the preeminent trade association for securities class action attorneys, from April 2007-April 2009. As President of NASCAT, Ms. Gilden actively worked to promote the interests of investors. She made repeated visits to Capitol Hill and met with Members, and their staffs, of the Senate Banking Committee, House Financial Services Committee and the Senate Judiciary Committee where she advocated the need for strong investor protection. She also engaged in outreach to the institutional investor community on needed reforms to reverse the erosion of investor rights. Under Ms. Gilden's leadership, NASCAT also filed amicus briefs in connection with major securities cases before the Supreme Court and other courts. Prior to becoming President, Ms. Gilden served as the President-Elect and Treasurer for NASCAT. Ms. Gilden continues to be actively involved in NASCAT and serves on its Executive Committee.

Ms. Gilden is a Vice President of the Institute for Law and Economic Policy (ILEP). ILEP is a preeminent think tank with leading academics, and was established to preserve and enhance access to the civil justice system by investors and consumers.

Ms. Gilden has been repeatedly selected as an "Illinois Super Lawyer" (2005-2012) by Law & Politics, which published its selections in *Chicago* magazine. Only 5 percent of Illinois attorneys are awarded this honor. Ms. Gilden also has achieved the "AV" Peer Review Rating by Martindale-Hubbell.

Ms. Gilden is a graduate of the University of Illinois (B.S., Business Administration, 1979). She graduated with honors from Chicago-Kent College of Law (J.D. 1983) where she was a member of the Chicago-Kent Law Review. Ms. Gilden is admitted to practice in Illinois, the federal district court for the Northern District of Illinois, the United States Circuit Court of Appeals for the Seventh Circuit and the United States Supreme Court, as well as pro hac before other federal and state courts throughout the country.

#### Jenny R. Yang

Jenny Yang, a Partner at the Firm, joined Cohen Milstein in 2003 and is a member of the Civil Rights & Employment practice group. Ms. Yang Chairs the Firm's Hiring and Diversity Committee.

Ms. Yang serves as counsel in *Dukes v. Wal-Mart Stores, Inc.* (N.D. Cal.), the largest civil rights class action certified, in which female employees allege sex discrimination in pay and promotions decisions. Ms. Yang has successfully litigated and resolved *In re: Pilgrim's Pride Fair Labor Standards Act Litigation*, (W.D. Ark.), a multi-district litigation proceeding on behalf of thousands of workers across the company who obtained redress for unpaid overtime. In addition, Ms. Yang represented the plaintiffs and class in *Beck v. The Boeing Company* (W.D. Wash.), a class action alleging gender discrimination, in which the plaintiffs obtained a settlement of \$72.5 million.

Ms. Yang is a contributing editor of the *Fair Labor Standards Act* (Kearns, Ed.-in-Chief 2d. ed. 2010), and *Employment Discrimination Law*, Lindemann & Grossman, (4th ed. 2007). She is a member of the National Employment Lawyers Association (NELA) and has served as a speaker at their National Conventions.

Prior to joining the Firm, Ms. Yang was a Senior Trial Attorney with the United States Department of Justice, Civil Rights Division, Employment Litigation Section, where she worked for five years on both pattern or practice and individual federal employment discrimination cases against state and local governments. She has litigated cases involving discrimination based on race, sex, and national origin. Before her work at the Department of Justice, Ms. Yang received a community service fellowship to work at the National Employment Law Project in New York City, a non-profit organization focusing on low-wage workers' rights. While there, she worked on ground-breaking joint-employer liability litigation to hold garment manufacturers liable for unpaid wages owed to garment workers under the Fair Labor Standards Act. After law school, Ms. Yang clerked for the Honorable Edmund Ludwig on the United States District Court for the Eastern District of Pennsylvania. In 1992-1993, Ms. Yang worked on the Presidential Transition and at the White House, Office of Presidential Personnel.

Ms. Yang serves as Vice-Chair of Board of Directors of the Asian Pacific American Legal Resource Center. From 2001-2003, she served as a government fellow for the American Bar Association, Labor and Employment Section, Equal Employment Opportunity Committee. She also served as a National Co-Chair and Board Member of the National Asian Pacific American Women's Forum from 1998-

2004.

Ms. Yang graduated from Cornell University (B.A., Government, with distinction, 1992) and New York University School of Law (J.D., *cum laude*, 1996) where she was a Root-Tilden Public Interest Scholar and a Note and Comment Editor of the Law Review.

Ms. Yang is admitted to practice in the District of Columbia, New York, and New Jersey.

### Kit A. Pierson

Kit Pierson, a Partner, joined the Firm in 2009 and is co-Chair of Cohen Milstein's Antitrust Practice Group.

Mr. Pierson has spent the last two decades handling civil litigation matters in antitrust cases and other complex litigation. As a Shareholder at Heller Ehrman from 1997-2008, Mr. Pierson represented clients in large antitrust class action litigation and False Claims Act litigation, including significant jury trials. Mr. Pierson also has a longstanding commitment to civil rights matters and pro bono representation and recently was lead counsel for one of the Guantanamo detainees in a successful habeas corpus challenge to the legality of his confinement.

Mr. Pierson has represented clients in class actions and other antitrust cases of national significance. Mr. Pierson represented Microsoft Corporation in antitrust class action litigation and other matters and was one of the trial attorneys representing Microsoft in jury trials in *Gordon v. Microsoft* (Minnesota) and *Comes v. Microsoft* (Iowa). Mr. Pierson represented 3M Company in antitrust class actions challenging bundled discounted in federal and state court. He represented the American Booksellers Association in antitrust litigation on behalf of its members (independent bookstores across the country) in *American Booksellers Association v. Houghton Mifflin* (S.D.N.Y.). These cases resulted in the entry of consent decrees against several of the leading publishers in the United States, and were followed by successful litigation against one of the publishers based on violations of the consent decrees. Mr. Pierson represented dock and trucking companies in *Erie Port Authority v. Chesapeake & Ohio Railroad* (E.D. Pa.), an antitrust case challenging a conspiracy by large railroad companies to restrain trade in the shipment of iron ore and resulted in a substantial jury verdict for the plaintiffs.

Mr. Pierson has represented parties in a broad range of other complex civil litigation matters, including:

- Representation of a putative class of electronic book purchasers nationwide in litigation challenging a conspiracy involving Apple, Inc. and major book publishers to establish a new pricing model for the industry and substantially raise the price of electronic books in response to the low price point used by Amazon after release of the Kindle.
- Representation of individual farmers and a putative class of thousands of dairy farmers in the Northeast in antitrust litigation challenging a conspiracy to restrain competition and reduce the prices paid to farmers for supplying milk.
- Representation of Greenpeace, Inc. in *Greenpeace, Inc. v. Dow Chemical Company, et al.* (D.C. Super.), litigation against two large chemical companies, public relations companies and a private investigation firm based on their involvement in a scheme that is alleged to have included surveillance, dumpster diving, trespass and other actions on more than one hundred occasions over a two-year period to secure information about Greenpeace's organization, environmental activities and financial support.

- Representation of the plaintiff in *United States ex rel. Loughren v. UnumProvident* (D. Mass.), a qui tam action against the largest disability carrier in the United States, alleging that it violated the False Claims Act by causing the submission of false claims for social security disability benefits to the United States.
- Representation of a whistleblower in *Funk v. MEP* (E.D. Va.), a case alleging that a defense contractor engaged in fraud in providing translators to support the United States' troops in Afghanistan and engaged in retaliation based on the whistleblower's protected activities under the False Claims Act.
- Representation of a hospital and surgeon in their successful defense of claims brought by a physician alleging that they had infringed his patent by performing eye surgery in a method allegedly subject to the patent. *Pallin v. Singer* (D. Vt.). This case received national media attention, including two pieces on the McNeil-Lehrer News Hour, and following successful defense of the litigation the United States Congress enacted legislation to protect physicians from patent infringement claims based on their method of providing care.
- Representation of health policy researchers at the Urban Institute, a non-profit think tank, after they were sued in *Minntech v. Held* (D. Minn.), for allegedly defaming the plaintiff-corporation by publishing research relating to the safety of dialysis products used by thousands of dialysis patients nationwide.
- Representation of the nation's leading association of psychologists in various litigation matters, including cases successfully defending the association's decisions to discipline members for unethical conduct.
- Representation of parties in numerous cases involving constitutional issues, including the National Association of Broadcaster's successful defense of the "must carry" provisions in *Turner Broadcasting Systems v. FCC* (S. Ct).
- Representation of non-profit organizations and individuals in litigation that exposed illegal spying activities by the Maryland state policy against more than thirty organizations and numerous individuals based on lawful and constitutionally protected activities such as opposition to the death penalty or anti-war activities. The exposure of these activities resulted in legislative hearings, appointment of a former Maryland Attorney General to conduct an independent investigation, and implementation of remedial actions by the State of Maryland.

Mr. Pierson is chair of Cohen Milstein's pro bono committee. From 2006-2008, he was the chair of Heller Ehrman's pro bono and community service program for the firm's thirteen offices. Mr. Pierson has been actively involved in pro bono representation, including representation of a habeas corpus petitioner in *Ahmed v. Obama* (D.D.C.), where a federal court determined that the petitioner was being unlawfully detained at Guantanamo and ordered his release. Mr. Pierson is a Member of the ACLU of Maryland's Committee on Litigation and Legal Priorities and a Member of the Board of Trustees for the Lawyers' Committee for Civil Rights Under Law. Mr. Pierson has also represented the District of Columbia Bar Association in litigation and served on a Committee established by the District of Columbia Bar and the Access to Justice Commission to expand pro bono representation by law firms in the District of Columbia.

Mr. Pierson has been named as a Washington, D.C. "Super Lawyer" in the antitrust field. These designations are based on a high degree of peer recognition and professional achievement.

Mr. Pierson is a 1979 graduate of Macalester College, where he received a B.A. (*magna cum laude*) in Economics and Political Science. He graduated from the University of Michigan Law School (*magna cum laude*) in 1983, where he was a Note Editor of the Michigan Law Review and a member of the Order of the Coif. Mr. Pierson served as a Law Clerk for the Honorable Harry T. Edwards, United

States Court of Appeals for the District of Columbia Circuit, from 1983-1984 and a law clerk for the Honorable Chief Judge John Feikens, United States District Court for the Eastern District of Michigan, from 1984-1985.

## J. Douglas Richards

J. Douglas Richards is managing partner of Cohen Milstein's New York office and a partner in its antitrust practice group. Mr. Richards has extensive expertise in class action practice and commercial litigation relating to diverse trade regulation issues, including antitrust and commodity regulation as well as related issues of patent law. Prior to joining Cohen Milstein in 2009, Mr. Richards served as head of the antitrust practice groups at two other leading class action law firms, and prior to that as Deputy General Counsel of the Commodity Futures Trading Commission, where he received a Special Service Award for exemplary accomplishment. His general preeminence in legal practice has been recognized by the leading peer review organizations, including New York Super Lawyers and by receiving the highest available peer ranking from Martindale-Hubbell. He has written extensively about class actions, having twice authored chapters for books edited by the American Antitrust Institute covering complex issues of class action practice, as well as various law reviews and other publications. Leading antitrust organizations frequently recognize his expertise by inviting him to speak on wide-ranging issues of substantive antitrust law, civil procedure and class actions.

## **Education**

- A.B. University of Chicago, 1977 (economics major)
- J.D. Harvard Law School, 1981

### Lead Counsel Positions In Antitrust Class Actions

- *In re Buspirone Antitrust Litig.*, MDL 1413 (S.D.N.Y.)
- In re Ciprofloxacin Hydrochloride Antitrust Litig., MDL 1383 (E.D.N.Y.)
- Cox v. Microsoft Corp. (Sup. Ct. N.Y. County)
- *In re G-Fees Antitrust Litig.*, No. 05114 (RWR) (D.D.C.)
- In re IPO Antitrust Litig., 01 Civ. 2014 (WHP) (S.D.N.Y.)
- *In re K-Dur Antitrust Litig.*, MDL 1419( D.N.J.)
- *Kruman v. Christie's Int'l PLC* (international case in In re Auction Houses Antitrust Litig.), 00 Civ. 0648 (LAK) (S.D.N.Y.)
- In re New Motor Vehicles Antitrust Litig. MDL 1532 (D. Me.)(co-chair, executive committee)
- *In re Parcel Tanker Shipping Servs. Antitrust Litig.*, MDL 1568 (D. Ct.)
- In re Fresh Del Monte Pineapples Antitrust Litig., MDL 04-md-1628 (RMB) (S.D.N.Y.)
- *In re Plastics Additives Antitrust Litig.*, MDL 1684 (E.D. Pa.)
- *In re Relafen Antitrust Litig.*, 01-12239-WG4 (D. Mass.)
- Sperry v. Crompton Corp. (Sup. Ct. Nassau County)
- In re Tamoxifen Citrate Antitrust Litig., MDL 1408 (E.D.N.Y.)
- Twombly v. Bell Atlantic Corp., 02 Civ. 10220 (GEL) (S.D.N.Y.)
- In re Reformulated Gasoline Antitrust Litig., MDL 1671 (M.D. Ca.)
- In re Wellbutrin Antitrust Litig., MDL 04-5525 (E.D. Pa.)

# Leading Appeals Argued in Antitrust Class Actions

- *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007).
- Twombly v. Bell Atlantic Corp., 425 F.3d 99 (2d Cir. 2007).
- Uniondale Beer Co. v. Anheuser Busch, Inc., Nos. 95-7321, 7371 (2d Cir. 1995).
- Kruman v. Christie's Int'l PLC, 284 F.3d 384 (2d Cir. 2002).
- In re Ciprofloxacin Hydrochloride Antitrust Litig., 544 F.3d 1323 (Fed. Cir. 2008), cert. denied, 77 U.S.L.W. 3690 (June 22, 2009).
- In re Tamoxifen Citrate Antitrust Litig., 429 F.3d 370 (2d Cir. 2005), cert. denied, 127 S.Ct. 3001 (2007).
- JLM Industries, Inc. v. Stolt-Nielsen SA, 387 F.3d 163 (2d Cir. 2004).
- American Banana, Inc. v. Del Monte Fresh Produce Co., 09-4561-cv (2d Cir. 2010).
- Sperry v. Crompton Corp., 8 N.Y. 3d 204 (2007).
- Cox v. Microsoft Corp., 8 A.D. 3d 39, 778 N.Y.S. 2d 147 (1st Dep't 2004).
- Cox v. Microsoft Corp., 290 A.D. 2d 206, 737 N.Y.S. 2d 1 (1st Dep't 2002).
- Sperry v. Crompton Corp., A.D. 3d 488, 810 N.Y.S. 2d 498 (2d Dep't 2006).

## **Recent Publications**

- Class Action Issues, Ch. 5 of Private Antitrust Enforcement of Antitrust Law in the United States: A Handbook (Edward Algar, Cheltenham, UK)(co-authored with Cohen Milstein associates Michael B. Eisenkraft and Abigail Shafroth) (forthcoming in 2012).
- Heart of Darkness -- A Satirical Commentary, 66 N.Y.U. Annual Survey of Am. Law 569 (2011).
- Aggregation of Claims, Ch. 8 of The International Handbook on Private Enforcement of Competition Law (AAI, 2010).
- Article contained in NYSBA 2010 Antitrust Law Section Symposium (transcript of oral remarks), titled "Section 2 and the EU, Too: Developments in the Analysis of Dominant Firms."
- Predominance of Common Questions -- Common Mistakes in Applying the Class Action Standard, 41 Rutgers L.J. 163 (2009) (co-authored with partner Benjamin Brown).
- Co-author, with John Vail of the Center for Constitutional Litigation, of *A Misguided Mission to Revamp the Rules*, TRIAL MAGAZINE, Nov. 2009.
- Class Action Standards in Crisis: Whether Common Merits Questions Predominate Does Not Depend on the Questions' Answers, Global Competition Policy (May 2009).
- Three Limitations of Twombly: Antitrust Conspiracy Inferences in a Context of Historical Monopoly, 82 St. John's L. Rev. 849 (2008).
- What Makes An Antitrust Class Action Remedy Successful?: A Tale of Two Settlements, 80 Tulane L. Rev. 621 (2005).

## **Recent Speaking Engagements**

- June 2012 (scheduled) Speaker at Federal Bar Council/Antitrust Section presentation entitled "Antitrust Conspiracies, Class Actions and Refusals to Deal: Parallels, Signals, Plus Factors and Agreements."
- April 2012 (scheduled) Speaker at 12th Annual Loyola Law School Antitrust Colloquium on the subject of "Exclusion as a Core Principle of Antitrust."
- February 2012 Testified before United States House Judiciary Committee's Subcommittee on Intellectual Property, Competition and the Internet, at a hearing titled "Litigation as a Predatory Practice" concerning whether antitrust immunity under the Noerr-Pennington doctrine should be curtailed.

- January 2012 Moderator at Next Generation of Antitrust Scholarship Conference, held at NYU Law School.
- December 2011 Speaker at American Antitrust Institute, 5th Annual Future of Private Antitrust Enforcement Conference.
- October 2011 Plaintiffs' bar commentator at Antitrust Forum organized by Antitrust Law Section of NYSBA entitled "Upward Price Pressure, Market Definition, and Supply Mobility."
- January 2011 Speaker at NYS Bar Association Antitrust Law Section annual meeting concerning recent developments in case law under Daubert, on panel titled "Fifty Miles from Home with a Briefcase: Expert Hot Topics."
- December 2010 Speaker at Private Enforcement Conference of the American Antitrust Institute at National Press Club in Washington, D.C., regarding recent developments involving motions to dismiss in antitrust cases.
- July 2010 Speaker at Pound Civil Justice Institute 2010 Forum for State Appellate Court Judges (before approximately 100 state court judges) in Vancouver, B.C. regarding application of *Twombly* in state courts.
- June 2010 One of approximately thirty class action practitioners interviewed by Prof. Francis McGovern of Duke Law School in preparation for his report commissioned by the United States Judicial Conference regarding Multi-District Litigation procedures under 28 U.S.C. § 1407 and ways they might be improved.
- May 2010 One of approximately 180 judges, law professors and practitioners participating in a conference at Duke Law School sponsored by the Standing Committee on the Federal Rules of Civil Procedure concerning possible rule revisions.
- April 2010 Participant in mock argument before the Hon. Sidney H. Stein of the United States District Court for the Southern District of New York, opposite Paul Saunders of Cravath Swaine & Moore, entitled "Twombly v. Conley—The fight of the Century."
- March 2010 Presentation to Rutgers-Camden Law School Faculty and Students regarding Twombly.
- February 2010 Speaker on Private Enforcement panel at a symposium at NYU Law School entitled "Critical Directions in Antitrust," sponsored by the NYU Annual Survey of American Law and organized by Profs. Harry First and Eleanor Fox.
- January 2010 Speaker at annual meeting of the NYS Bar Antitrust Section, along with leading attorneys from the Intel and Microsoft cases from Europe and America, in program titled "Section 2: Is It Really Coming Back?"
- December 2009 Speaker at Private Enforcement Conference of the American Antitrust Institute at National Press Club in Washington, D.C., regarding issues of class certification.
- November 2009 Panelist at Federal Bar Council presentation to Second Circuit law clerks, moderated by United States District Judge Lewis A. Kaplan, titled "Issues That Arise in Antitrust Cases That You Don't Learn About in Law School."
- October 2009 Panelist at Federal Bar Council program, moderated by the Hon. Mark R. Kravitz of the United States District Court for the District of Connecticut, entitled "Motions to Dismiss in Federal Court After the Supreme Court's Decisions in *Twombly* and *Iqbal*."
- October 2009 Panelist, along with former Assistant Attorney General Thomas O. Barnett and FTC Commissioner J. Thomas Rosch, with regard to "Monopolization in the New Administration," at the Newport Summit on Antitrust Law and Economics.
- September 2009 Speaker for AAJ Teleseminar entitled "*Iqbal/Twombly*: The Death of Notice Pleading?"
- September 2009 Panelist on issues of class certification at University of San Francisco symposium entitled "A Prescription for Antitrust Enforcement in the Pharmaceutical Industry."

- January 2009 Represented plaintiff's bar at a meeting of the Standing Committee on the Federal Rules of Civil Procedure, held in San Antonio, Texas, for a presentation concerning the extent of recent increased discovery burdens in federal litigation and possible revisions to rules to address them.
- September 2008 Panelist at the annual meeting of the National Association of Attorneys General, held in Salt Lake City, Utah, for presentation entitled "Recent Developments in Intellectual Property," along with Columbia Law School Prof. Scott Hemphill and Cheryl Johnson, Assistant Attorney General, California.
- April 2008 Speaker at conference held at N.Y.U. Law School, organized by N.Y.U. antitrust Profs. Harry First and Eleanor Fox, commenting on Report and Recommendations of the Antitrust Modernization Commission, dated April 2, 2007.
- November 2007 Panelist at the ABA Fall Forum in Washington, D.C.for presentation entitled "Litigation an Antitrust Case After *Twombly*."
- October 2007 Panelist at the 2007 Fall Bench and Bar Retreat of the Federal Bar Council, in Lenox, Massachusetts, titled "Rule 23 in the Second Circuit: Post-CAFA and Post-IPO."

# Legal and Policy Advisory Positions

- American Antitrust Institute Member, Board of Advisors
- Institute for Consumer Antitrust Studies Member, Board of Advisors
- Antitrust Section, New York State Bar Association Member, Executive Committee

# **Linda Singer**

Linda Singer, a Partner, joined Cohen Milstein Sellers & Toll PLLC in 2009 as head of the Public Client practice group. Ms. Singer is the former Attorney General for the District of Columbia. Ms. Singer has represented clients in approximately 350 matters during her legal career. Ms. Singer brings her extensive experience to lead the practice in supporting state Attorneys General, who serve as the critical front line in litigation protecting consumers, workers, and public resources.

Ms. Singer currently represents Attorneys General in high stakes and high profile investigations and litigation involving fraudulent mortgage lending and servicing, unsafe and deceptive practices in the sale of prescription drugs, and misclassification of independent contractors in violation of state tax and employment laws. The Public Client Practice focuses on cases with a strong policy dimension that are likely to result in litigation, are especially resource-intensive, or require specialized expertise.

## Among other cases, Ms. Singer has:

- Represented a state Attorney General in the landmark proceedings against Countrywide Financial (and its parent, Bank of America), which resulted in mortgage modifications and other relief valued at approximately \$8.6 billion. As a result of the settlement, Countrywide agreed to provide loan modifications to 400,000 borrowers nationwide and financial relief to the states and borrowers.
- Represent the States of Arizona and Nevada in consumer fraud lawsuits against Bank of America over the servicing of nearly one half million mortgages.

- Represented attorneys generals in a multi-billion dollar settlement with a major lender over the deceptive marketing of payment option adjustable rate mortgages.
- Represent an attorney general in investigations relating to the securitization of subprime mortgages.
- Represent attorneys general in various antitrust investigations relating to the financial crisis and technology issues.
- Represented an attorney general in a multi-million misclassification case against Fortune 100 company.
- Represented attorney general in the investigation of high profile consumer prescription drug case.

Because many of these matters remain non-public investigations, the specific attorney general's office and target are not listed.

Before entering the private sector, Ms. Singer led the seventh-largest state Attorney General's office in the nation, overseeing the litigation and policy initiatives carried out by her staff of more than 350 lawyers. As the chief law enforcement office for the District of Columbia, she was responsible for overseeing all of the District's litigation, providing legal advice to the Mayor and the Directors of other District agencies, and for representing the interests of District residents through enforcement initiatives focused on consumer protection, public safety, and the environment. During her tenure as Attorney General, Ms. Singer successfully petitioned the Supreme Court to hear its first Second Amendment case in more than 70 years; developed new initiatives to combat gun violence; and expanded enforcement litigation aimed at protecting consumers, children, tenants, and victims of domestic violence.

Prior to serving as Attorney General, Ms. Singer was the Executive Director of the Appleseed Foundation, a national network of public interest law centers. Earlier in her career, Ms. Singer served a staff attorney in the Criminal Defense Division of the Legal Aid Society of New York City. She has spoken extensively before legal and other audiences and is a frequent contributor to numerous legal trade publications.

Ms. Singer is a graduate of the Harvard College (B.A., magna cum laude, 1988) and of Harvard Law School (J.D., magna cum laude, 1991).

Ms. Singer is admitted to practice in the District of Columbia and New York.

## R. Joseph Barton

Joseph Barton, a Partner at the Firm, joined Cohen Milstein in 2001 and is a member of the Employee Benefits practice group.

Prior to joining the firm, Mr. Barton served as a judicial law clerk to the Honorable Lenore C. Nesbitt, United States District Judge for Southern District of Florida (2000-2001). Since joining the firm, Mr. Barton has been actively involved in a variety of class action cases involving employee benefits as well as antitrust and securities cases.

Mr. Barton has been actively involved in a diverse number of employee benefit cases. He has litigated or is litigating a number of private ESOP cases. In litigation challenging the sale of stock for \$25 million by the family shareholders to the Azon Corporation ESOP, Mr. Barton defeated defendants'

summary judgment motions and obtained partial summary judgment and obtained a settlement of \$9.25 million for the ESOP participants. In litigation challenging a sale of stock to the Tharaldson Motels Inc. ESOP (one of the largest ESOP's in the country) for \$500 million, Mr. Barton obtained a determination that former employees had standing to sue as participants of the plan. Mr. Barton has also been involved in a number of cases alleging breach of fiduciary duty by investing the 401k plan in company stock of publicly traded companies. Additionally, in *Simpson v. Fireman's Fund Insurance Company* (N.D. Cal.), Mr. Barton represented a class of active and terminated employees alleging that FFIC's policy of terminated persons on disability violated the discrimination provisions of ERISA, and obtained a settlement restoring their right to benefits for a period of years and also reimbursement of past expenses. Finally, Mr. Barton led a trial team in *Stoffels et al. v. SBC Communications* (W.D. Tex.) that resulted in the determination that AT&T's practice of providing cash payments to certain of its retirees to pay for their telephone expenses via a program known as Telephone Concession constituted a pension plan under ERISA.

Mr. Barton has been active in a number of securities fraud lawsuits including *In re Physician Corporation of America Securities Litigation* (S.D. Fla.) (settlement of \$10.2 million), and *In re MCI Securities Litigation* (D.D.C.) (settlement of \$4.5 million) and also represented a small class of former Sterling shareholders who received Uniroyal stock in a merger in *Avery v. Uniroyal Technology Corp.*, (M.D. Fla.) (settlement of \$2.3 million). Mr. Barton represents limited partners of Lipper Convertibles, a now-defunct hedge fund, in an arbitration against the fund's former general partners, *Levitt v. Lipper Holdings et al.* (AAA), and in litigation against the outside auditor in federal district court, *Levitt v. PricewaterhouseCoopers* (S.D.N.Y.) in connection with their investments in the Partnership which were allegedly overvalued for over 5 years.

Mr. Barton has also worked on a number of antitrust actions. Mr. Barton was a part of the team that engaged in intensive trial preparations in *In re High Fructose Corn Syrup Antitrust Litigation*, (C.D. Ill.), a class action alleging price-fixing by the manufacturers of high fructose corn syrup, which settled for more than \$500 million shortly before trial. Mr. Barton litigated *In re Mercedes-Benz Antitrust Litigation* (D.N.J.), a class action alleging price-fixing of new Mercedes -Benz vehicles in the New York Region, which settled for \$17.5 million or 50% of Plaintiffs' calculation of actual damages. In connection with the Mercedes-Benz litigation, Mr. Barton briefed and argued and obtained summary judgment on an issue of first impression that established that lessee-plaintiffs had standing to sue as direct purchasers under the federal antitrust laws.

Mr. Barton has also provided pro bono representation. Along with the non-profit law firm Midwest Environmental Advocates, Mr. Barton provided pro bono representation to the grassroots citizens action group Clean Water Action Council of Northeastern Wisconsin, in objecting to a settlement by the United States Department of Justice and the State of Wisconsin concerning natural resource damages in the Fox River area of Wisconsin. Mr. Barton also represented a client in D.C. Superior Court against her former employer who refused to pay her wages and overtime, in which the Judge described Mr. Barton's representation as follows: "everything done on behalf of the Plaintiff has been professional, timely and thorough."

Mr. Barton received his undergraduate degree from the College of William & Mary (B.A. 1991) where he majored in History and minored in Classical Studies, and graduated Order of the Coif from the College of William & Mary, Marshall-Wythe School of Law (J.D. 2000). At law school, he received the Lawrence W. I'Anson Award for outstanding student scholarship, character and leadership, the William B. Spong Award for professionalism and ethics, the Robert R. Kaplan Award for excellence in legal writing and Order of the Barristers. He served on the editorial board of the William & Mary Law

Review and was a staff member of the William & Mary Bill of Rights Journal. Mr. Barton was a member of the William & Mary National Trial Team and served as Vice-President of the William & Mary Chapter of the Association of Trial Lawyers of America.

Mr. Barton is the author of *Determining the Meaning of "Direct Evidence" in Discrimination Cases* Within the Eleventh Circuit: Why Judge Tjoflat was (W)right, 77 Fla. B.J. 42 (2003), Drowning in a Sea of Contract: Application of the Economic Loss Rule to Fraud and Negligent Misrepresentation Claims, 41 Wm. & Mary L. Rev. 1789 (2000), and Utilizing Statistics and Bellwether Plaintiff Trials: What do the Constitution and the Federal Rules of Civil Procedure Permit?, 8 Wm. & Mary Bill Rts. J. 199 (1999). Each of Mr. Barton's published articles has been cited by both courts and commentators.

Mr. Barton is the current Secretary/Treasurer for the American Association of Justice (AAJ) Employment Rights section, which focuses on all aspects of employment and labor law including Title VII, ADA, ADEA, FMLA and wrongful discharge cases.

Mr. Barton is admitted to practice in the State of California and the District of Columbia and is listed in the Marquis' Who's Who in American and Who's Who in American Law.

### Joshua S. Devore

Joshua Devore, a Partner at the Firm, joined Cohen Milstein in 2000 as a member of the Securities Fraud/Investor Protection practice group.

He is currently working on several securities fraud class actions (including the litigation on the collapse of the Italian dairy conglomerate Parmalat), and has been heavily involved in litigation regarding Wall Street research analysts. He has actively participated in a number of cases that resulted in substantial recoveries for investors, including *In re Lucent Technologies, Inc. Securities Litigation* (settlement of approximately \$575 million); *In re Merrill Lynch Research Reports Securities Litigation* (settlement of \$125 million); *In re VeriSign Corp. Securities Litigation* (settlement of \$78 million); and *Norman v. Salomon Smith Barney* (settlement of \$51 million on behalf of Guided Portfolio Management Account holders).

Mr. Devore has been the primary author of numerous briefs addressing complex and novel issues of the federal securities laws, leading to notable reported decisions such as *In re Parmalat Securities Litigation*, 376 F.Supp.2d 472 (S.D.N.Y. 2003), that affirmed claims of "scheme" liability against a corporation's outside investment banks, and *Lentell v. Merrill Lynch & Co.*, 396 F.3d 161 (2d Cir. 2005), that reversed a dismissal on statute of limitations grounds and reset the standards for pleading loss causation. He was also a member of the trial team in *In re Globalstar Securities Litigation*, which settled for \$20 million during trial after Plaintiffs had fully presented their case.

Mr. Devore is actively involved in the representation of the firm's institutional investor clients and personally developed and oversees the analysis of the firm's clients' investments in securities that may have been affected by fraud.

Mr. Devore graduated from Rice University in 1997 with a B.A. in Chemistry, and obtained his law degree from Georgetown University Law Center in 2000. While at Georgetown, Mr. Devore served as an Executive Editor of the Georgetown International Environmental Law Review. Mr. Devore is coauthor of *State Court Class Actions: Trends and Issues*, in National Institute on Class-Actions, C-1 (ABA CLE 1999).

Mr. Devore is admitted to practice in the District of Columbia and the Commonwealth of Virginia.

## **Christopher J. Cormier**

Christopher J. Cormier, a Partner at the Firm, joined Cohen Milstein in 2003 and is a member of the Antitrust Practice Group. He is actively involved and has obtained considerable experience in all phases of antitrust actions alleging concerted and unilateral anticompetitive conduct.

Mr. Cormier currently represents certified or proposed plaintiff classes in:

- In re Plasma-Derivative Protein Therapies Antitrust Litigation (N.D. Ill.), where he serves on the plaintiffs' steering committee on behalf of a proposed class of direct purchasers alleging a nationwide output restriction and price-fixing conspiracy. He plays a leading role in managing all day-to-day aspects of the plaintiffs' litigation efforts.
- In re Urethane Antitrust Litigation (D. Kan.), where he serves as co-lead counsel on behalf of a certified class of direct purchasers of several types of chemicals that were overcharged as a result of a nationwide price-fixing and market allocation conspiracy. He plays a leading role in litigating major aspects of the case, and he has helped obtain class settlements with Bayer (\$55.3 million), BASF (\$51 million), and Huntsman (\$33 million).

Mr. Cormier also has served in leadership positions on various other antitrust matters, including:

- In re Endosurgical Products Direct Purchaser Antitrust Litigation (C.D. Cal.), where he served as co-lead counsel on behalf of a proposed class of direct purchasers of medical instruments used in laparoscopic surgery that were overcharged pursuant to alleged monopolistic conduct. In 2009, the Court approved class settlements valued at more than \$39 million.
- In re Parcel Tanker Shipping Services Antitrust Litigation (D. Conn.), where he served as colead counsel in an arbitration on behalf of direct purchasers of shipping services who allegedly were overcharged pursuant to the defendants' international customer allocation and price-fixing conspiracy. He was a primary author of the brief opposing defendants' request for Supreme Court review of the lower court's order holding that the relevant arbitration clauses did not preclude class-wide arbitration.
- *McIntosh*, *et al. v. Monsanto Co.*, *et al.* (E.D. Mo.), where he served as co-lead counsel on behalf of farmers alleging a price-fixing conspiracy concerning genetically modified soybean seeds. Following the Court's denial of the remaining defendant's motion for summary judgment, the plaintiffs settled with that defendant on confidential terms.
- Nate Pease, et al. v. Jasper Wyman & Son, Inc., et al. (Knox County Superior Court, Me.), where he served as co-lead counsel on behalf of a class of Maine wild blueberry growers. In 2004, a Maine state court jury found the processing companies liable for participating in a four-year price-fixing and non-solicitation conspiracy, and ordered the defendants to pay over \$56 million in damages.

Mr. Cormier is one of the authors of "Perspectives on the Future Direction of Antitrust," Antitrust, Vol. 22, No. 3, Summer 2008, © 2008 by the American Bar Association. He also is a co-author of "Private Recovery Actions in the United States," *The Antitrust Review of the Americas 2010*, Global Competition Review, September 2009.

Prior to joining Cohen Milstein, Mr. Cormier practiced at a large Baltimore-based law firm, where he focused on commercial and antitrust litigation. After his first year of law school, he served as a judicial intern to the Honorable Deborah K. Chasanow, United States District Court for the District of Maryland. During his second year of law school, he served as a legal intern in the National Criminal Enforcement Section of the United States Department of Justice's Antitrust Division.

Mr. Cormier graduated from the University of Virginia with a B.A. in Government in 1999 and from the American University's Washington College of Law (*magna cum laude*) in 2002.

Mr. Cormier is admitted to practice in Maryland, the District of Columbia, the U.S. District Court for the District of Maryland, the U.S. Court of Appeals for the 9th Circuit; the U.S. Court of Appeals for the 10th Circuit; and the U.S. Supreme Court.

# Betsy A. Miller

Betsy A. Miller, a Partner at the Firm, joined Cohen Milstein in 2009 and is a member of the Public Client practice group.

Named one of Washington's *Top 40 Under 40 Rising Legal Stars* by the National Law Journal, Ms. Miller is an experienced labor, employment and commercial litigator. Currently, Ms. Miller represents state Attorneys General in investigations, litigation and enforcement actions involving fraudulent mortgage lending, unsafe and deceptive practices in the sale of prescription drugs, and misclassification of independent contractors in violation of state tax and labor laws. In addition to government clients, Ms. Miller represents other public-sector clients, including non-profit organizations and labor unions, in their efforts to ensure enforcement of laws protecting workers and consumers.

Since 2001, Ms. Miller has served on the adjunct faculty of Georgetown University Law Center, where she teaches courses on mediation strategy and negotiation skills. Ms. Miller's dispute resolution experience also includes serving as a mediator, arbitrator, mediation coach and negotiation skills trainer. She has taught negotiation skills courses at Harvard Law School and for a variety of federal and state government clients, law firms, corporations and non-profit organizations. As a consultant for the Kennedy School of Government, Ms. Miller traveled to Central America to evaluate mediation and arbitration programs in Guatemala, Costa Rica, El Salvador and Nicaragua.

Prior to joining Cohen Milstein, Ms. Miller served as the Chief of Staff and Senior Counsel to Linda Singer, the former Attorney General for the District of Columbia. In that capacity, Ms. Miller managed high-profile legal issues and policy initiatives for the Attorney General and was the Mayor's lead labor and employment lawyer overseeing the transition of the D.C. Public Schools to mayoral control. Ms. Miller also supervised the General Counsels' offices of three District agencies, including the D.C. Public Schools and the Office of the State Superintendent for Education. Her other government experience includes serving as Counsel to the U.S. Senate Committee on the Judiciary, where she worked for Chairman Patrick J. Leahy (VT), and clerking for the Honorable Thomas Penfield Jackson in the U.S. District Court for the District of Columbia. In addition, Ms. Miller spent seven years as a litigator in the private sector, working for Jones Day and Crowell & Moring, LLP.

Ms. Miller's recent publications include "Untapped Potential: Creating a Systematic Model for

Mediation Preparation," *Dispute Resolution Journal* (May-August, 2009) and "WARNings for Firms Facing Layoffs or Bankruptcy," *Law360* (January, 2009).

Ms. Miller received her undergraduate degree in Comparative Literature from Dartmouth College, *magna cum laude* and Phi Beta Kappa (A.B., 1996). She received her law degree from Harvard Law School, where she was an editor on the Harvard Human Rights Journal and the Harvard Latino Law Review (J.D., 1999). After graduating, Harvard awarded Ms. Miller the Heyman Fellowship for government service and academic excellence and the Kaufman Fellowship for public service.

Ms. Miller is admitted to practice in Massachusetts and the District of Columbia.

# Manuel J. Dominguez

A partner in Cohen Milstein's Florida office, Manuel J. ("John") Dominguez focuses his practice on antitrust and consumer protection litigation. Mr. Dominguez plays a leading role in the firm's antitrust group identifying and investigating potential antitrust violations.

Mr. Dominguez is also involved in and helps to manage many of the firm's pending antitrust cases. He is currently representing plaintiffs in antitrust litigation involving alleged price-fixing and other anticompetitive conduct in various industries including truck transmissions, high tech, medical products, building materials, agricultural, entertainment and finance, among others. He recently litigated and resolved cutting-edge litigation against a major internet service provider for allegedly unlawfully collecting the internet search data of millions of users and making their private information available for downloading by the general public.

Mr. Dominguez has been litigating complex antitrust and consumer cases for more than 15 years, and has served as lead counsel and handled numerous high-profile, high-stakes cases during that time. His efforts have enabled aggrieved businesses and consumers to recover hundreds of millions of dollars.

Mr. Dominguez is also nationally recognized for his knowledge of managing the discovery process in today's increasingly technologically complex business environment. He has made presentations on topics such as the impact of the new e-discovery amendments to the Federal Rules of Civil Procedure, and has also participated in The Sedona Conference® Working Group 1 – an organization at the vanguard of developing standards for electronic discovery.

Mr. Dominguez currently serves as the Chair for the Antitrust, Franchise & Trade Regulation Committee of the Florida Bar's Business Law Section. Mr. Dominguez previously served as the Vice Chair of this committee and is also a member of the Executive Council of Florida Bar's Business Law Section. Mr Dominguez also co-authored an article for the Florida Bar Journal, "The Plausibility Standard as a Double Edge Sword: The application of Twombly and Iqbal to Affirmative Defenses" (Volume 84, No 6, June 2010).

Mr. Dominguez began his career as an Assistant Attorney General serving in the Attorney General of the State of Florida's Department of Economic Crimes. As an AAG, he represented the state of Florida in prosecuting corporations and business entities for alleged violations of Florida's RICO, antitrust, and Unfair and Deceptive Trade Practices Act statutes. Following his service as an AAG, Mr. Dominguez entered private practice, litigating and trying numerous cases involving unfair trade practices and other alleged violations of state and federal consumer protection statutes. In 2000 he

joined Berman DeValerio as an associate and when he left the firm in 2011 he was one of the partners leading the firm's antitrust and consumer practice groups.

Mr. Dominguez graduated with honors from the Florida State University Law School in 1995, where was a member of the *Transnational Journal of Law and Policy*. He received his undergraduate degree from Florida International University in 1991.

Mr. Dominguez is admitted to practice law in the State of Florida as well as U.S. District Courts for the Northern, Middle and Southern Districts of Florida. Mr. Dominguez is also admitted to practice in the United States District Court for Northern District of Illinois.

### Brent W. Johnson

Brent W. Johnson, a Partner at the Firm, joined Cohen Milstein in 2009 and is a member of the Antitrust Practice Group. Mr. Johnson has considerable expertise in complex antitrust litigation and class actions.

Mr. Johnson represents businesses and individuals as plaintiffs in federal and state civil actions with a focus on multi-district class actions. His class action experience spans across multiple industries, such as dairy, processed foods, automotive parts, private equity, adhesives, chemicals and others. His practice encompasses a broad variety of antitrust claims, including Sherman Act Section 2 monopoly and monopsony claims as well as Section 1 restraints of trade. Mr. Johnson also represents state Attorneys General in litigation involving deceptive practices in the sale of prescription drugs.

Mr. Johnson is currently involved in the following matters, among others:

- Allen vs. Dairy Farmers of America (D. Vt.), in which he represents Northeast dairy farmers against Dairy Farmers of America and Dairy Marketing Services who fixed prices, allocated markets and monopolized a level of distribution of raw milk in the Northeast and in which defendant Dean Foods Company settled for \$30 million;
- In re Urethane Antitrust Litigation (D. Kan.), in which he serves as co-lead counsel on behalf of a certified class of direct purchasers of several types of chemicals who were overcharged as a result of a nationwide price-fixing and market allocation conspiracy and in which multiple defendants have collectively settled for over \$130 million;
- In re Online DVD Rental Antitrust Litigation, (N.D. Cal.), in which he represents direct purchasers of online DVD rentals who were overcharged as a result of a market allocation conspiracy by defendants and in which defendant Wal-Mart settled for more than \$27 million; and
- Carlin v. Dairy America, Inc. (E.D. Cal.), in which he serves as co-lead counsel on behalf of a proposed class of dairy farmers paid artificially deflated prices for raw milk due to the negligence of defendants;
- In re Wellpoint, Inc. Out-of-Network "UCR" Rates Litigation, (C.D. Cal.), in which he represents a proposed class of health insurance subscribers who were overcharged for services provided by a doctor or medical provider that was not in their insurer's "network" due to the insurer's use of a faulty database to determine reimbursement rates.

Prior to joining Cohen Milstein, Mr. Johnson practiced at Latham & Watkins LLP in its Washington, D.C. and New Jersey offices for six years, where he focused on antitrust litigation. Some of Mr. Johnson's matters included:

- Feesers, Inc. v. Michael Foods, Inc. and Sodexho, Inc. (M.D. Pa.), in which he was a member of the successful trial team that represented Michael Foods, a manufacturer of processed egg products and refrigerated potato products, in a three week trial of a Robinson-Patman Act action brought by a broad-line distributor of food products;
- National Laser Technology, Inc. v. Biolase Technology, Inc. (S.D. Indiana), in which he represented Biolase, the country's largest manufacturer of lasers for dental applications, in a civil action brought by an after-market dental laser support company resulting in a favorable settlement for the client. The plaintiff alleged that Biolase had monopoly power over the hard tissue dental laser market and used that power to coerce dentists into purchasing products from it in violation of Sections 1 and 2 of the Sherman Act;
- Dahl, et al. v. Bain Capital, et al. (D. Mass.), in which he represented The Carlyle Group in a class action where plaintiffs alleged collusion among certain private equity firms and investment banks in specific going-private transactions in violation of Section 1 of the Sherman Act; and
- In re Aftermarket Filters Antitrust Litigation (N.D. Ill.), in which he represented Champion Laboratories, a manufacturer of aftermarket automotive filters, in a class action where plaintiffs alleged a conspiracy among manufacturers to fix prices in violation of Section 1 of the Sherman Act.

Mr. Johnson also advised clients in the insurance, commodities exchange, chemical and energy industries in obtaining clearance of mergers, acquisitions and joint ventures from the Federal Trade Commission and the Antitrust Division of the Department of Justice in connection with pre-merger notification proceedings under the Hart-Scott-Rodino Antitrust Improvements Act.

Mr. Johnson also has significant experience in other complex civil and criminal litigation and investigations. He has substantial mass torts experience and represented the City of New York and others in multiple federal actions related to the September 11th attacks. He has litigated government contracts matters and was a member of a team handling a GAO administrative hearing concerning a \$1.1 billion Air Force procurement contract. He has conducted internal investigations in response to criminal investigations and inquiries by the Department of Justice and U.S. Attorney's office. He has argued before state trial and appellate courts. He has first-chaired hearings before administrative law judges for the Department of Health and Human Services and the District of Columbia.

Mr. Johnson graduated *magna cum laude* from Duke University in 2000 with a B.A. in Political Science and Spanish. He obtained his law degree from Stanford Law School in 2003.

Mr. Johnson is admitted to practice in the District of Columbia, New York and New Jersey, as well as the U.S. District Courts for the Districts of the District of Columbia and New Jersey. He is a member of the ABA Section of Antitrust Law.

Mr. Johnson currently serves on the firm's Ethics committee.

## Gary L. Azorsky

Gary Azorsky, a Partner at Cohen Milstein, is Co-chair of the Firm's Whistleblower/False Claims Act Practice. In his nation-wide practice, Mr. Azorsky has helped to recover more than \$1.5 billion for federal and state governments, including hundreds of millions of dollars for whistleblower clients.

Mr. Azorsky is currently co-lead counsel in the qui tam action against the pharmaceutical company Wyeth pending in the District of Massachusetts, in which more states have joined to intervene along with the government of the United States than have ever intervened in a qui tam action in history. (*United States of America et al., ex rel. Lauren Kieff, v. Wyeth*, No.1:03-CV-12366-DPW (D.Mass.)). He has also represented whistleblowers in False Claims Act cases involving defense contractors, offlabel marketing and misbranding by pharmaceutical companies, and fraud in connection with for-profit colleges and student loan programs. In addition, Mr. Azorsky represents whistleblowers in tax fraud claims against large and small corporations through the IRS Whistleblower Office, as well as whistleblowers alleging violations of the Foreign Corrupt Practices Act filed with the SEC Whistleblower Office.

Mr. Azorsky served as co-counsel for the whistleblower on the following representative matters:

- United States of America ex rel. Ven-a-Care of the Florida Keys Inc. v. Dey Laboratories, et al., Civil Action No. 05-11084 (D. Mass) (\$280 Million settlement in December 2010)
- United States of America ex rel. Ven-A-Care of the Florida Keys Inc. v. Boehringer Ingelheim Corp, et al., Civil Action No. 07-10248 (D. Mass.) (\$280 Million settlement in December, 2010)
- Florida ex rel. Ven-A-Care of the Florida Keys Inc. v. Boehringer Ingelheim Corp, et al., Civil Action No. 98-3-32A (Leon Cty., Fla.) (\$6.5 Million settlement with Dey Laboratories, Inc. in March 2010)
- Florida ex rel. Ven-A-Care of the Florida Keys Inc. v. Boehringer Ingelheim Corp, et al., Civil Action No. 98-3-32A (Leon Cty., Fla.) (\$9.57 Million settlement with Schering-Plough in December 2009)
- Florida ex rel. Ven-A-Care of the Florida Keys Inc. v. Boehringer Ingelheim Corp, et al., Civil Action No. 98-3-32A (Leon Cty., Fla.) (\$8.5 Million settlement with Boehringer Ingelheim in December 2009)
- Texas ex rel. Ven-A-Care of the Florida Keys Inc. v. Roxane Laboratories, Inc., Boehringer Ingelheim Pharmaceuticals, Inc., Ben Venue Laboratories, Inc. and Boehringer Ingelheim Corporation, Civil Action No. GV3-03079 (Travis Cty., Tex.) (\$10 Million settlement with Boehringer Ingelheim in November 2005)
- Texas ex rel. Ven-A-Care of the Florida Keys Inc. v. Warrick Pharmaceuticals Corporation, Schering Plough Corporation, Schering Corporation, Civil Action No. GV002327 (Travis Cty., Tex.) (\$27 Million settlement with Schering-Plough in May 2004)
- Texas ex rel. Ven-A-Care of the Florida Keys Inc. v. Dey, Inc., Dey, L.P., Civil Action No. GV002327 (Travis Cty., Tex.) (\$18.5 Million settlement with Dey Laboratories, Inc. in June 2003)

Mr. Azorsky regularly speaks before professional audiences regarding the federal and state False Claims Acts. He is a member of Taxpayers Against Fraud,,a nonprofit, public interest organization dedicated to combating fraud against the Federal Government through the promotion and use of the Federal False Claims Act and its qui tam provisions.

Prior to joining Cohen Milstein, in addition to his Whistleblower/False Claims Act practice, Mr. Azorsky was actively involved in groundbreaking civil rights, commercial and intellectual property litigation, including Internet and software industry-related litigation.

Mr. Azorsky is a member of the bars of the Commonwealth of Pennsylvania and the State of New Jersey and is admitted to the United States Supreme Court, Third Circuit Court of Appeals, Eastern District of Pennsylvania and the District of New Jersey. He received a B.A. degree from the University of Pennsylvania and his J.D. from Cornell University Law School. He is rated AV® Preeminent<sup>TM</sup> 5.0 out of 5 in Martindale-Hubbell Peer Review, representing the highest rating for professional excellence.

## Jeanne A. Markey

Jeanne Markey, a Partner at Cohen Milstein, is Co-chair of the Firm's Whistleblower/False Claims Act Practice. She has successfully represented whistleblowers in federal and state cases across the country. Ms. Markey has extensive experience in Qui Tam litigation in the health care, defense and education industries, and has represented whistleblower clients in the public housing sector.

Ms. Markey is co-lead counsel in *United States of America et al.*, ex rel. Lauren Kieff, v. Wyeth, the whistleblower case against pharmaceutical giant Wyeth (recently acquired by Pfizer). The lawsuit alleges that Medicaid, the healthcare program for the poor which is jointly funded by the federal and state governments, was defrauded when Wyeth falsely inflated the price of the acid suppression drug Protonix Oral from 2001 through 2006. Thirty-six states and the District of Columbia have joined with the United States to intervene in the Wyeth case -- more states than have ever intervened in any U.S. Qui Tam case.

She also served as the primary attorney representing the putative class in *Benzman v. Whitman*, a class action in Manhattan and Brooklyn against the U.S. Environmental Protection Agency. The claims were based on class members' exposure to contaminants contained in World Trade Center interior dust resulting from the 9/11 attacks.

Ms. Markey is admitted to practice law in the Commonwealth of Pennsylvania, the State of New Jersey, and to the First Circuit Court of Appeals, Second Circuit Court of Appeals and Eleventh Circuit Court of Appeals. She is a member of Taxpayers Against Fraud, a nonprofit, public interest organization dedicated to combating fraud against the Federal Government through the promotion and use of the Federal False Claims Act and its qui tam provisions, the Association of Qui Tam Attorneys, and frequently speaks about developments in the Qui Tam field. She received her B.A. (*cum laude*) from Colgate University and her J.D. from Cornell University Law School.

## **Attorney Profiles – Retired Partner**

#### Herbert E. Milstein

Herbert E. Milstein began practicing law with Jerry S. Cohen in 1970 – the birth of the Firm. Mr. Milstein has been lead or principal counsel in many of the best known securities class actions litigated during the past 40 years. He retired from the Firm in 2012.

Mr. Milstein is the author of numerous articles on topics involving class action litigations and the Federal securities laws. He recently authored an article on current issues involving federal securities laws. He also wrote a separate article in the book entitled *The Burger Years*. He is the author of a monograph on the attorney-client privilege.

As an adjunct Professor of Law at Georgetown University Law Center from 1980-1987, he taught complex litigation and continues to lecture on securities litigation and class actions at law schools and seminars sponsored by the American Bar Association, state bar associations, and continuing legal education organizations. In 1985, he received a Silver Gavel award from the American Bar Association for his distinguished example of public service.

Mr. Milstein formerly served on the staff of the Securities and Exchange Commission for five and one-half years, and last held the position of Chief Enforcement Attorney, Division of Corporate Regulation. From 1976-1980, Mr. Milstein served as Equity Receiver for National American Life Insurance Company, appointed by Judge Charles R. Richey, in *SEC v. National Pacific Corp.* For that work, the Chairman of the SEC said Mr. Milstein and the Firm served "with distinction."

Formerly the President of the National Association of Securities and Commercial Law Attorneys (NASCAT), he also served as Treasurer of that organization for six years. He is a member of the American Law Institute, and a member and former Chairman of the Executive Council of the Securities Law Committee of the Federal Bar Association.

Mr. Milstein is currently on the Board of Directors of several organizations, including The Studio Theatre of Washington, DC.

Mr. Milstein graduated from Harvard College (*cum laude*, 1958) and Columbia University School of Law (LL.B., 1961).

Mr. Milstein is admitted to practice in the District of Columbia and Massachusetts.

## **Attorney Profiles – Of Counsel & Associates**

### Laura Alexander

Laura Alexander joined Cohen Milstein in 2012 and is a member of the Antitrust Practice Group. Ms. Alexander has extensive experience in complex antitrust litigation, class actions, and appeals.

Ms. Alexander represents businesses and individuals in federal and state civil actions with a focus on multi-district class actions. She has worked on antitrust issues in many industries, including pharmaceuticals, telecommunications, cable television, wireless networking, welding, industrial fans, automotive parts, air transport, finance, enterprise software, and consumer credit, among others. Her practice encompasses a broad variety of antitrust claims, including monopoly, monopsony, and restraint of trade claims, as well as sham litigation and pay-for-delay claims related to patents and other intellectual property.

Prior to joining Cohen Milstein, Ms. Alexander practiced at Kirkland & Ellis LLP in its Washington, D.C. office, where she focused on antitrust litigation.

Ms. Alexander also has significant experience in other complex civil and criminal litigation. She has successfully represented several clients before the United States Supreme Court, including the House of Representatives of the State of Arizona in a federal action related to Arizona's administration of ESL education and securing the reversal of a conviction of a criminal defendant for violation of his rights under the Speedy Trial Act. Ms. Alexander was part of the team litigating what was, at the time, the largest bankruptcy ever filed, at both the trial and appellate levels. She has also successfully represented clients in employment discrimination lawsuits, under federal and state law, and in federal disability lawsuits. Ms. Alexander has argued before federal appellate courts and agencies.

Ms. Alexander obtained a B.A. in Mathematics from Reed College in 2002. She graduated *magna cum laude* from Georgetown University Law Center in 2007. After law school, Ms. Alexander served as a law clerk to the Honorable M. Margaret McKeown on the United States Court of Appeals for the Ninth Circuit.

Ms. Alexander is admitted to practice in the District of Columbia and California, as well as the U.S. District Court for the District of Columbia. She is a member of the ABA Section on Antitrust Law.

## Luke Bierman

Luke Bierman joined Cohen Milstein in 2011 as Of Counsel in the Securities Fraud/Investor Protection Practice Group, where he counsels pension funds on fiduciary, ethics, governance and compliance issues. Mr. Bierman's role is to assist public pension funds at critical and challenging times for those funds, and to provide collaborative and creative solutions.

Previously, Mr. Bierman served for almost four years as General Counsel for the Office of the New York State Comptroller, the sole trustee of the state's \$140 billion pension fund and the state's chief fiscal officer for the state of New York's \$130 billion budget. In this role, Mr. Bierman managed a legal staff that included 55 attorneys, and was responsible for legal advice and counsel on all matters relating to the comptroller's constitutional and statutory responsibilities, including fiduciary, governance, ethics, litigation, investment, pension benefits, state and municipal finance and legislative

matters. He also managed the 35 outside law firms that represented the Comptroller in litigation and transactional matters.

Earlier in his career, Mr. Bierman served as a Fellow in Government Law and Policy at Albany Law School. He also has served as Director of the Institute for Emerging Issues at North Carolina State University, where he held the rank of Associate Professor of Political Science; as Founding Director of the Justice Center and Special Assistant to the President of the American Bar Association; as Visiting Specialist in Constitutional Law with the rank of Associate Professor at The Richard Stockton College of New Jersey; and as law clerk to Justices and as Chief Attorney of the New York Supreme Court, Appellate Division, Third Department. Mr. Bierman also has taught at Albany Law School, Northwestern University School of Law, the University at Albany and Trinity College in Hartford.

Mr. Bierman is a frequent lecturer and commentator about corporate governance reform, fiduciary responsibility and ethics, and justice reform. He was a member of the board of directors of the Council of Institutional Investors, where he co-chaired the policies committee. He is an elected member of the American Law Institute. Mr. Bierman's most recent speaking engagements include:

- Moderator, "Corporate Governance Roundtable", Active-Passive Investor Summit, New York City, April 2012
- Panelist, "Corporate Governance, Due Diligence and Securities Litigation", Public Funds Summit, San Diego, CA, March 2012
- Panelist, "Legal Developments," Public Funds Summit, Scottsdale, AZ, January 2012
- Panelist, "Dodd-Frank: Panacea or Poison?", American Bar Association Annual Meeting, August 2011
- Panelist, "What *Morrison* Means," National Summit on the Future of Fiduciary Responsibility, June 2011
- Panelist, "Fiduciary Update-Scandals", Stanford Law School Fiduciary College, March 2011
- Panelist, "The Rights and Responsibilities of Institutional Investors", Institutional Investor Conference, March 2011
- Moderator, "Fiduciary Duty", Council of Institutional Investors Annual Meeting, September 2010
- Speaker, "SEC Pay to Play Reforms," American Bar Association Business Law Section Fall Meeting, November, 2010
- Panelist, "Access to Justice: *Morrison v. National Australia Bank*," American Constitution Society, October 2010
- Keynote, "Politics and the Market: How Policy Affects Investment Decisions," De-Risking Strategies for Pension Funds, Foundations and Endowments, International Quality and Productivity Center, October 2010
- Panelist, "Challenges Facing Public Pension Funds," Governance for Owners Conference, October 2010
- Speaker, "Public Pension Reform in a Time of Turmoil," Emerging Issues Forum, Massachusetts Public Employee Retirement Administration Commission, September 2010
- Moderator, "Fiduciary Duty," Council of Institutional Investors Annual Meeting, September 2010
- Speaker, "Morrison v. National Australia Bank: Implications for Investors," Council of Institutional Investors teleconference, August 2010
- Panelist, "Regulation of Placement Agents for Public Pension Funds," National Association of Pension Plan Attorneys, June 2010
- Panelist, "The SEC's Investor Protection Mission," DC Bar Association, April 2010

- Speaker, "Dealing With Placement Agents," Stanford Law School Fiduciary College, March 2010
- Panelist, "Credit Rating Agencies' Liability," DC Bar Association, February 2010
- Speaker, "Evolving Fiduciary Obligations of Pension Plans," Institutional Investor Conference, February 2010
- Speaker, "Updates on Pension Fund Reform in New York State Views from the General Counsel," National Association of Pension Plan Attorneys, June 2009
- Panelist, "Governance Changes as Part of Class Action Settlements," Institutional Investor Educational Foundation's Global Shareholder Activism Conference, December, 2008
- Moderator, Panels on Pension Plan Fiduciary Responsibility, Governance, and Ethics, U.S. Pensions Summit, October 2008
- Keynote Speaker, Jefferson B. Fordham Awards Luncheon, Annual Meeting of ABA Section of State and Local Government Law, August 2008
- Panelist, "Governance and Pension Plans," U.S. Pensions Summit, April 2008
- Panelist, "Fiduciary and Accounting Responsibilities in Non Profit Management," New York State Bar Association, November 2007
- Panelist, "Governance Best Practices for Fiduciary," U.S. Pensions Summit, September 2007

Mr. Bierman earned his Ph.D. and M.A. in Political Science from the University at Albany; his J.D. from the Marshall Wythe School of Law of the College of William and Mary, where he was a member of the Law Review; and his B.A. in American Political History *magna cum laude* with High Honors from Colgate University, where he was elected to Phi Beta Kappa.

# Meghan Boone

Meghan Boone, an Associate at the Firm, joined Cohen Milstein in 2011 as a member of the Antitrust Practice Group.

Ms. Boone was a summer associate and law clerk at Cohen Milstein from June 2009 - May 2010, and spent the past year as a law clerk for the Honorable Martha Craig Daughtrey of the United States Court of Appeals for the Sixth Circuit.

Ms. Boone graduated, *Phi Beta Kappa*, from Trinity College in 2006, with a Bachelor of Arts with Honors in Women, Gender, and Sexuality Studies. Ms. Boone received her J.D., *summa cum laude*, *Order of the Coif*, from American University's Washington College of Law in May 2010. During law school, she was the Associate Symposium Editor of the *American University Law Review*, a Dean's Fellow in the Legal Rhetoric Department, a P.E.O. Scholar, a Myers Law Society Scholar, a Centennial Scholar, and Vice President of the Women's Law Association. She was also selected to be the student speaker at the 2010 Washington College of Law Commencement. Prior to joining Cohen Milstein, Ms. Boone interned with the U.S. Equal Employment Opportunity Commission in the Office of Federal Operations, as well as with the National Women's Law Center in the Health & Reproductive Rights Group.

Ms. Boone was named one of Ms. Magazine's "Women Who Make a Difference" in 2004, for her role in founding the country's first feminist sorority, Zeta Omega Eta.

Ms. Boone is admitted to practice in Florida and is currently practicing under the supervision of Daniel A. Small, a member of the D.C. Bar.

# S. Douglas Bunch

S. Douglas Bunch, an Associate at the Firm, joined Cohen Milstein in 2006 and is a member of the Securities Fraud/Investor Protection practice group.

Mr. Bunch is currently litigating multiple securities class actions, including cases on behalf of investors in funds which served as so-called "feeder funds" for Bernard L. Madoff's Ponzi scheme; class actions on behalf of investors in residential mortgage-backed securities, including *Maine State Ret. Sys. v. Countrywide Fin. Corp.*, No. 2:10-CV-00302 MRP (C.D. Cal.); *In re Lehman Bros. Mortgage-Backed Sec. Litig.*, No. 08 Civ. 6762 (LAK) (S.D.N.Y.); *New Jersey Carpenters Health Fund v. Residential Capital, LLC*, No. 08 Civ. 8781 (HB) (S.D.N.Y.); *New Jersey Carpenters Vacation Fund v. Harborview Mortgage Loan Trust 2006-4*, No. 08 Civ. 5093 (HB) (S.D.N.Y.); and *In re Bear Stearns Mortgage Pass-Through Certificates Litig.*, No. 08 Civ. 8093 (LTS) (S.D.N.Y.); and *In re Oppenheimer Rochester Funds Group Sec. Litig.*, No. 09-md-02063-JLK (D. Colo.), a class action on behalf of investors in various Oppenheimer mutual funds which alleges defendants' failure to disclose the risks of investing in those funds. Mr. Bunch was also instrumental in achieving the successful appeal and recent settlement, for \$90 million, of *Rubin v. MF Global Ltd.*, No. 08 Civ. 2233 (VM) (S.D.N.Y.).

Mr. Bunch is a graduate of the William & Mary School of Law (2006), where he was a recipient of the Benjamin Rush Medal. A member of Phi Beta Kappa, he graduated *summa cum laude* from the College of William & Mary in 2002 with a Bachelor's degree in Government and Classical Studies. Mr. Bunch is also a 2003 graduate of Harvard University's Graduate School of Education, from which he holds a Master's degree in Administration, Planning, and Social Policy. At Harvard, he served as an intern in the Boston office of the U.S. Department of Education's Office for Civil Rights, where he worked closely with attorneys to enforce federal laws that protect students from discrimination on the basis of race, gender, age, and disability.

Mr. Bunch is actively involved in several nonprofit endeavors. He is the Founder and Chairman of nonprofit Global Playground, which helps educate countless children worldwide; a member of the Board of Directors of Ascanius: The Youth Classics Institute, which promotes the study of Latin and the Classics in the elementary school; and a former member of the Board of Directors of the Northeast Conference on the Teaching of Foreign Languages, which promotes the study of world languages more broadly. Recently he received an award for service: in 2011, Mr. Bunch was the inaugural recipient of William & Mary School of Law's W. Taylor Reveley Award.

Mr. Bunch is admitted to practice in New York, the District of Columbia, the U.S. Supreme Court, the Courts of Appeals for the Second and Tenth Circuits, and the U.S. District Courts for the District of Columbia, District of Colorado, and Southern and Eastern Districts of New York. Mr. Bunch works in the Firm's Washington D.C. office.

### Monya M. Bunch

Monya M. Bunch joined Cohen Milstein as an Associate in 2009 and is a member of the Employee Benefits practice group.

Prior to joining the firm, Ms. Bunch was an associate in the Litigation Department of Wilmer Cutler Pickering Hale and Dorr LLP, where she focused on litigation in federal court, and federal criminal and regulatory investigations. While there, Ms. Bunch successfully represented the relator in a rare and complex False Claims Act trial in the United States District Court for the District of Columbia, helping the United States to win a jury verdict of just over \$103 million in damages against several defendants

who had participated in a bid-rigging conspiracy. Ms. Bunch then clerked for the Honorable Damon J. Keith of the United States Court of Appeals for the Sixth Circuit.

During law school, Ms. Bunch interned with the U.S. Attorney's Office for the Southern District of New York. Her work focused on white-collar matters within the Securities and Commodities Fraud and General Crimes units. Ms. Bunch also held a summer position with a large international law firm in New York City, where she gained experience in trade practices, intellectual property and antitrust matters.

Prior to earning her law degree, Ms. Bunch dedicated her career to community activism and development as a local planner for the organization Agenda for Children Tomorrow (A.C.T.), in New York City. While working for A.C.T., she supported a neighborhood-planning coalition by linking community projects related to child welfare, family planning and youth services.

Ms. Bunch received her undergraduate degree from Hampton University (B.S., 1991) and her graduate degree from the University of Hartford (M.P.A., 1994). She received her law degree from Howard University School of Law (J.D., 2004), where she served as editor-in-chief of the *Howard Law Journal* and authored a Comment, *Juvenile Transfer Proceedings: A Place for Restorative Justice Values*, 47 How. L.J. 909 (2004), for which she received the 2005 Burton Award for Excellence in Legal Writing.

Ms. Bunch is admitted to practice in New York and the District of Columbia.

### Robert A. Cacace

Robert Cacace joined Cohen Milstein as an Associate in 2010 and is a member of the Antitrust practice group.

Prior to joining the firm, Mr. Cacace was a law clerk for the Honorable Gladys Kessler at the U.S. District Court for the District of Columbia, where he handled a variety of civil and criminal matters, including the habeas corpus petitions of Guantanamo Bay detainees.

Mr. Cacace graduated from Harvard College with a B.A. in History (2003, *cum laude*), Oxford University (M.St., 2005), and Harvard Law School (J.D., *cum laude*, 2008). During law school, Mr. Cacace served as an Executive Editor for the *Civil Rights-Civil Liberties Law Review* and the *BlackLetter Law Journal*. He also worked with asylum-seekers and legal issues related to refugee law as a member of Harvard's clinical programs. Mr. Cacace spent two summers working with the Department of Justice. In addition, he worked as a summer associate for Paul, Weiss, Rifkind, Wharton & Garrison in New York, NY.

Mr. Cacace is admitted to practice in the District of Columbia and New York State

## Whitney R. Case

Whitney R. Case joined Cohen Milstein as an Associate in 2005 and is a member of the Consumer Protection & Unsafe Products practice group.

Ms. Case has been actively involved in a number of class action cases, including a case against SBC Communications, Inc., *Wagener*, et al. v. SBC Pension Benefit Plan - Non-Bargained Program (D.D.C.), which alleged widespread miscalculation of pension benefits owed to its employees in

violation of ERISA. That case resulted in a \$16 million settlement for retirees. She has also represented Fiduciary Counselors, Inc. in their capacity as independent fiduciary for the Enron Savings Plan, including evaluating settlements reached in the *Newby v. Enron Corp.* (S.D. Tex.) securities class action case.

Currently, Ms. Case represents the City of Chicago in a case against online travel companies, alleging a systematic failure to pay taxes owed under Chicago's Hotel Tax Ordinance. Ms. Case is also involved in cases against Sallie Mae related to excessive interest and late fee charges on student loans, and against Vonage related to deceptive business practices in advertising and administering promotional offers.

Ms. Case is the author of "The Coupon Can Be the Ticket: The Use of 'Coupon' and Other Non-Monetary Redress in Class Action Settlements," 18 Geo. J. Legal Ethics 1431 (2005) (co-authored with Lisa Mezzetti).

Prior to joining Cohen Milstein, Ms. Case served as a law clerk at the District of Columbia Bar's Board on Professional Responsibility. She also studied International Law at University College in London, England and was a student attorney in the Domestic Violence Clinic at Georgetown University Law Center.

Ms. Case received her law degree from Georgetown University Law Center in 2005. She received her undergraduate degree from Tulane University (B.A., Political Economy and French, cum laude, 2002) during which time she spent a year studying at Universite de Paris IV, La Sorbonne.

Ms. Case is admitted to practice in New York, New Jersey and the District of Columbia.

# **Jeffrey Dubner**

Jeffrey Dubner joined Cohen Milstein as an Associate in 2011 and is a member of the Antitrust practice group.

Prior to joining the firm, Mr. Dubner was a law clerk for the Honorable Guido Calabresi of the U.S. Court of Appeals for the Second Circuit and the Honorable John G. Koeltl of the U.S. District Court for the Southern District of New York

Mr. Dubner graduated from Harvard University with a B.A. in Psychology (2003, *cum laude*) and Harvard Law School (J.D., *magna cum laude*, 2009). During law school, Mr. Dubner served as a Notes Editor for the *Harvard Law Review*. He also worked as a research assistant for Professors Martha Minow and Sonja Starr and was a Coalition Against Gender Violence board member. Mr. Dubner spent summers working with the U.S. Attorney's Office for the Southern District of New York and the Office of Consumer Litigation of the Department of Justice. In addition, he worked as a summer associate for O'Melveny and Myers in Washington, D.C.

Mr. Dubner is admitted only in New York; practicing under the supervision of principals of the firm.

# Suzanne Dugan

Suzanne Dugan joined Cohen Milstein in 2011 as Of Counsel in the Securities Fraud/Investor Protection Practice Group, where she counsels pension funds on fiduciary, ethics, governance and

compliance issues. Ms. Dugan's role is to assist public pension funds at critical and challenging times for those funds, and to provide collaborative and creative solutions.

With more than 20 years of legal experience, including service as ethics counsel for the third largest public pension fund in the country, Ms. Dugan's experience includes designing, implementing, managing and assessing a comprehensive ethics program as well as providing guidance on fiduciary issues. She offers deep knowledge and broad coverage for pension funds that need expert guidance on various issues including, but not limited to, fiduciary responsibility, ethical duties, strategic governance, compliance and related organizational mandates. She also assists funds in conducting internal investigations and structuring recommendations, and works in collaboration with Cohen Milstein's securities litigation team to help counsel funds on litigation matters, opt-outs, and lead plaintiff roles.

Previously, Ms. Dugan served as Special Counsel for Ethics for the Office of the New York State Comptroller, having been appointed by Comptroller Thomas P. DiNapoli in 2007. As Special Counsel for Ethics, Ms. Dugan organized and oversaw a vigorous and dynamic ethics program for the 2,500 employees in the Office of the State Comptroller. Ms. Dugan provided advice and counsel to the State Comptroller acting as the state's chief fiscal officer and as sole trustee of the \$140 billion state and local pension fund. As Ethics Officer, she provided guidance to senior management and all officers and employees at the Office on aspects of ethics laws, rules and regulations deriving from the State Public Officers Law and Executive Law, the Comptroller's Executive Orders, the Office's policies and procedures, and other relevant sources.

As Special Counsel for Ethics, Ms. Dugan provided training to all officers and employees of OSC, including Comptroller DiNapoli. She initiated a program that provides specific ethics guidance to each division of OSC, focusing on the particular ethics challenges faced in the course of doing business. Ms. Dugan and her staff of five also provided individual advice and counsel on all aspects of ethics issues. These programmatic initiatives were designed to promote a culture of ethics and public integrity at all levels of OSC.

Ms. Dugan previously was the Acting Executive Director and Counsel to the New York State Ethics Commission where she served as an attorney for almost fifteen years. She is a frequent lecturer at conferences and forums on government ethics. Her upcoming and most recent speaking engagements include:

- Invited Panelist, "Trustee Education: Fiduciary Responsibility", Public Funds Summit East, Newport, RI, July 2012.
- Panelist, "Trustee Education: Fiduciary Responsibility", Public Funds Summit, Scottsdale, AZ, January 2012.
- Panelist, "Are Pension Benefits Really Vested? Latest Developments in Fiduciary Duty", SACRS Fall Conference, Costa Mesa, CA, November 2011.

Ms. Dugan has served as an adjunct faculty member at Albany Law School of Union University teaching a class in government ethics.

Ms. Dugan graduated *magna cum laude* from Siena College in Loudonville, New York, and earned a Juris Doctor *cum laude* from Albany Law School of Union University. Ms. Dugan began her career as a judicial clerk, serving two years as an Appellate Court Attorney with the Appellate Division, Third

Department, of the New York State Supreme Court. She previously served as an administrator at Albany Law School, as well as the pro bono Legal Director of an Albany, New York, area not-for-profit. She currently serves as a member of the Board of Directors of a local chapter of Planned Parenthood. She is an elected member of the American Law Institute.

### Michael Eisenkraft

Michael Eisenkraft joined Cohen Milstein in 2009 as an Associate and is a member of its Securities Fraud/Investor Protection and Commercial Contingency practice groups. Mr. Eisenkraft currently represents investors in many of the firm's ongoing mortgage-backed securities cases, including *Lehman*; *HEMT* (Credit Suisse); *Harborview* (RBS Greenwich Capital); *RALI* and *Novastar* as well as the firm's ongoing litigation in the *Silver* case.

Prior to joining the firm, Mr. Eisenkraft was associated with Kramer Levin Naftalis & Frankel LLP and, before that, with the firm now known as Milberg LLP.

Mr. Eisenkraft served as a law clerk to the Honorable Barrington D. Parker of the United States Court of Appeals for the Second Circuit.

While associated with Milberg, Mr. Eisenkraft represented a lead plaintiff in a number of securities fraud class actions, including *In re CVS Securities Litigation* (D. Mass.), which settled on the eve of trial for \$110 million; *In re Novastar Financial Securities Litigation* (W.D. Mo.), which eventually settled for \$7.25 million; *In re McLeodUSA Inc. Securities Litigation* (N.D. Iowa), which settled for \$30 million; *In re Regeneron Pharmaceuticals Inc.* (S.D.N.Y.), which settled for \$4.7 million; and *In re ARM Financial* (W.D. Ky.), which settled for \$4.1 million.

When associated with Kramer Levin Naftalis & Frankel, Mr. Eisenkraft represented individuals and large corporations in complex civil, criminal, and regulatory matters. Matters included the representation of the former CEO of a publicly traded company charged with a multi-billion dollar securities fraud; the defense of the former director and chair of the compensation committee of the New York Stock Exchange in an action brought by the New York Attorney General relating to executive compensation; and the representation of publicly traded corporations in complex civil suits.

## **Publications:**

Class Action Issues, Ch. 5 of Private Antitrust Enforcement of Antitrust Law in the United States: A Handbook (Edward Algar, Cheltenham, UK)(co-authored with J. Douglas Richards and Abigail Shafroth) (forthcoming in 2012).

Eric Tirschwell & Michael Eisenkraft, "Repugnant" and "Malevolent": The Use of Acquitted Conduct in Federal Sentencing, New York Law Journal, Sept. 9, 2009 at 4.

Robert A. Wallner & Michael Eisenkraft, *The Pleading Standard for Scienter Under the PSLRA: Is It Constitutional?*, Securities Litigation Report, Feb. 2005, at 1.

### Education:

Mr. Eisenkraft graduated *Magna Cum Laude* and Phi Beta Kappa from Brown University (2001) and *Cum Laude* from the Harvard Law School (2004).

### Admissions:

Mr. Eisenkraft is admitted in New York, New Jersey, the S.D.N.Y., the E.D.N.Y., the D.N.J., the U.S. Court of Appeals for the Federal Circuit, and the U.S. Court of Appeals for the Second Circuit.

## George F. Farah

George F. Farah joined the Firm as an Associate in September, 2005 and is a member of the Antitrust and Human Rights practice groups.

Since joining the firm, Mr. Farah has represented classes of direct purchasers who were allegedly injured by price-fixing conspiracies, including in *In re Hydrogen Peroxide Antitrust Litigation* (E.D. Pa.) and *In re OSB Antitrust Litigation* (E.D. Pa.), both of which obtained total settlements exceeding \$100 million. He has also represented victims of other tortious conduct, including the City of Milwaukee in a lawsuit against lead paint manufacturers for widespread childhood lead poisoning as well as survivors of Nazi-era slave labor against German companies that profited from that labor.

Mr. Farah is currently involved in several antitrust class action cases alleging concerted or unilateral anticompetitive conduct. In *In re Publication Paper Antitrust Litigation* (D. Ct.), he serves on the executive committee representing direct purchasers who allege that publication paper manufacturers conspired to reduce capacity and fix prices. In *Allen, et al. v. Dairy Farmers of America, et al.* (D. Vt.), he serves as co-lead counsel representing farmers who allege that cooperatives and processors in the Northeast conspired to monopolize the raw milk market and depress prices. In *Carlin, et al. v. DairyAmerica, et al.* (E.D. Ca.), he serves as co-lead counsel representing farmers who allege that a marketing company misrepresented data to the USDA and artificially depressed milk prices.

Mr. Farah is also currently litigating other cases on behalf of victims of alleged tortious conduct. In *In re Google Inc. Street View Electronic Communications Litigation* (N.D. Ca.), he serves as co-lead counsel representing a proposed class of nationwide computer users whose private data was intercepted and retained by Google's Street View vehicles. In *Greenpeace, Inc. v. Dow Chemical Company, et al.* (D.D.C.), he represents Greenpeace in a lawsuit against chemical and public relations companies that allegedly engaged in surveillance, trespass and other actions to secure information about Greenpeace's environmental activities. In political asylum proceedings before a United States Immigration Court, he represents a Nepali nurse who was tortured on the basis of her religion and social group.

Prior to joining the Firm, Mr. Farah focused on electoral reform and income inequality issues. He is the founder of Open Debates, a nonprofit organization working to reform the presidential debate process. Before attending law school, Mr. Farah worked to expose the harms of media concentration and the IMF's structural adjustment programs at The Center for the Study of Responsive Law.

Mr. Farah is the author of the book *No Debate: How the Republican and Democratic Parties Secretly Control the Presidential Debates* from Seven Stories Press. His articles addressing legal and electoral issues have been published in *The Washington Post*, *The Boston Globe*, *The Philadelphia Inquirer*, *The* 

Denver Post, The Christian Science Monitor, Fort Lauderdale Sun-Sentinel, Extra! Magazine, and other publications.

Mr. Farah has appeared on dozens of television programs, including "Nightline," "NOW with Bill Moyers," "20/20," "CBS Evening News," "NBC Nightly News," "CNN Lou Dobbs Tonight," "CNN's Market Call," "FOX and Friends," and "Countdown with Keith Olbermann." Mr. Farah has been interviewed on over 100 radio shows, including NPR's "To the Point," "Keep Hope Alive With Jesse Jackson," "Democracy Now!," "CounterSpin," and "Judicial Watch Report."

Mr. Farah has given several talks on the political process and electoral reform issues at colleges and universities, has hosted numerous televised press conferences, and was a Newsmaker at the National Press Club.

Mr. Farah is a graduate of Harvard Law School (J.D., 2005), and Princeton University (B.A., Woodrow Wilson School of Public and International Affairs, 2000). Mr. Farah was the recipient of a Paul and Daisy Soros Fellowship, and was a delegate to the 2005 International Achievement Summit.

Mr. Farah is admitted to practice in New York and the District of Columbia.

### Karen L. Handorf

Karen Handorf joined the Firm in 2007 as Of Counsel, is a member of the Employee Benefits (ERISA) practice group and is the head of the Employee Benefits Appellate Practice.

Ms. Handorf is currently involved in litigation and appeals involving a broad range of employee benefits issues including ESOPs, employer stock, and the termination of benefits. She represented a class of 30,000 Goodyear union retirees in litigation in which Cohen Milstein obtained approval of a class action settlement between the retirees, Goodyear and the United Steel Workers, resulting in the establishment of a \$1 billion trust through which retiree healthcare benefits will be provided in the future. Redington v. Goodyear (N.D. Ohio). She has co-authored amicus briefs filed by the firm on behalf of the Pension Rights Center in the U.S. Supreme Court (LaRue v. DeWolff, Boberg & Associates) and in the Third Circuit (In re Schering-Plough Corporation ERISA Litigation). She also played a primary role in drafting the appellate brief in In re Citigroup ERISA Litigation (2d Cir.) (challenging the dismissal of a complaint alleging the imprudent purchase of employer stock) and in Boos v. AT&T (5th Cir.) (involving the issue of whether a program providing cash payments to certain "pension eligible" retirees to reimburse them for their personal telephone expenses during retirement is a pension plan).

Prior to joining the firm, Ms. Handorf was an attorney for the U.S. Department of Labor (the "DOL") where she litigated ERISA cases in federal appellate and district courts for twenty five years. She began her ERISA career in 1982 as a trial attorney in the Plan Benefits Security Division (PBSD) where she litigated actions brought by the Secretary of Labor for violations of the fiduciary standards of ERISA and handled a number of appellate matters.

In 1989, she was appointed Counsel for Decentralized and Special Litigation responsible for supervising the DOL's ERISA appellate litigation, district court litigation brought by regional offices of the Solicitor of Labor and administrative litigation involving the civil penalty provisions of ERISA. In that position at the DOL, Ms. Handorf was responsible for establishing and supervising PBSD's amicus brief writing program which addressed a wide range of novel and difficult ERISA issues in

both state and federal court. While at the DOL, she also played a major role in formulating the Government's position on ERISA issues expressed in amicus briefs filed by the Solicitor General in the United States Supreme Court.

In 2001, she was appointed Deputy Associate Solicitor of PBSD. As the Deputy Associate Solicitor, she was responsible for overseeing litigation brought by the Secretary of Labor and legal advice provided to the Employee Benefit Security Administration, which administers Title I of ERISA. In 2005, she returned to her position as supervisor of the ERISA appellate and amicus brief writing program, serving as Counsel for Appellate and Special Litigation.

Ms. Handorf is a recipient of the Department of Labor Distinguished Career Service Award, and received Exceptional Achievement Awards for her work on ERISA 401(k) plan remedies, the amicus brief in the Enron litigation, retiree health care, the amicus program in general, the appellate brief in the Department's Tower litigation, termination annuities litigation and multiple employer welfare arrangement (MEWAs) litigation.

Ms. Handorf has been recognized for her expertise by her colleagues in the ERISA bar, who made her a Fellow of the American College of Employee Benefits Counsel. She is a frequent speaker on ERISA issues for the ABA, various bar associations and private seminars, and serves as plaintiffs' co-chair of a subcommittee on civil procedure of the Employees Benefits Committee of the ABA's Labor Section.

Ms. Handorf received her law degree from the University of Wisconsin Law School in 1975. Prior to law school, she attended the University of Wisconsin-River Falls where she received a B.S. in Speech and History.

Ms. Handorf is a member of the bars of Wisconsin and the District of Columbia, and is admitted to practice before the United States Court of Appeals for the Second Circuit, Third Circuit, Fifth Circuit, Seventh Circuit, Ninth Circuit and Tenth Circuit.

### Anita F. Hill

Anita F. Hill joined Cohen Milstein in 2011 as Of Counsel in the Civil Rights and Employment Practice Group.

Ms. Hill brings three decades of legal and academic experience to the Civil Rights practice. She began her career as an associate with the Washington, D.C. law firm Wald, Harkrader & Ross. Ms. Hill then served as special counsel to the assistant secretary of the Department of Education's Office for Civil Rights and later as advisor to the chair of the Equal Employment Opportunity Commission (EEOC). She began her teaching career as an assistant professor at Oral Roberts University and later joined the faculty at the University of Oklahoma College of Law. She has also visited at the University of California, Berkeley. Ms. Hill is currently a professor of social policy, law and women's studies at The Heller School for Public Policy and Management at Brandeis University.

Ms. Hill is the author of numerous articles on international commercial law, bankruptcy, and civil rights -- all areas in which she has taught. She has given numerous presentations on commercial law as well as race and gender equality. In addition, she has appeared on several television programs, such as *Face the Nation* and *Meet the Press*, and her commentary has been published by *Newsweek*, the *New York Times*, and the *Boston Globe*. Ms. Hill is the author of *Speaking Truth to Power* and served as

the co-editor of *Race, Gender, and Power in America: The Legacy of the Hill-Thomas Hearings*. She is also the author of *Reimagining Equality: Stories of Gender, Race and Finding Home*, which will be released in October 2011.

Ms. Hill is a graduate of Oklahoma State University (B.A., 1977) and of the Yale University Law School (J.D., 1980).

## Joshua Kolsky

Joshua Kolsky joined Cohen Milstein in 2009 as an Associate and is a member of the Securities Fraud/Investor Protection practice group.

Prior to joining the firm, Mr. Kolsky served as a law clerk to the Honorable Barry G. Silverman of the U.S. Court of Appeals for the Ninth Circuit. He previously practiced at Gibson, Dunn, & Crutcher in Los Angeles and, immediately following law school, Mr. Kolsky served as a special assignment law clerk to the Honorable David O. Carter and the Honorable George H. King of the U.S. District Court for the Central District of California.

Mr. Kolsky graduated from the University of Virginia with a B.S. in Engineering Science (2001) and from Columbia Law School (J.D., 2006), where he was a Harlan Fiske Stone Scholar. While at Columbia, Mr. Kolsky served as the production editor of the Columbia Human Rights Law Review. He also interned at the American Civil Liberties Union's National Legal Department and Public Citizen's Global Trade Watch, and participated in the Morningside Heights Environmental Law Clinic.

Mr. Kolsky is admitted to practice in Maryland and is practicing under the supervision of Steven Toll, a member of the D.C. Bar.

### Kalpana Kotagal

Kalpana Kotagal joined the Cohen Milstein as an Associate in November 2006 and is a member of the Civil Rights & Employment practice group.

Ms. Kotagal currently is involved in *Hill, et. al v. Donohue, United States Postal Service*, representing a class of disabled veteran applicants alleging illegal pre-offer medical inquiries during the application process against the United States Postal Service. Ms. Kotagal also represents the plaintiffs in *Jock, et al. v Sterling Jewelers Inc.* (AAA Case No.11 160 00655 08), representing female employees alleging sexual discrimination against one of the nation's largest jewelry chains. The plaintiffs successfully sought review of the district court's decision reversing the arbitrator's clause construction award before a three-judge panel of the Second Circuit Court of Appeals and now await and ruling from the full Second Circuit on Sterling Jewelers petition for en banc review. Ms. Kotagal is also currently involved in *Dukes v. Wal-Mart Stores, Inc.* (N.D. Cal.).

Ms. Kotagal was involved in *Aaron v. Pilgrim's Pride Corp.*, Civ. No. 06-1082 (W.D. Ark.), representing workers seeking redress for unpaid overtime, a case that was successfully resolved in 2009.

Ms. Kotagal is the co-author of "Innovation, Economics and the Law: The Health Care Industry's Exposure to Antitrust Liability," published by the ABA Antitrust Law Section in 2007. She is a member of the National Employment Lawyers Association (NELA).

Before attending law school, Ms. Kotagal worked in the environmental community as Assistant National Field Director of the United States Public Interest Research Group, running national legislative campaigns on renewable energy and environmental issues, and as an organizer with Green Corps. In 2006, she served as an advisor to a Congressional candidate. Ms. Kotagal served as an honorary chair of the National Finance Committee of Young Lawyers for Obama in 2008.

While in law school, Ms. Kotagal was a summer associate at Cohen Milstein and served as law clerk in the Chambers of the Honorable J. Curtis Joyner, Eastern District of Pennsylvania. She was also involved in litigation under the Alien Tort Claims Act and RICO on behalf of Haider Mushin Saleh against contractors CACI and Titan for human rights abuses in Abu Ghraib prison. She served on the Editorial Board of the University of Pennsylvania Law Review as an Articles Editor.

Following law school, Ms. Kotagal clerked for the Honorable Betty Binns Fletcher, United States Court of Appeals for the Ninth Circuit.

Ms. Kotagal received her undergraduate degree with honors from Stanford University (A.B., economics, B.S., earth systems, 1999) and was a Morris K. Udall Scholar. She received her law degree cum laude from the University of Pennsylvania (2005), where she was a James Wilson Fellow.

Ms. Kotagal is admitted to practice in New York and the District of Columbia.

### Joel P. Laitman

Joel P. Laitman joined Cohen Milstein as Of Counsel in 2009. He is a member of the Securities Fraud/Investor Protection practice group.

Since joining CMST, he has litigated the *Leap Wireless* case (S.D.Cal) (\$13.75 million) and is one of the lead attorneys in many of the firm's mortgage backed securities cases pending throughout the country including *Lehman*; *Bear Stearns*; *HEMT* (Credit Suisse); *Harborview* (RBS Greenwich Capital); *Rali* and *Novastar*. Joel Laitman was elected to the 2011 New York Super Lawyers. Super Lawyers is a rating service of outstanding lawyers who have attained a high-degree of peer recognition and professional achievement.

Prior to joining Cohen Milstein, Mr. Laitman was a partner at Schoengold Sporn Laitman & Lometti. At his former firm, Mr. Laitman litigated numerous national securities and consumer class actions including many securities class action cases where the firm served as sole lead counsel, including Westar Energy Securities Litigation (D. Kansas) (\$30 million recovery); Nicor, Inc. Securities Litigation (N.D. Ill.) (\$39 million recovery); SPX Corporation Securities Litigation (W.D.N.C.) (\$20 million recovery); Maley v. Del Global (\$11.5 million recovery) and Tidel Technologies (S.D. Tex) (\$4.05 million recovery in cash and stock). In Del Global Judge McMahon commended him as an attorney who she "respected" and in approving the settlement stated that plaintiffs' counsel "had gone the extra mile" for the class.

Education: Columbia University B.A. 1981 *magna cum laude* (member Phi Beta Kappa); Georgetown University Law Center J.D. 1986.

## **Emmy Levens**

Emmy Levens joined Cohen Milstein as an Associate in 2009. She is a member of the Antitrust practice group.

Prior to joining the firm, Ms. Levens was a staff law clerk at the U.S. Court of Appeals for the Seventh Circuit, where she handled a variety of cases including employment discrimination, bankruptcy, immigration, criminal appeals, civil rights, and habeas corpus.

Ms. Levens graduated from the University of Kansas with a B.A. in Political Science (2004, with honors) and UCLA Law School (J.D., *order of the coif*, 2007). During law school, Ms. Levens served as the Managing Editor for the UCLA Journal of Environmental Law and Policy, the Director of the Downtown Legal Housing Clinic, and the president of Moot Court. She also worked as a summer associate for Morrison & Foerster, LLP in San Francisco.

Ms. Levens' admission to the Illinois Bar is pending and she is practicing under the supervision of Daniel S. Small, a member of the D.C. Bar.

# **Matthew Liles**

Matthew Liles joined Cohen Milstein as an Associate in 2010 and is a member of the Public Client practice group.

Currently, Mr. Liles represents state Attorneys General in investigations, litigation and enforcement actions involving fraudulent mortgage lending, unsafe and deceptive practices in the sale of prescription drugs, and misclassification of independent contractors in violation of state tax and labor laws. In addition to government clients, Mr. Liles represents other public-sector clients, including non-profit organizations and labor unions, in their efforts to ensure enforcement of laws protecting workers and consumers.

Prior to joining Cohen Milstein, Mr. Liles was an Honors Program Attorney in the Office of Litigation for the United States Department of Housing and Urban Development (HUD). Mr. Liles served on the legal team that successfully defended the Real Estate Settlement Procedures Act (RESPA), HUD's consumer protection statute, against lawsuits brought by homebuilders' and mortgage brokers' national associations, which challenged the legality of the statute. Mr. Liles also litigated cases enforcing HUD mortgages as well as the Agency's mandate to provide decent, safe, and sanitary housing for all. While at HUD, Mr. Liles also handled numerous politically sensitive cases involving issues of bankruptcy and foreclosure.

Mr. Liles has also worked in several political positions, including in the office of United States Representative Bob Etheridge (D-NC) and the North Carolina Senate Democratic Caucus.

Mr. Liles received his degree in Economics and Political Science from the University of North Carolina at Chapel Hill, *with distinction* (B.A., 2005). He received his law degree from the University of North Carolina School of Law (J.D., 2008). In law school, Mr. Liles focused on public interest law and was a Board Member of the UNC Pro Bono Program. Mr. Liles organized and led several groups to New Orleans to address the legal issues during the Hurricane Katrina recovery. Mr. Liles was recognized for his exemplary public service by the Louisiana State Supreme Court for his contributions to the recovery efforts.

During law school Mr. Liles was on the Holderness Moot Court. Mr. Liles also worked on the North Carolina Journal of International Law and Commercial regulation and is the author of *Did Kim Jong-Il Break the Law? A Case Study on How North Korea Highlights the Flaws of the Non-Proliferation Regime*, 33 N.C. J. Int'l L. & Com. Reg. 103 (Fall 2007).

Mr. Liles is admitted to practice in the District of Columbia and the state of North Carolina.

## Mimi Liu

Mimi Liu joined Cohen Milstein as Of Counsel in April 2012. She is a member of the Public Client practice group. Ms. Liu was formerly a senior lawyer at Planned Parenthood Federation of America, where for almost eight years she represented clients in a variety of high-profile constitutional civil rights matters. She successfully briefed and argued cases before numerous federal district and appellate courts and state appellate courts. Ms. Liu brings her robust experience as a civil rights litigator to this practice, where she represents state Attorneys General in investigations, litigation, and enforcement actions aimed at protecting consumers and public resources. Currently, Ms. Liu represents state Attorneys General in actions involving Medicaid fraud, and unfair and deceptive practices in debt collection.

Prior to joining Planned Parenthood, Ms. Liu was a litigator at Wilmer, Cutler & Pickering (now WilmerHale), where she represented clients in civil rights, intellectual property, bankruptcy, and federal securities litigations. In addition, during her time at Wilmer, Cutler, Ms. Liu was part of the trial team that successfully challenged a federal law restricting access to reproductive health services in the Southern District of New York and served as appellate counsel for a brutalized Congolese woman, whose asylum she ultimately secured.

Ms. Liu graduated from Harvard Law School (J.D., *cum laude*, 1999), where she served as Executive Editor of the *Human Rights Journal* and co-authored the *treatise Gender Asylum Law*, which examines decisions and guidelines for filing asylum applications in a variety of international jurisdictions. She received her Bachelor of Commerce from the University of Alberta (1996). Following law school, Ms. Liu, a Canadian, clerked for the Court of Appeals of Alberta and for the Honorable Justice Claire L'Heureux-Dubé of the Supreme Court of Canada.

Ms. Liu is admitted to practice in the District of Columbia and New York, the United States Courts of Appeals for the Sixth, Eighth, and Ninth Circuits, and the United States District Court for the District of Columbia.

## **Christopher Lometti**

Chris Lometti joined Cohen Milstein in 2009 as Of Counsel. Since joining the firm, he litigated the *Leap Wireless* case (S.D. Cal) (\$13.75 million recovery) and is one of the lead attorneys in many of the firm's ongoing mortgage-backed securities cases, including *Lehman*; *WaMu*; *Countrywide*; *Bear Stearns*; *HEMT* (Credit Suisse); *Harborview* (RBS Greenwich Capital); *Rali* and *Novastar*.

Prior to joining Cohen Milstein, he was a founding member of Schoengold Sporn Laitman & Lometti, P.C. ("SSLL"), where he practiced for more than thirteen years in the area of securities class action litigation.

While at SSLL, Mr. Lometti oversaw the firm's institutional client development efforts. Under his supervision, the firm established relationships with dozens of Taft-Hartley pension and benefit funds which the firm represented in numerous securities class action lawsuits over the years. In addition, Mr. Lometti participated in the successful litigation of these and other cases, including WorldCom (\$6.15 billion recovery), Bank One (\$50 million), USN Communications (\$45 million), Nicor (\$39 million), PNC (\$47 million), Westar (\$30 million), SpectraVision (\$28 million) and SPX (\$10 million).

In *In re WorldCom, Inc. Securities Litigation*, 02-CV-3288 (S.D.N.Y.), Mr. Lometti represented a named plaintiff and certified class representative with a significant financial interest in WorldCom bonds. That case was settled in 2005 for over \$6.15 billion, the second-largest securities fraud settlement of all time. A majority of the settlement proceeds in the WorldCom case was allocated to the bond claims of Mr. Lometti's client and the class they represented. In addition, in *In re Nicor Securities Litigation*, 02-CV-5168 (N.D. Ill.), Mr. Lometti represented a Taft-Hartley pension and benefit fund in their capacity as sole lead plaintiff. Despite the fact that the case asserted claims under Section 10b of the Securities Exchange Act of 1934 which centered on complex accounting rules governing the financial reporting of natural gas leases, the case was eventually settled for \$39 million.

Prior to SSLL, Mr. Lometti was associated with Shea & Gould, a large New York City-based commercial litigation firm, where he practiced in the Litigation Department. While there, he represented an array of clients, including Fortune 500 companies, in a wide variety of commercial litigation disputes, including SEC investigations and enforcement proceedings, securities class actions and ERISA matters.

In addition to serving as a commercial mediator for the New York State Unified Court system for many years, Mr. Lometti has served as an arbitrator for the New York Stock Exchange and the National Association of Securities Dealers since approximately 1991. In 2011, Mr. Lometti was elected to Super Lawyers. Super Lawyers is a rating service of outstanding lawyers from more than 70 practice areas who have attained a high-degree of peer recognition and professional achievement. The selection process is multi-phased and includes independent research, peer nominations and peer evaluations.

Mr. Lometti received a Bachelor of Arts from Fordham College in 1983, and his J.D. from Fordham Law School in 1986. He is a member of the New York State Bar Association, the New York County Lawyers Association and the Association of the Bar of the City of New York.

## Douglas J. McNamara

Douglas McNamara, Of Counsel at the Firm, joined Cohen Milstein in 2001 as a member of the Antitrust and Consumer Protection & Unsafe Products practice groups.

Mr. McNamara has worked on numerous cases involving dangerous pharmaceuticals and medical devices, light cigarettes, defective consumer products, and environmental torts.

Prior to joining Cohen Milstein, Mr. McNamara was a litigation associate at Arnold & Porter, specializing in pharmaceutical and product liability cases. He started his career at New York City's Legal Aid Society, defending indigent criminal defendants at trial and on appeal.

He has authored two law review articles: *Buckley, Imbler and Stare Decisis: The Present Predicament of Prosecutorial Immunity and An End to Its Absolute Means*, 59 Alb. L. Rev. 1135 (1996); and *Sexual Discrimination and Sexual Misconduct: Applying New York's Gender-Specific Sexual Misconduct Law to Minors*, 14 Touro L. Rev. 477 (Winter 1998). He is presently teaching a course on environmental and toxic torts as an adjunct at George Washington University School of Law.

Mr. McNamara graduated from SUNY Albany with a B.A. in Political Science (*summa cum laude*, 1992) and New York University School of Law (J.D., 1995).

Mr. McNamara is admitted to practice in New York and the District of Columbia.

## Casey M. Preston

Casey Preston, an Associate at Cohen Milstein, is a member of the Firm's Whistleblower/False Claims Act Practice.

Mr. Preston serves as counsel in *United States of America et al. ex rel. Lauren Kieff v. Wyeth*, the whistleblower case against pharmaceutical giant Wyeth (recently acquired by Pfizer). The lawsuit alleges that states were defrauded when Wyeth falsely inflated the price of the acid suppression drug Protonix Oral from 2001 through 2006. Thirty-six states and the District of Columbia have joined with the United States to intervene in the Wyeth case -- the most states that have ever intervened in any U.S. Qui Tam case.

In addition to helping and serving as counsel for whistleblowers, Mr. Preston has also represented and advised clients in various complex litigations, securities class actions, and commercial disputes.

Mr. Preston received his B.S. degree from The Citadel and his J.D. from Villanova University School of Law (J.D., 2000). He clerked for the Hon. William J. Nealon, U.S. District Court for the Middle District of Pennsylvania (2001-2002) and the Hon. Terrence R. Nealon, Court of Common Pleas Lackawanna County, Pennsylvania (2000-2001).

Mr. Preston is admitted to the Pennsylvania Bar, and to the United States Supreme Court, Eastern District of Pennsylvania and Middle District of Pennsylvania.

He is a member of Taxpayers Against Fraud (TAF) and the Villanova Law J. Willard O'Brien American Inn of Court. And he provides pro bono legal services to the Legal Clinic for the Disabled.

### Stefanie M. Ramirez

Stefanie M. Ramirez joined Cohen Milstein as an Associate in 2010. She is a member of the Consumer Protection & Unsafe Products practice group.

Prior to joining the firm, Ms. Ramirez was an associate in the litigation departments of Tannenbaum Helpern Syracuse & Hirschtritt LLP and Proskauer Rose LLP, both in New York, NY. Her practice primarily focused on commercial litigation, labor and employment, bankruptcy, securities, intellectual property and class actions. While in law school, Ms. Ramirez worked as a legal intern at the Alabama American Civil Liberties Union (ACLU).

Ms. Ramirez received her undergraduate degree from the University of Alabama (B.A., *summa cum laude*, 2004) and her graduate degree in English from the University of Alabama (M.A., 2004). She received her law degree from Columbia University School of Law (J.D., 2007), where she was Membership Chair of the Columbia Law Students for Choice, served on the staff of the Journal of Gender and Law, and was a three-time recipient of the Thomas G. Shearman Scholarship.

Ms. Ramirez is admitted to practice in New York, the United States District Court for the Southern District of New York, and the United States District Court for the Eastern District of New York. Her admission to the D.C. Bar is pending.

## Daniel B. Rehns

Daniel B. Rehns joined Cohen Milstein as an Associate in 2009 and is a member of the Securities Fraud/Investor Protection practice group. Prior to that time, Mr. Rehns was an Associate at Schoengold Sporn Laitman & Lometti, P.C. ("SSLL"), where he practiced in the areas of securities fraud and consumer class action litigation since 2007.

While at SSLL, Mr. Rehns devoted his practice to the representation of individual and institutional shareholders who had been injured as the result of corporate fraud or corporate malfeasance. Notably, Mr. Rehns represented numerous Taft-Hartley pension funds in securities class actions suits arising from material misstatements in Registration Statements and Prospectuses issued in connection with purchases of Mortgage-Backed Securities (MBS) collateralized by "toxic loans," including sub-prime, Alt-A and other fraudulently originated mortgages. In addition, Mr. Rehns represented a Taft-Hartley pension fund in a securities fraud class action against SPX Corporation arising from material misrepresentations about SPX's business segments, free cash flow, and \$45 million of alleged insider sales in the weeks leading up to SPX's negative disclosure. This matter was successfully litigated and resulted in a \$10 million cash settlement.

Mr. Rehns has also represented classes of consumers of both manufactured and banking products who had purchased defective products or had been defrauded by unfair business practices.

Mr. Rehns earned his Juris Doctorate from New York Law School in 2005 as a Dean's List recipient. While in law school, Mr. Rehns participated in Froessel Moot Court and was a member of the New York Law School Corporate & Business Law Society. Notably, Mr. Rehns co-authored the first edition of West's Nutshell on Corporate Financial Law.

Prior to law school, Mr. Rehns received a Bachelor of Arts from Bucknell University in 2002, with a double major in Economics and Finance, and minors in Legal Studies and Philosophy. Mr. Rehns was involved in several school and philanthropic groups, including Sigma Alpha Epsilon Fraternity, Big Brothers/Big Sisters of America and the Dean's Student Alumni Association.

Mr. Rehns is a resident of Cohen Milstein's New York office.

### Admissions and Affiliations

- New York State
- United States District Court for the Southern District of New York
- United States District Court for the Eastern District of New York

- United States District Court for the District of New Jersey
- American Bar Association
- New York State Bar Association

### Kenneth M. Rehns

Kenneth M. Rehns joined Cohen Milstein as an Associate in April 2009 and is a member of the Securities Fraud/Investor Protection practice group. Prior to joining Cohen Milstein, Mr. Rehns was an Associate at Schoengold Sporn Laitman & Lometti, P.C. ("SSLL") where he practiced in the area of securities fraud.

Mr. Rehns earned his law degree from Syracuse University College of Law in 2008 graduating cum laude. While in law school, Mr. Rehns was an associate editor on two of the School's academic journals, *The Syracuse Journal of International Law and Commerce* and *The Digest*. Mr. Rehns was also a member of the Syracuse University Community Development Law Clinic where he assisted several not-for-profit organizations attain tax-exempt status and served as general counsel to both for-profit and not-for-profit businesses. During the summer of 2007, Mr. Rehns worked at Cohen Milstein in the firm's International Group.

Before law school, Mr. Rehns received a Bachelor of Business Administration from The George Washington University in 2005, graduating cum laude, with a concentration in Business, Economics and Public Policy and a minor in Economics.

Mr. Rehns is a resident of Cohen Milstein's New York office.

## Admissions and Affiliations

- State of New York
- State of New Jersey
- United States District Court for the Southern District of New York
- United States District Court for the District of New Jersey
- New York State Bar Association
- New York County Lawyers Association

### Bruce F. Rinaldi

Bruce Rinaldi joined the Firm in 2004 as Of Counsel and is a member of the Employee Benefits practice group.

After clerking for United States District Judge James A. Walsh in Tucson, Arizona, Mr. Rinaldi taught at the University of Arizona School of Law and was in private practice in Tucson before serving as a Special Counsel in the Office of the General Counsel at the Securities and Exchange Commission. In 1979 he joined the Special Litigation Division in the Office of the Solicitor of Labor as Supervisory Trial Attorney, where he ran the litigation of *Donovan v. Fitzsimmons* (N.D. Ill.), negotiating and drafting a consent decree governing the management of billions of dollars in assets of the Teamsters Central States Pension Fund, which remains in effect today. Mr. Rinaldi also conducted a four month trial of allegations of ERISA fiduciary breaches with respect to the Teamsters Central States Health and Welfare Fund in *Brock v. Robbins* (D.C. N.D. Ill.).

In 1985 Mr. Rinaldi became the Senior Trial Attorney in the Plan Benefits Security Division of the Department of Labor. Mr. Rinaldi litigated a wide range of major fiduciary breach cases brought by the Secretary of Labor under ERISA including the seminal case of *Reich v. Valley National Bank* (S.D.N.Y.), concerning fiduciary breaches in the acquisition of employer stock by an ESOP. In 1989 Mr. Rinaldi joined the Office of Thrift Supervision ("OTS") as the Associate Chief Counsel for Litigation and directed investigations and enforcement actions under the Financial Institutions Reform, Recovery, and Enforcement Act ("FIRREA") for fiduciary breaches arising out of failures of thrifts and savings and loan organizations. He directed all of the enforcement actions taken by the OTS against officers, directors, accountants, and attorneys associated with Lincoln Savings and Loan Association, the largest thrift failure in history. *See In re American Continental Corp./Lincoln Sav. & Loan Securities Litigation* (D.C. Ariz.).

In 2000, Mr. Rinaldi left the government for private practice. As the senior litigator at the McTigue Law Firm, Mr. Rinaldi was responsible as co-lead counsel for several cases, including the approved settlement of a case against the fiduciaries of the Morrison Knudson 401(k) plan; *In re McKesson HBOC, Inc. ERISA Litigation* (N.D. Cal.); and *In re CMS Energy ERISA Litigation* (E.D. Mich.).

Mr. Rinaldi earned a B.A. in Political Science from the University of California at Berkeley in 1969, after spending three years as a Peace Corps volunteer in Venezuela, and then received his law degree from the University of California at Davis (King Hall) in 1972.

Mr. Rinaldi is admitted to practice in the District of Columbia and is an inactive member of the Arizona and California Bars.

#### Sharon K. Robertson

Sharon K. Robertson joined Cohen Milstein as an Associate in 2007 and is a member of the Antitrust practice group.

Ms. Robertson currently represents Registered Nurses employed by hospitals in Albany, Detroit and Memphis in lawsuits alleging that their employers unlawfully fixed their wages in violation of federal antitrust laws. Ms. Robertson is also working on *In re Urethane Antitrust Litigation (Polyether Polyol Cases)* (D. Kan.), where she represents a class of direct purchasers of several types of chemicals who allegedly were overcharged as a result of a nationwide price-fixing and market allocation conspiracy. One defendant, Bayer, already has settled for \$55.3 million and is providing cooperation pursuant to its obligations under the settlement agreement.

Ms. Robertson also represents Indonesian villagers in a lawsuit against Exxon Mobil over torture and extrajudicial killings allegedly committed by the defendant's security forces (a unit of the Indonesian military).

Before attending law school, Ms. Robertson worked on the campaign committee of Councilman John Liu, the first Asian-American to be elected to New York City's City Council.

During law school, Ms. Robertson served as an Alexander Fellow. In that capacity, she spent a semester interning full-time for the Honorable Shira A. Scheindlin, United States District Court for the Southern District of New York. She was also an intern in the Litigation Bureau of the Office of the New York State Attorney General and the United States Court of Appeals for the Second Circuit.

Ms. Robertson graduated from the State University of New York at Binghamton, where she received a B.A. in Philosophy, Politics and Law (*magna cum laude*, 2003). She received her law degree from the Benjamin N. Cardozo School of Law (J.D., 2006). She served as Notes Editor of the Cardozo Public Law, Policy and Ethics Journal.

Ms. Robertson is admitted to practice in New York and New Jersey.

#### **Peter Romer-Friedman**

Peter Romer-Friedman joined Cohen Milstein in 2009 as an Associate and is a member of the Civil Rights and Employment Practice Group.

Prior to joining the firm, Mr. Romer-Friedman served as labor counsel for the U.S. Senate Committee on Health, Education, Labor and Pensions and its Chairman, Senator Edward M. Kennedy. Mr. Romer-Friedman assisted Chairman Kennedy and other Senators in drafting legislation, speeches, and regulatory comments, and holding hearings on a range of labor, employment, and civil rights issues.

Prior to his work in the Senate, Mr. Romer-Friedman served as a law clerk to the Honorable Stephen Reinhardt of the U.S. Court of Appeals for the Ninth Circuit in Los Angeles.

Mr. Romer-Friedman graduated from the University of Michigan at Ann Arbor with a B.A. in Honors Economics and Social Science (cum laude and Phi Beta Kappa, 2001) and Columbia Law School (J.D., 2006), where he was a James Kent Scholar and a Harlan Fiske Stone Scholar. While at Columbia, Mr. Romer-Friedman served as managing editor of the Columbia Journal of Law & Social Problems, authored a Note, Eliot Spitzer Meets Mother Jones: How State Attorneys General Can Enforce State Wage and Hour Laws, 39 Colum. J.L. & Soc. Probs. 495 (2006), and was as an extern to the Honorable Shira Scheindlin, U.S. District Court for the Southern District of New York. In addition, he was the recipient of the Emil Schlesinger Labor Prize and the ABA-BNA Award for Excellence in the Study of Labor and Employment Law.

While at Michigan, he received the national Harry S. Truman Scholarship for Public Service and cofounded the Worker Rights Consortium, a non-profit organization that monitors labor rights in apparel factories worldwide.

Prior to law school, Mr. Romer-Friedman was a Legislative Representative for the United Steelworkers of America, and worked for several other labor organizations, including the AFL-CIO, UNITE!, and SEIU.

Mr. Romer-Friedman is admitted to practice in New York, and is practicing under the supervision of Joseph M. Sellers, a member of the D.C. Bar.

## **Abby Shafroth**

Abby Shafroth joined Cohen Milstein as an Associate in 2010 and is a member of the Civil Rights & Employment practice group.

Prior to joining the firm, Ms. Shafroth was a fellow and associate counsel for the Lawyers' Committee for Civil Rights Under Law in the Fair Housing and Employment Discrimination Projects, where she litigated complex civil rights cases challenging exclusionary zoning and employment discrimination.

She also served as a law clerk for the Honorable Richard A. Paez of the United States Court of Appeals for the Ninth Circuit.

Ms. Shafroth graduated from Harvard College with an A.B. in Psychology (cum laude, 2004) and Harvard Law School (cum laude, 2008). During law school, Ms. Shafroth served as Articles Editor for the Harvard Law Review and as Editor for the Civil Rights - Civil Liberties Law Review. She also assisted in the employment civil rights group at the WilmerHale Legal Services Center and worked with Ghana Legal Services in studying local health care delivery in rural Ghana. In addition, Ms. Shafroth spent summers working with the Lawyers' Committee for Civil Rights Under Law, Covington & Burling, and the Civil Rights Bureau of the New York State Office of the Attorney General.

Ms. Shafroth is admitted to practice in New York and the District of Columbia.

## Jan Singelmann

Jan Singelmann joined Cohen Milstein as an Associate in 2011. He is a member of the Public Client practice group.

Currently, Mr. Singelmann represents state Attorneys General in investigations, litigation and enforcement actions involving fraudulent mortgage lending practices by major financial institutions. In addition to government clients, Mr. Singelmann represents other public-sector clients, including nonprofit organizations and labor unions, in their efforts to ensure that laws protecting workers and consumers are enforced.

Prior to joining Cohen Milstein, Mr. Singelmann was an associate in the Federal Section at Mintz Levin Cohn Ferris Glovsky & Popeo PC, and the litigation department at Crowe & Dunlevy. His practice focused on antitrust litigation and complex commercial litigation in federal court.

Mr. Singelmann received his undergraduate degree in Political Science from the University of Missouri-Kansas City, with distinction (B.A. 2001), and law degree from Georgetown University Law Center (*cum laude*, 2007). While at Georgetown, Mr. Singelmann received the CALI Award in Civil Procedure, served on the Georgetown Immigration Law Journal and was the Assistant Appellate Director for Moot Court. In addition, he worked as a student attorney at the Institute of Public Representation, Georgetown's public interest law clinic.

While at the University of Missouri-Kansas City, Mr. Singelmann received the national Harry S. Truman Scholarship for Public Service.

Mr. Singelmann is admitted to practice in the District of Columbia and the state of Oklahoma.

## Richard A. Speirs

Richard A. Speirs joined Cohen Milstein as Of Counsel in 2010 and is a member of the Securities Fraud/Investor Protection practice group. For the past ten years, Mr. Speirs was a partner at Zwerling, Schachter & Zwerling, LLP.

At his former firm, Mr. Speirs served as lead or co-lead counsel in numerous securities fraud class actions throughout the United States. Mr. Speirs successfully litigated numerous national securities

class actions as lead counsel, achieving significant recoveries for investors. Mr. Speirs was also lead or co-lead attorney in several cases where the court issued a seminal decision involving the following subjects: (i) the improper grouping of unaffiliated investors in a lead plaintiff motion; (ii) recommendation of default sanction against auditing firm for discovery misconduct involving electronic audit workpapers; and (iii) the liability under Section 10(b) of a non-issuer for disclosures made by the issuer. Among the successful cases litigated by Mr. Speirs are: *In re BP Prudhoe Bay Royalty Trust Securities Litigation*, (W.D. Wa.) (\$43.5 million recovery); *In re First BanCorp Securities Litigation*, (D.P.R.) (\$74.5 million recovery); *In re Telxon Corp. Securities Litigation*, (N.D. Ohio) (\$40 million recovery); and *Hayman v. PricewaterhouseCoopers, LLP*, (N.D. Ohio) (\$27.9 million recovery). Mr. Speirs has over twenty years of experience representing investors in cases involving complex financial, accounting and auditing issues. He has also represented investors who were victims of fraudulent Ponzi schemes and the sale of unregistered securities. Mr. Speirs also has substantial experience in stockholder litigation involving corporate takeovers and in derivative actions.

Mr. Speirs was admitted to the bar of the State of New York in 1986; he is admitted to the following federal courts: the United States District Court for the Southern and Eastern Districts of New York, and the United States Court of Appeals for the Second, Ninth and Tenth Circuits. He is a member of the New York State Bar Association. In January 2007 Mr. Speirs was a panelist at the Public Funds Summit and spoke on the topic of Alternative Investments: Regulatory Landscape and Lessons from the Ashes.

Education: Brooklyn College of the City University of New York in 1976 cum laude; Brooklyn Law School J.D. 1985 (Order of the Coif).

## **Robyn Swanson**

Robyn Swanson joined Cohen Milstein as an Associate in 2010 and is a member of the Employee Benefits practice group.

Prior to joining the firm, Ms. Swanson worked as a trial attorney in the Plan Benefits Security Division of the U.S. Department of Labor, Office of the Solicitor. While there, she litigated actions brought by the Secretary of Labor under Title I of ERISA, obtaining significant recoveries for plan participants and beneficiaries in cases including *Solis v. Couturier* (E.D.Ca.) (\$12 million) and *Chao v. Magnuson* (N.D.N.Y.) (\$8.6 million). She also represented the Secretary as amicus curiae in matters involving novel and difficult ERISA issues before district courts and the Second, Sixth, Eighth, and Ninth Circuit courts of appeals. She received numerous Annual Achievement Awards from the Secretary for, among other things, her contributions in protecting participant standing to sue under ERISA and preventing the unlawful indemnification of plan fiduciaries.

Ms. Swanson began her legal career in the Department of Labor's Honors Program, where she was responsible for the enforcement and administration of a variety of labor statutes. During law school she worked at the National Center on Poverty Law, the Chicago Legal Clinic, and the Foundation for Human Rights Initiative in Uganda.

Ms. Swanson received her law degree from Northwestern University School of Law in 2004, where she received a certificate in recognition of her distinguished public service. She received her B.A. in International Studies (*cum laude*, Phi Beta Kappa) from the University of Washington.

Ms. Swanson is admitted to practice in Illinois. Her admission to the D.C. Bar is pending.

#### Catherine A. Torell

Catherine A. Torell is the Director of Securities Research And Analysis at Cohen Milstein. She joined the Firm in 2002 and is a member of the Securities Fraud/Investor Protection practice group.

Currently, Ms. Torell is involved in the *In re Parmalat Securities Litigation* (S.D.N.Y.) in which Cohen Milstein serves as co-lead Counsel. She also conducts investigations of securities fraud cases for the practice group, working with all of its litigators.

Prior to joining Cohen Milstein, Ms. Torell was associated with the firm of Entwistle & Cappucci LLP, where she served as one of co-lead counsel in *In re Providian Financial Securities Litigation* (\$38 million settlement). In approving the settlement, the Court remarked on the "extremely high quality" and "skill and efficiency" of plaintiffs' counsel's work throughout the litigation. Ms. Torell also was previously associated with Goodkind Labaton Rudoff & Sucharow LLP, where she served as counsel to the New York City Pension Funds in *In re Orbital Sciences Corp. Securities Litigation* (\$22.5 million settlement), and was a key member of the litigation team that successfully resisted defendants' efforts to dismiss the case. Ms Torell also served as counsel to the Florida State Board of Administration in *LaPerriere v. Vesta Insurance Group, et al.*, and as counsel to Amalgamated Bank of New York in *In re Bristol-Myers-Squibb Securities Litigation* (\$61 million settlement).

Ms. Torell received a B.A. in Political Science from Stony Brook University (1984) and her law degree from St. John's University School of Law (1990) where she was the recipient of the Federal Jurisprudence Award.

Ms. Torell is admitted to practice in New York.

### Michelle C. Yau

Michelle Yau joined Cohen Milstein as an Associate in August 2007 and is a member of the Employee Benefits practice group.

Prior to joining the firm Ms. Yau was an attorney in the Solicitor's Office of the U.S. Department of Labor, where she was responsible for the enforcement and administration of a variety of labor statutes. She started with the Department of Labor in the Honors Program where she was involved in several litigation matters, including the Department of Labor's Enron litigation alleging violations of ERISA. During law school Ms. Yau worked in the Employee Benefits and Executive Compensation Group of Shearman & Sterling, at the labor law firm of Segal Roitman & Coleman, and in the New York office of Tibetan Government in exile. Before law school, Ms. Yau worked as a financial analyst at Goldman, Sachs & Co. in the Financial Institutions Group of the Investment Banking Division.

Ms. Yau received her law degree from Harvard Law School in 2003, where was awarded several public interest fellowships, including the Heyman Fellowship for academic excellence and a demonstrated commitment to federal public service. Ms. Yau received a B.A. in Mathematics (with distinction, 1997) from the University of Virginia, where she was a member of Phi Beta Kappa and Phi Mu Epsilon (mathematics honors fraternity). Ms. Yau was also selected as an Echols Scholar and awarded the Student Council Scholarship for leadership, academic achievement and community service.

Ms. Yau is admitted to practice in the District of Columbia, Massachusetts, and the United States Court of Appeals for the Fourth Circuit.

## **David Young**

David Young joined Cohen Milstein as an Associate in 2010. He is a member of the Antitrust practice group. Mr. Young has extensive experience in complex antitrust litigation, class actions, federal False Claims Act litigation, and appeals.

Mr. Young represents businesses and individuals in federal and state civil actions, with a focus on multi-district class actions and federal False Claims Act litigation. He has worked on antitrust issues in numerous industries, including pharmaceuticals, financial services, financial derivatives, and PC microprocessors. Mr. Young also represents qui tam relators in federal False Claims Act litigation.

Prior to joining Cohen Milstein, Mr. Young practiced at Arnold & Porter LLP's and Heller Ehrman LLP's Washington, D.C. offices. His litigation practice focused on antitrust, trademark, business, and False Claims Act litigation. He represented the relator in *U.S. ex rel. Loughren v. UnumProvident Corp.* (D. Mass), where a jury found that UnumProvident violated the False Claims Act by causing the submission of false claims for social security disability benefits. He also represented U.S. trademark holders suing to prevent the illegal important of products bearing their marks in federal court and administrative actions. Mr. Young has represented pro bono clients in discrimination actions before the D.C. Circuit and D.C. District courts, including successfully arguing for reversal of the district court's dismissal of his client's case in *Miller v. Hersman*, 594 F.3d 8 (D.C. Cir. 2010).

Mr. Young graduated from Bridgewater College with a B.A. in Physics (2001) and from Harvard Law School (J.D., 2006), where he served as an Executive Editor for the Harvard Civil Rights-Civil Liberties Law Review. He also represented clients in disability and discrimination cases as a member of Harvard's clinical programs, worked as a research assistant for Professor Christine Jolls, and volunteered as a summer legal intern at the Whitman-Walker Clinic in Washington, D.C.

Mr. Young is admitted to practice in Washington, D.C. and New York, as well as in the U.S. Court of Appeals for the D.C. Circuit, the U.S. Court of Appeals for the Federal Circuit, and the U.S. District Court for the District of Columbia. He is a member of the ABA Section of Antitrust Law.

This is Exhibit "C" to the affidavit of Adam C. Pritchard sworn before me at the City of Ann Arbor, in the State of Michigan, in the United States of America, this 9th day of January 2013.

Commissioner of Oaths

of 4 1088 MARRINO J

| UNITED | STATES  | DISTRICT | COURT           |
|--------|---------|----------|-----------------|
| SOUTHE | RN DIST | RICT OF  | <b>NEW YORK</b> |

DAVID LEAPARD and IMF FINANCE SA on their own : behalf and on behalf of all others similarly situated, :

Plaintiffs,

V.

ALLEN T.Y. CHAN, DAVID J. HORSLEY, KAI KIT POON, BANC OF AMERICA SECURITIES LLC, CREDIT SUISSE SECURITIES (USA) LLC, SINO-FOREST CORPORATION, ERNST & YOUNG GLOBAL LIMITED, and ERNST & YOUNG LLP,

Defendants.

Case No. 1:12-cv-01726 (VM)

#### ORDER

Having considered the papers filed in support of David Leapard, IMF Finance SA ("IMF Finance"), and Myong Hyon Yoo (collectively, "Movants") for Appointment as Lead Plaintiff and Appointment of Lead Counsel, pursuant to Section 21D(a)(3)(B) of the Securities Exchange Act of 1934 (the "Exchange Act") as amended by the Private Securities Litigation Reform Act, 15 U.S.C. § 78u-4(a)(3)(B), and for good cause shown, the Court hereby enters the following Order.

## I. APPOINTMENT OF LEAD PLAINTIFF AND LEAD COUNSEL

- 1. Movants have moved the Court to be appointed Lead Plaintiffs in this class action and to approve the counsel retained to be Lead Counsel.
- 2. Having considered the provisions of § 21D(a)(3)(B) of the Exchange Act, 15 U.S.C. § 78u-4(a)(3)(B), the Court hereby determines that Movants are the most adequate

plaintiff and satisfies the requirements of the PSLRA. The Court hereby appoints Movants as Lead Plaintiffs to represent the interests of the class in this Action.

- 3. Pursuant to § 21D(a)(3)(B)(v) of the Exchange Act, 15 U.S.C. § 78u-4(a)(3)(B)(v), Movants have selected and retained the law firm of Cohen Milstein Sellers & Toll PLLC to serve as Lead Counsel. The Court approves Movants' selection of Lead Counsel for this Action.
- 4. Lead Counsel shall have the following responsibilities and duties, to be carried out either personally or through counsel whom Lead Counsel shall designate:
  - a. to coordinate the briefing and argument of any and all motions;
  - b. to coordinate the conduct of any and all discovery proceedings;
  - c. to coordinate the examination of any and all witnesses in depositions;
  - d. to coordinate the selection of counsel to act as spokesperson at all pretrial conferences;
  - e. to call meetings of the plaintiffs' counsel as they deem necessary and appropriate from time to time;
  - f. to coordinate all settlement negotiations with counsel for defendants;
  - g. to coordinate and direct the pretrial discovery proceedings and the preparation for trial and the trial of this matter and to delegate work responsibilities to selected counsel as may be required;
  - h. to coordinate the preparation and filings of all pleadings; and
  - to supervise all other matters concerning the prosecution or resolution of the Action.

- 5. No motion, discovery request, or other pretrial proceedings shall be initiated or filed by any plaintiffs without the approval of Lead Counsel, so as to prevent duplicative pleadings or discovery by plaintiffs. No settlement negotiations shall be conducted without the approval of Lead Counsel.
- 6. Lead Counsel shall have the responsibility of receiving and disseminating Court orders and notices.
- 7. Lead Counsel shall be the contact between plaintiffs' counsel and defendants' counsel, as well as the spokespersons for all plaintiffs' counsel, and shall direct and coordinate the activities of plaintiffs' counsel. Lead Counsel shall be the contact between the Court and plaintiffs and their counsel.

## IV. NEWLY-FILED OR TRANSFERRED ACTIONS

- 8. When a case that arises out of the subject matter of this Consolidated Action is hereinafter filed in this Court or transferred from another Court, the Clerk of this Court shall:
  - a. file a copy of this Order in the separate file for such action;
  - mail a copy of this Order to the attorneys for the plaintiff(s) in the newly filed or transferred case and to any new defendant(s) in the newly filed or transferred case; and
  - c. make the appropriate entry in the docket for this action.
- 9. Each new case which arises out of the subject matter of this Consolidated Action that is filed in this Court or transferred to this Court shall be consolidated with this Consolidated Action and this Order shall apply thereto, unless a party objecting to this Order or any provision of this Order shall, within ten (10) days after the date upon which a copy of this Order is served

on counsel for such party, file an application for relief from this Order or any provision herein and this Court deems it appropriate to grant such application.

## V. PRESERVATION OF RELEVANT DOCUMENTS

10. During the pendency of this litigation, or until further order of this Court, the parties shall take reasonable steps to preserve all documents within their possession, custody or control, including computer-generated and stored information and materials such as computerized data and electronic mail, containing information that is relevant to or which may lead to the discovery of information relevant to the subject matter of the pending litigation.

IT IS SO ORDERED

DATED: This 4 day of muery, 2012.

This is Exhibit "D" to the affidavit of Adam C. Pritchard sworn before me at the City of Ann Arbor, in the State of Michigan, in the United States of America, this 9th day of January 2013.

Commissioner of Oaths

JANICE L. ABBOTT

NOTARY FUBLIC, STATE OF MI
COUNTY OF LIVINGSTON
MY COMMISSION EXPIRES OG 10, 2016
COUNTY OF WALLEYAUN

## **Adam Christopher Pritchard**

University of Michigan Law School Room 1039, Legal Research 625 South State Street Ann Arbor, MI 48109-1215 (W) (734) 647-4048 (H) (734) 996-2003 Fax: (734) 647-7349 acplaw@umich.edu

#### **EXPERIENCE**

## **University of Michigan Law School**

Frances and George Skestos Professor of Law. November 2008-present. Professor. September 2003-October 2008. Assistant Professor. June 1998-August 2003.

• Edwin N. West Faculty Recognition Award, 2001.

## **University of Iowa Law School**

Visiting Professor. August 2003, August 2004, August 2005, August 2006.

## **Georgetown University Law Center**

Visiting Assistant Professor. June 2002-May 2003.

#### **Cato Institute**

Visiting Fellow in Capital Market Studies. March 2002-May 2002.

#### **Northwestern University School of Law**

Visiting Assistant Professor. January 1998-May 1998.

## Office of the General Counsel, Securities and Exchange Commission

Visiting Scholar. January 2002-March 2002. Senior Counsel, Appellate Section. August 1997-December 1997. Attorney, Appellate Section. May 1996-August 1997.

• Law & Policy Award, 1997.

#### **Bickel & Brewer**

Associate. September 1994-May 1996.

# Office of the Solicitor General, United States Department of Justice

Bristow Fellow. September 1993-August 1994.

#### Hon. J. Harvie Wilkinson III, United States Court of Appeals

Judicial Clerk. July 1992-August 1993.

#### Воокѕ

*Securities Regulation: Cases and Analysis* (Foundation Press, 1<sup>st</sup> ed. 2005, 2<sup>nd</sup> ed. 2008, 3<sup>rd</sup> ed. 2011) (with Stephen J. Choi).

Securities Regulation: Essentials (Aspen Publishers, 2008) (with Stephen J. Choi).

#### ARTICLES

Revisiting "Truth in Securities Revisited": Abolishing IPOs and Harnessing Private Markets in the Public Good, – SEATTLE U. L. REV. – (forthcoming, 2013) (Symposium).

Launching the Insider Trading Revolution: SEC v. Capital Gains Research Bureau, in RESEARCH HANDBOOK ON INSIDER TRADING, (Stephen M. Bainbridge, ed., forthcoming, 2013).

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*Civil Forfeiture and the War on Drugs: Lessons from Economics and History*, 33 SAN DIEGO L. REV. 79 (1996) (with Donald J. Boudreaux).

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Note: *Government Promises and Due Process: An Economic Analysis of the "New Property,"* 77 VA. L. REV. 1053 (1991).

#### WORKING PAPERS

SEC Investigations and Securities Class Actions: An Empirical Comparison (November 2012) (with Stephen J. Choi).

The Influence of Arbitrator Background and Representation on Arbitration Outcomes (July 2012) (with Stephen J. Choi & Jill E. Fisch).

Scandal Enforcement at the SEC: Salience and the Arc of the Option Backdating Investigations (July 2012) (with Stephen J. Choi & Anat Wiechman).

Does Delaware Entrench Management? (June 2011) (with Murali Jagannathan).

*Litigation Risk and Voluntary Disclosure: The Use of Meaningful Cautionary Language* (August 2007) (with Karen K. Nelson).

#### **TESTIMONY**

Evaluating S. 1551: The Liability for Aiding and Abetting Securities Violations Act of 2009, Senate Committee on the Judiciary, Subcommittee on Crime and Drugs (September 2009).

#### **PRESENTATIONS**

Law and Business Conference, Vanderbilt University School of Law (April 2013).

13th Annual Legal Reform Summit, U.S. Chamber of Commerce (October 2012).

Brown-Bag Lunch, Securities and Exchange Commission (July 2012).

Berle IV Conference, University College, London (June 2012).

Junior Scholars Colloquium, Federalist Society, Airlie Center, Warrenton, Virginia (Commentator) (June 2012).

Annual Meeting, American Law & Economics Association (May 2012).

American Bar Association Section of Litigation Annual Conference, Washington, DC (April 2012).

Second Annual Junior Faculty Business and Financial Law Workshop, George Washington University Law School (Commentator) (February 2012).

Corporate Roundtable: Issues in Securities Regulation, Institute for Law and Economics, University of Pennsylvania (Commentator) (December 2011).

Conference on Empirical Legal Studies, Society for Empirical Legal Studies, Northwestern University Law School (November 2011).

"The NEXT" Global Conference: A New Era of Business and Finance in East Asia, Korea Investment Bankers Forum, Seoul (October 2011).

Law & Business Seminar, Vanderbilt University School of Law (September 2011).

The SEC and the Supreme Court, SEC Historical Society (June 2011).

Bert W. Wasserman Workshop in Law and Finance, Yale Law School Center for the Study of Corporate Law (April 2011).

Federalist Society, Washington University in St. Louis Law School (March 2011).

Global and Comparative Corporate Governance, O.P. Jindal Global Law School (March 2011).

Sixth Annual NYU/Penn Conference on Law and Finance, New York University (February 2011).

International Business Seminar, New York University Law School (November 2010).

Conference on Empirical Legal Studies, Society for Empirical Legal Studies, Yale Law School (November 2010).

Illinois Corporate Colloquium, University of Illinois College of Law (November 2010).

Faculty Workshop, Marquette University Law School (October 2010).

Business Law and Regulation in the Roberts Court, Center for Business Law & Regulation, Case Western Reserve University School of Law (September 2010).

Tenth Circuit Bench & Bar Conference (August 2010).

18th Mitsui Finance Symposium: Governance and Markets, University of Michigan Business School (May 2010).

Civil Litigation Conference, Advisory Committee on Civil Rules, Duke University School of Law (May 2010).

Annual Meeting, American Law & Economics Association (May 2010).

Federalist Society, University of Alabama School of Law (February 2010).

Conference on Empirical Legal Studies, Society for Empirical Legal Studies, University of Southern California School of Law (November 2009).

Federalist Society, Cumberland School of Law, Samford University (October 2009).

Annual Meeting, Canadian Law & Economics Association (October 2009).

Lessons of the Financial Crisis: Implications for Regulatory Reform, Creighton University Law School (September 2009).

From Ivy to Olives Academic Symposium, Ono Academic College, Tel Aviv (June 2009).

Annual Meeting, American Law & Economics Association (May 2009).

Boards of Directors and the Financial Crisis: How Directors Should React, Federalist Society, Boston College (April 2009).

2009 Corporate Law Symposium, University of Cincinnati College of Law (April 2009).

A New Era Dawns for Asian Capital Markets, Asia Law Society, University of Michigan Law School (Moderator) (March 2009).

Future of Financial Regulation, Vanderbilt University Law School (March 2009).

Legal Fallout from the Financial Crisis, Teleconference, American Bar Association (January 2009).

Section on Securities Regulation, Association of American Law Schools Annual Meeting (January 2009).

Federalist Society, University of Chicago (November 2008).

Innovation, Business and Law Colloquium, University of Iowa College of Law (November 2008).

Federalist Society, New York University (November 2008).

Advanced Corporate Law Seminar, University of Toronto School of Law (October 2008).

Research Symposium on Empirical Studies of Civil Liability, Searle Center of Law, Regulation, and Economic Growth, Northwestern University (October 2008).

SEC 75th Anniversary Symposium, University of Virginia School of Law (September 2008).

Panel on The Business of the Court: Securities, Energy, Regulation, The Supreme Court: Past and Prologue, A Look at the October 2007 and October 2008 Terms, Cato Institute (September 2008).

Securities Class Action Litigation: The Problem, Its Impact and the Path to Reform, Manhattan Institute (July 2008).

Annual Meeting, American Law & Economics Association (May 2008).

Second Annual Capital Markets Summit, U.S. Chamber of Commerce Center for Capital Markets Competitiveness (March 2008).

The Future of Securities Fraud Litigation, The Financial Economics Institute, Claremont McKenna College and RAND Corporation (February 2008).

Conference on Empirical Legal Studies, Society for Empirical Legal Studies, New York University School of Law (November 2007).

The Future of Securities Class Actions in Canada, Toronto Stock Exchange (November 2007).

Eugene P. and Delia S. Murphy Conference on Corporate Law, Fordham University School of Law (October 2007).

Capitol Hill Campus, Mercatus Center, George Mason University (September 2007).

*The Future of Securities Class Actions in Canada*, Toronto Stock Exchange Lecture, University of British Columbia Faculty of Law, National Centre for Business Law (September 2007).

Roundtable, Implications of Securities Class Actions for American Competitiveness, Task Force on Capital Markets, Economic and Information Security, United States House of Representatives (September 2007).

Law & Economics Workshop, Vanderbilt University School of Law (February 2007).

Institute for Law and Economic Policy Conference (February 2007).

Section on Securities Regulation, Association of American Law Schools Annual Meeting (January 2007).

Conflicts of Interest in Investment Banking, Korea Securities Dealers Association (November 2006).

Institute for Law and Economics Seminar, University of Pennsylvania Law School (April 2006).

Conference on History in Corporate Law, Washington & Lee Law School (March 2006) (Commentator).

Section on Securities Regulation, Association of American Law Schools Annual Meeting (January 2006) (Panel Participant).

Eugene P. and Delia S. Murphy Conference on Corporate Law, Fordham University School of Law (October 2005).

Law & Economics Workshop, University of Michigan Law School (October 2005).

Behavioral Analysis of Corporate Law: Instruction or Distraction? 11<sup>th</sup> Annual Fall Business Law Forum, Lewis & Clark Law School (September 2005).

Institute for Law and Economic Policy Conference (April 2005).

Faculty Colloquium, University of Alabama School of Law (March 2005).

Conference on the Corporate Governance of Group Companies, Korea Development Institute (November 2004).

The SEC at 70, Notre Dame Law School (September 2004).

Empirical Research on Securities Fraud Litigation, American Enterprise Institute (March 2004).

2004 Corporate Law Symposium, University of Cincinnati College of Law (February 2004).

Pomerantz Lecture Program, Brooklyn Law School (February 2004).

European Business Conference, University of Michigan Business School (Panel Participant) (January 2004).

Eugene P. and Delia S. Murphy Conference on Corporate Law, Fordham University School of Law (Commentator) (November 2003).

Friday Afternoon Faculty Colloquium, University of Texas School of Law (November 2003).

Faculty Workshop, Washington & Lee University School of Law (October 2003).

Annual Meeting, American Law & Economics Association (September 2003).

Conference: The Role of Law in Creating Long Term Value for Shareholders, University of California – Berkeley (Boalt Hall) (August 2003).

Third Annual Joe C. Davis Law and Business Program Conference, Vanderbilt University School of Law (March 2003).

Advanced Business Law Seminar, Fordham Law School (March 2003).

Faculty Workshop, University of North Carolina School of Law (February 2003).

Sloan Interdisciplinary Workshop, Georgetown University Law Center (February 2003).

Corporate Control Transactions Conference, University of Pennsylvania School of Law (Commentator) (February 2003).

Federalist Society Faculty Division Conference, The Criminalization of Corporate Conduct (Panel Participant) (January 2003).

Faculty Workshop, George Mason University School of Law (October 2002).

Law & Economics Workshop, Law School, University of California – Berkeley (Boalt Hall) (October 2002).

Sloan Interdisciplinary Workshop, Georgetown University Law Center (September 2002).

Annual Meeting, American Law & Economics Association (May 2002).

Institute for Law and Economic Policy Litigation Conference (Commentator) (March 2002).

The Korea Stock Exchange International Conference On Self-Regulatory Institutions in the Korean Securities Markets (December 2001).

Practising Law Institute, 33rd Annual Institute on Securities Regulation (November 2001).

American Law Introductory Course, Atlantische Akademie: Rheinland-Pfalz and the German-American Lawyers Association (Lecturer) (August 2001).

Annual Meeting, American Law & Economics Association (May 2001).

Judging Business: The Role of Judicial Decisionmaking in Corporate and Securities Law, University of Michigan Law School (Conference Organizer) (April 2001).

First Annual Joe C. Davis Law and Business Program Conference, Vanderbilt University School of Law (March 2001).

Law and Finance Conference, University of Virginia School of Law (May 2000).

Annual Meeting, American Law & Economics Association (May 2000).

Law & Economics Workshop, University of Michigan Law School (April 2000).

Center for Corporate Law, University of Cincinnati College of Law (March 2000).

F. Hodge O'Neal Corporate and Securities Law Symposium, Washington University School of Law (March 2000).

Public Choice Outreach Conference, George Mason University (May 1999).

Annual Meeting, American Law & Economics Association (May 1999).

Law & Economics Workshop, Vanderbilt University School of Law (April 1999).

Law & Economics Workshop, University of Michigan Law School (September 1998).

The 21<sup>st</sup> Century Change Imperative: Evolving Organizations & Emerging Networks, Center for the Study of Organizational Change, College of Business & Public Administration, University of Missouri-Columbia (June 1998).

Insider Trading Debate, Federalist Society, Cornell Law School (May 1997).

Annual Meeting, Southern Economic Association (November 1993).

#### **EDUCATION**

## University of Virginia, School of Law

- Juris Doctor, May 1992.
  - Class Rank: 2nd of 378.
- Order of the Coif.
- Robert E. Goldsten Award for Distinction in the Classroom.
- Olin Prize for Best Paper in Law and Economics.
- Law School Alumni Association Best Note Award.
- Olin Fellowship in Law and Economics.
- Articles Development Editor: *Virginia Law Review*.

## University of Chicago, Harris School of Public Policy Studies

- Master of Public Policy with Honors, June 1989.
- Full tuition fellowship.
- Honors Paper: *Democracy and the Administrative State.*

#### University of Virginia, College of Arts and Sciences

- Bachelor of Arts with Distinction, August 1987: Political and Social Thought.
  - Echols Scholar.
- Junior Year Abroad, 1985-86: University of St. Andrews, Scotland.
- Undergraduate thesis: The Political Thought of British Imperialism.

#### **AFFILIATIONS**

FINRA National Adjudicatory Council, Member, 2012-2014.

Nasdaq Listing Qualifications Panel, Member, 2006-Present.

Wolters Kluwer Securities Regulation Advisory Board, Member 2011-Present.

Director, Empirical Legal Studies Center, University of Michigan Law School, 2008-present.

John M. Olin Center for Law & Economics, University of Michigan Law School, Executive Committee, 2004-2006.

Association of American Law Schools, Securities Regulation Section, Executive Committee, 2003-2006.

American Law & Economics Association, Member.

Society for Empirical Legal Studies, Member.

Cato Supreme Court Review, Editorial Board.

Journal of Korean Law, Board of Editors, 2010-2014.

The International Journal of Comparative Law, Board of Editors.

KLRI Journal of Law and Legislation, Board of Editors.

Virginia Bar, Associate Member.

Personal: Married to Joan Larsen, with two children, Elizabeth & Benjamin.

# ONTARIO SUPERIOR COURT OF JUSTICE

Court File No.: CV-11-431153-00CP

## BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and-

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

**Defendants** 

Proceeding commenced under the Class Proceedings Act, 1992

## AFFIDAVIT OF FRANK C. TORCHIO

(sworn January 11, 2013)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUÉBEC
SUPERIOR COURT
NO: 200-06-000132-111

**GUINING LIU**,

**Petitioner** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, and BDO MCCABE LO LIMITED,

**Defendants** 

## AFFIDAVIT OF FRANK C. TORCHIO

## I. INTRODUCTION AND SUMMARY OF OPINIONS

- 1. I am the President of Forensic Economics, Inc. and have been retained by Siskinds LLP and Koskie Minsky LLP, Co-Counsel for Plaintiffs in this Action ("Co-Counsel"). I have previously submitted on November 30, 2011 an Affidavit in this matter regarding the number of potentially damaged shares during two proposed class periods (the "Torchio November 2011 Affidavit"). I have also previously submitted on April 2, 2012 an Affidavit in this matter regarding the efficiency of the market for Sino-Forest Corporation ("Sino-Forest") common stock (the "Torchio April 2012 Affidavit"), I have attached as Exhibit "A" my updated resume since the Torchio April 2012 Affidavit.
- 2. For this Affidavit, I have been asked to provide an opinion as to the number of damaged shares and a measure of the potential aggregate dollar damages under the Ontario Securities Act ("OSA"). The claims alleged are for all investors who purchased shares of the common stock of Sino-Forest between March 19, 2007 and June 2, 2011, inclusive (the "Class Period")<sup>3</sup> that were traded: (i) in Canada on the Toronto Stock Exchange (the "TSX") and other secondary markets in Canada; (ii) in the United States over-the-counter market; and (iii) in Germany on various German exchanges.<sup>4</sup> I have also been asked to provide an opinion on a

<sup>&</sup>lt;sup>1</sup> In the Torchio November 2011 Affidavit, I found 220.6 million potentially damaged shares for the time period from August 17, 2004 through June 2, 2011 and, of those potentially damaged shares, 219.8 million shares were purchased during the Class Period. *See* Torchio November 2011 Affidavit, ¶39.

<sup>&</sup>lt;sup>2</sup> In the Torchio April 2012 Affidavit, I opined that "...during the Class Period, Sino-Forest common stock traded in what economists refer to as an efficient market with regard to publicly disclosed information." *See* Torchio April 2012 Affidavit, ¶2.

<sup>&</sup>lt;sup>3</sup> Proposed Fresh as Amended Statement of Claim dated January 26, 2012 that forms part of the Plaintiffs' motion record for leave pursuant to Part XXIII.1 of the *Securities Act* (the "Amended Claim"), ¶1(n).

<sup>&</sup>lt;sup>4</sup> I note that the Plaintiffs represent Canadian investors who purchased shares in the U.S.

measure of the potential aggregate dollar damages for investors who purchased various notes issued by Sino-Forest during the Class Period.

The damages calculated in this Affidavit are based on the statutory formulas 3. contained in Section 138.5(1) of the OSA. Those formulas have been used for both securities purchased in offerings or on the secondary market, although I understand that these statutory formulas only apply to Class Members' secondary market claims. I have also been asked to provide a measure of aggregate damages for Sino-Forest common stock under Section 138.5(3) of the OSA, wherein it is Defendants' burden to demonstrate, in order to reduce damages, that any potential declines in Sino-Forest's stock price are not related to the alleged misrepresentation or failure to make a timely disclosure. For Section 138.5(3) damages, I anticipate that the Defendants may argue that the Plaintiffs are entitled to damages based solely on the price movements on June 2, 2011 and June 3, 2011. I have been asked by Co-Counsel to assume that Defendants will be unable to demonstrate that any of the excess stock price declines on June 2, 2011 and June 3, 2011 are not related to the misrepresentations.<sup>5</sup> That is, I have been asked to assume that 100% of the excess stock price declines on June 2, 2011 and June 3, 2011 were caused by the correction of the alleged misrepresentations and/or disclosure failures. Thus, this aggregate damages measure represents the maximum potential damages based on the two-day event window in response to the alleged corrective disclosure and not necessarily the aggregate damages that might be obtained from a comprehensive loss causation analysis.

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and Germany. However, without the actual trading records for these investors, I am unable to ascertain what portion of my damages estimates relate to Canadian investors on the U.S. and German exchanges.

 $<sup>^5</sup>$  An excess price decline is the change in price of a stock after removing general market and industry effects. *See* Torchio April 2012 Affidavit, Appendix A,  $\P21$ .

- 4. Damaged shares are calculated using a multi-trader model. I calculate Section 138.5(1) damages of C\$3,233.9 million for Sino-Forest common stock purchased during the Class Period (excluding those shares issued in the public offerings in June 2007, June 2009, and December 2009). For shares issued in the public offerings in June 2007, June 2009 and December 2009, I estimate damages, using the Section 138.5(1) formula, to be C\$0.7 million, C\$33.4 million and C\$44.4 million, respectively.
- 5. Using a multi-trader model and 100% of the excess price declines on June 2, 2011 and June 3, 2011, I calculate Section 138.5(3) damages of C\$2,997.5 million for Sino-Forest common stock purchased during the Class Period (excluding those issued in the public offerings in June 2007, June 2009, and December 2009). For shares issued in the public offerings in June 2007, June 2009 and December 2009, I estimate the damages, using the Section 138.5(3) formula, to be C\$0.7 million, C\$33.1 million, and C\$42.9 million, respectively.
- 6. I estimated maximum obtainable damages for the Sino-Forest Notes of US\$703.5 million. This measure is based on the difference between the par value and the 10-day average trading price following the two-day event window on June 2, 2011 and June 3, 2011 in response to the alleged corrective disclosure.
- 7. I also estimated maximum obtainable damages for the Sino-Forest Notes of US\$1,281.2 million. This measure is based on the difference between the par value and the value of the Sino-Forest Notes measured as of May 9, 2012, the date of the auction to settle the credit derivative trades for Sino-Forest credit default swaps ("CDSs").
- 8. I have also been asked to provide the additional damages and damaged shares due to an additional damages period that runs from March 31, 2006 to March 16, 2007 (the "Additional

Damages Period").<sup>6</sup> I have also been asked to separate the damages for Class Members who purchased Sino-Forest notes between those that purchased in the various Sino-Forest note offerings ("Primary Notes Damages") and those that purchased various Sino-Forest notes in the secondary market ("Secondary Notes Damages").

- 9. Detailed explanations and the bases for these opinions are provided in the sections that follow.
- 10. Counsel has directed my attention to Rule 4.1 of the *Ontario Rules of Civil Procedure*, which provides as follows:

#### **RULE 4.1 DUTY OF EXPERT**

#### **DUTY OF EXPERT**

- 4.1.01 (1) It is the duty of every expert engaged by or on behalf of a party to provide evidence in relation to a proceeding under these rules,
- (a) to provide opinion evidence that is fair, objective and non-partisan;
- (b) to provide opinion evidence that is related only to matters that are within the expert's area of expertise; and
- (c) to provide such additional assistance as the court may reasonably require to determine a matter in issue. O. Reg. 438/08, s. 8.

## **Duty Prevails**

- (2) The duty in subrule (1) prevails over any obligation owed by the expert to the party by whom or on whose behalf he or she is engaged. O. Reg. 438/08, s. 8.
- 11. I have prepared this Affidavit having regard to the duty described therein.
- 12. I reserve the right to amend this Affidavit to reflect new information available to me in the discovery process, future rulings from the Court in this Action, and trial proceedings.
- 13. At this time, I have not been asked to offer any opinions related to materiality or loss causation in this Action, and I therefore have not undertaken analyses of these issues. I have not sought to determine what disclosure(s) was(were) in fact corrective of the alleged

<sup>&</sup>lt;sup>6</sup> March 16, 2007 is a Friday and the Class Period begins on Monday, March 16, 2007.

misrepresentations.<sup>7</sup> I expect to offer opinions on these issues at an appropriate time as requested by Co-Counsel. Other additional materials, beyond those cited in the Torchio November 2011 Affidavit and/or the Torchio April 2012 Affidavit, that I reviewed for this Affidavit are cited in the text of this Affidavit, Appendix A and exhibits.

## II. BACKGROUND ON SINO-FOREST

## 14. According to its 2010 Annual Report, Sino-Forest:

... is a leading commercial forest plantation operator in China. Its principal businesses include the ownership and management of plantation forests, the sale of standing timber and wood logs and the complementary manufacturing of downstream engineered-wood products. The majority of our plantations and operations are located in southern and eastern China, primarily in inland regions suitable for large-scale replanting. Sino-Forest also holds a majority interest in Greenheart Group Limited ("Greenheart Group"), a company listed on the Hong Kong Stock Exchange (HKSE: 00094) involved in log harvesting, lumber processing, and marketing and sale of logs and lumber products to China and other countries.<sup>8</sup>

## 15. Sino-Forest described its business strategy as follows:

- 1. Locking in access to tree plantations at capped prices through long-term contractual agreements,
- 2. Selling fibre at attractive margins either as standing timber or logs,
- 3. Increasing plantation yields through advanced scientific research and development and silviculture techniques,

<sup>&</sup>lt;sup>7</sup> An analysis of materiality, loss causation and a determination of what disclosures were corrective of the alleged misrepresentations would most likely require the use of an event study, which I have not performed in this matter.

<sup>&</sup>lt;sup>8</sup> See 2010 Annual Report filed with SEDAR on May 10, 2011, cover page. This description of Sino-Forest's business operations has not changed materially from the description in its 2006 Annual Report filed with SEDAR on May 4, 2007, cover page.

- 4. Developing economies of scale and diversifying revenue with geographically widespread operations, and
- 5. Maximizing the use and value of fibre through our complementary manufacturing operations. <sup>9</sup>
- 16. Sino-Forest common stock has traded on the TSX since 1995 under the symbol "TRE"<sup>10</sup> until trading ceased pursuant to an order from the Ontario Securities Commission before the market opened on August 26, 2011.<sup>11</sup> Sino-Forest also trades on German exchanges under different symbols,<sup>12</sup> as well as over-the-counter in the United States under the symbol "SNOFF."<sup>13,14</sup> According to its various SEDAR filings, Sino-Forest had approximately 138 million common shares outstanding as of December 31, 2006,<sup>15</sup> and had approximately 246 million common shares outstanding as of April 29, 2011.<sup>16</sup>

<sup>&</sup>lt;sup>9</sup> See 2010 Annual Report filed with SEDAR on May 10, 2011, p. 1.

<sup>&</sup>lt;sup>10</sup> See 2010 Annual Report filed with SEDAR on May 10, 2011, cover page. Since 2008, Sino-Forest has also traded on other Canadian exchanges based on a comparison of Bloomberg volume data for exchange codes "TRE CT" and "TRE CN." CT denotes data for TSX trading and CN denotes Canadian composite trading.

<sup>&</sup>lt;sup>11</sup> Trading was halted pursuant to a Temporary Order in IN THE MATTER OF THE SECURITIES ACT R.S.O. 1990, c.S.5, as amended - and -IN THE MATTER OF SINO-FOREST CORPORATION, ALLEN CHAN, ALBERT IP, ALFRED C.T. HUNG, GEORGE HO AND SIMON YEUNG, dated August 26, 2011. Source: Ontario Securities Commission. The order to cease trading on the TSX occurred before the markets opened on August 26, 2011. *See* "ZIIROC CN: Investment Industry Regulatory Organization of Canada," Market News Publishing, August 26, 2011, 8:41 am.

<sup>&</sup>lt;sup>12</sup> Approximately 3.0 million shares traded on the various German exchanges during the Class Period. *See* Torchio November 2011 Affidavit, Exhibit "**B**."

<sup>&</sup>lt;sup>13</sup> Source: Bloomberg. Approximately 42.9 million shares traded over-the-counter in the United States during the Class Period. *See* Torchio November 2011 Affidavit, Exhibit "**B**."

<sup>&</sup>lt;sup>14</sup> Approximately 1.3 billion total shares traded in Canada, Germany and the United States during the Class Period, and approximately 96.5% of these 1.3 billion shares were traded on various Canadian exchanges. *See* Torchio November 2011 Affidavit, ¶19, Exhibit "**B**."

<sup>&</sup>lt;sup>15</sup> See 2006 Annual Report filed with SEDAR on May 4, 2007, p. 23.

<sup>&</sup>lt;sup>16</sup> See 2011 Management Information Circular filed with SEDAR on May 10, 2011, p. 3.

17. Attached as Exhibit "**B**" is a table of daily Sino-Forest common stock prices, volume and returns for the Canadian, U.S. and German Exchanges. Attached as Exhibit "**C**" is a chart showing the Canadian composite closing price and reported volume on the Canadian, U.S. and German exchanges.

## III. ASSUMPTIONS ABOUT THE CORRECTIVE DISCLOSURE

- 18. In the Amended Claim, Plaintiffs allege that the Defendants made misrepresentations throughout the Class Period.<sup>17</sup> The Plaintiffs allege that the misrepresentations relate to:
  - A. Sino's history and fraudulent origins;
  - B. Sino's forestry assets;
  - C. Sino's related party transactions;
  - D. Sino's relationships with forestry bureaus and its purported title to forestry assets in the PRC [People's Republic of China];
  - E. Sino's relationships with its "Authorized Intermediaries;"
  - F. Sino's cash flows;
  - G. Certain risks to which Sino was exposed; and
  - H. Sino's compliance with GAAP and the Auditors' compliance with GAAS. 18
- 19. The Plaintiffs allege that these misrepresentations were corrected when a research firm, Muddy Waters Research ("Muddy Waters"), issued a report on Sino-Forest on June 2, 2011. The June 2, 2011 Muddy Waters report stated:

Sino-Forest Corp (TSE: TRE) is the granddaddy of China RTO [reverse takeover] frauds. It has always been a fraud – reporting excellent results from one of its early joint ventures – even though, because of TRE's default on its investment obligations, the JV never went into operation. TRE just lied.

<sup>&</sup>lt;sup>17</sup> See Amended Claim, Section VI.

<sup>&</sup>lt;sup>18</sup> See Amended Claim, ¶70.

<sup>&</sup>lt;sup>19</sup> See Amended Claim, ¶¶204-206.

The foundation of TRE's fraud is a convoluted structure whereby it claims to run most of its revenues through "authorized intermediaries" ("AI"). AIs are supposedly timber trader customers who purportedly pay much of TRE's value added and income taxes. At the same time, these AIs allow TRE a gross margin of 55% on standing timber merely for TRE having speculated on trees. The sole purpose of this structure is to fabricate sales transactions while having an excuse for not having the VAT invoices that are the mainstay of China audit work. If TRE really were processing over one billion dollars in sales through AIs, TRE and the AIs would be in serious legal trouble. No legitimate public company would take such risks – particularly because this structure has zero upside. ...

On the other side of the books, TRE massively exaggerates its assets. TRE significantly falsifies its investments in plantation fiber (trees). It purports to have purchased \$2.891 billion in standing timber under master agreements since 2006. We have smoking gun evidence from Yunnan province that it overstated its purchases there by over \$800 million. Of the five agents we have been able to identify (TRE does not provide Chinese names), Yunnan appears to have the only legitimate agent. The other agents have histories and connections to TRE that make it obvious they did not purchase billions of dollars in timber for TRE. Further, the other agents appear to be laundering money for TRE – moving large amounts of money to an undisclosed subsidiary of TRE and a trading company that TRE does business with. We also see clear evidence that TRE has falsified its books – Chinese government records make clear that TRE would have had a capital hole of \$377 million to \$922 million if it were making the investments it claims....

Because TRE has \$2.1 billion in debt outstanding, which we believe exceeds the potential recovery, we value its equity at less than \$1.00 per share.<sup>20</sup>

20. The Plaintiffs allege that, after the release of the June 2, 2011 Muddy Waters report, the stock price of Sino-Forest dropped on June 2, 2011 before a trading halt, and dropped even

<sup>&</sup>lt;sup>20</sup> Muddy Waters Analyst Report, June 2, 2011.

further on June 3, 2011.<sup>21</sup> Therefore, I use the event window of June 2, 2011 to June 3, 2011 as the basis for estimating damages for investors in Sino-Forest common stock and notes.

#### IV. AGGREGATE COMMON STOCK DAMAGES

## A. Overview of Methodology for Estimating Common Stock Damages

- 21. Damaged shares are generally characterized as shares purchased during the Class Period that are held by the investor until after the date of a stock price decline caused by a correction of a prior misrepresentation. Trading volume cannot be directly used to compute damaged shares because trading volume will also include the turnover of shares purchased in a class period. For example, 10 shares of stock purchased in a class period may create 25 shares of trading volume because those shares turn over (*i.e.*, are purchased and then sold to another investor) during a class period.<sup>22</sup> But, in this example, only 10 shares would be damaged (using a single corrective disclosure) because that is the total number of shares that were purchased and held by some investor until after the operative price decline. So, regardless of how many times each of the ten shares turned over before that price decline, only ten shares are retained and therefore potentially damaged as defined above.
- 22. Because damages experts generally do not have access to all the trading records of investors during a class period, the number of damaged shares is estimated from total trading volume by use of a mathematical model called a "trading model." The trading model uses certain algorithms and statistical analyses to separate traded volume into shares that were purchased during the Class Period and held through the end of the Class Period (the "retained"

<sup>&</sup>lt;sup>21</sup> See Amended Claim, ¶206.

<sup>&</sup>lt;sup>22</sup> See Larry Harris, <u>Trading & Exchanges</u>, Oxford University Press, 2003, pp. 487-489.

volume) from those that were purchased during the Class Period and sold before the end of the Class Period (the "in-and-out" volume).

23. I next provide a brief overview of trading models, followed by the methodology I used to compute aggregate damages.

## **B.** Trading Models

- 24. Trading models are mathematical models that estimate the portion of total trading volume during the relevant period that is retained and the portion of trading volume that represents the turnover of those retained shares.<sup>23</sup>
- 25. The most commonly used trading model has been the proportional trading model, which contains a proportionality assumption about trading turnover or trading propensities.<sup>24</sup> The proportional trading model assumes that the probability of turnover for any traded share is the same as other shares in the float, where float is generally defined as the portion of total shares outstanding that were available to have been traded.
- 26. The proportional trading model can be explained by a simple example of a three-day period for Company A, which has a total float of 1,000 shares. Assume the trading volume equals 100 shares on Day 1, 300 on Day 2, and 200 shares on Day 3. Thus, investors who held

<sup>&</sup>lt;sup>23</sup> See Dean Furbush and Jeffrey W. Smith, "Estimating the Number of Damaged Shares in Securities Fraud Litigation: An Introduction to Stock Trading Models," *The Business Lawyer* 49, 1994, 527-543; Jon Koslow, "Estimating Aggregate Damages in Class-Action Litigation Under Rule 10b-5 for Purposes of Settlement," *Fordham Law Review* 59, 1991, 811-842; and Craig J. McCann, David Hsu, and Jennifer Yoon, "Demystifying Stock Trading Models in Securities Class Action Lawsuits," KPMG Peat Marwick LLP, August 1997, for details on the computation.

<sup>&</sup>lt;sup>24</sup> See Dean Furbush and Jeffrey W. Smith, "Estimating the Number of Damaged Shares in Securities Fraud Litigation: An Introduction to Stock Trading Models," *The Business Lawyer* 49, 1994, 527-543; and Brian P. Murray and Eric J. Belfi, "The Proportionate Trading Model: Real Science or Junk Science?" *Cleveland State Law Review* 52, 2004-2005, 391-412. This model is sometimes called the proportional decay model or the single trader model.

before the three-day period sold 100 shares on Day 1. On Day 2, trading volume is 300 shares, which implies that the average probability of any share in the float trading on day 2 is 30 percent (300 divided by the 1,000 share float). Thus, 30 out of the 100 shares sold on Day 1 are traded or turned over on Day 2, leaving 70 shares that did not turn over. Based on trading volume of 200 shares on Day 3, the probability of any share trading is 20 percent. Thus, 14 of the 70 shares (20%) from Day 1 that did not trade on Day 2 are sold on Day 3 and 60 of the 300 shares (20%) from Day 2 turned over on Day 3. Thus, based on the proportional trading model, 104 shares out of the total volume of 600 shares in the three-day period result from the turnover of shares during the period (44 sold on Day 1 and sold again on Days 2 and 3 and 60 shares sold on Day 2 are sold again on Day 3). 496 (600 minus 104) of the volume, therefore, represents the portion of the 1,000 share float that were purchased during the period and still held after the three-day period. Additionally, 504 of the 1,000 share float held at the beginning of the three-day period are still held at the end of the three-day period.

27. Since the 1990s, the proportionality assumption has received criticism. The critics of the proportional trading model have characterized the proportionality assumption as an assumption that all investors have exactly the same propensity to trade or, alternatively, the same turnover rate. To respond to the criticism that the proportional model is not appropriate if there are investors with differing turnover rates, I have used a multi-trader model to compute damaged share volume and turnover volume for Sino-Forest.<sup>25</sup>

<sup>&</sup>lt;sup>25</sup> Several researchers have advanced and advocated use of a multi-trader model as superior to the proportional trading model and more representative of actual trading behavior, including researchers associated with firms such as NERA and Cornerstone Research. *See* William H. Beaver and James K. Malernee, "Estimating Damages in Securities Fraud Cases," Cornerstone Research, 1990; William H. Beaver, James K. Malernee and Michael C. Keeley, "Potential Damages Facing Auditors in Securities Fraud Cases," *Accountants' Liability: The* 

28. Multi-trader models are similar to the proportional trading model, except that multi-trader models are not restricted by the proportionality assumption discussed earlier. Rather, multi-trader models allow the specification of differing turnover rates for investors.

## i) Volume

29. The first step in developing inputs for a trading model is to determine investor volume. Reported volume may overstate the investor volume by the class because it includes trades by specialists on the NYSE<sup>26</sup> or the TSX,<sup>27</sup> or market makers on NASDAQ, or other middlemen who buy from one investor and sell to another. Therefore, an adjustment to reported

Need for Fairness, National Legal Center for the Public Interest, 1994, 112-132; Marcia Kramer Mayer, "Best-Fit Estimation of Damaged Volume in Shareholder Class Actions: The Multi-Sector, Multi-Trader Model of Investor Behavior," National Economic Research Associates, Third Edition, October 2000; William M. Bassin, "A Two Trader Population Share Retention Model for Estimating Damages in Shareholder Class Action Litigations," Stanford Journal of Law, Business & Finance 6(1), 2000, 49-83; and John Finnerty and George Pushner, "An Improved Two-Trader Model for Measuring Damages in Securities Fraud Class Actions," Stanford Journal of Law, Business & Finance 8(213), Spring 2003.

<sup>26</sup> During the Class Period, NYSE switched to a designated market maker system. *See* "NYSE Completes Rollout of Phase I of the Next-Generation Market Model to all its Securities," NYSE Euronext press release date November 13, 2008; "The Next Generation Model," NYSE Euronext, 2008; and "Designated Market Makers," 2009, NYSE Euronext. Source: www.nyse.com.

<sup>27</sup> In Canada, Sino-Forest common stock traded primarily on the TSX, which uses a market maker system. The TSX describes on its website the role of the market maker (http://www.tmx.com/en/trading/products\_services/market\_system.html):

The role of the Market Maker on Toronto Stock Exchange (TSX) is to augment liquidity, while maintaining the primacy of an order driven continuous auction market based on price-time priority. TSX's Market Maker system maximizes market efficiency and removes the interfering influence of a traditional specialist. In the TSX environment, a Market Maker manages market liquidity through a passive role. Market Makers are visible only when necessary to provide a positive influence when natural market forces cannot provide sufficient liquidity.

volume is used to remove these trades. Published research suggests suitable corrections can be accomplished by reducing NYSE reported volume or reducing NASDAQ volume.<sup>28</sup>

- 30. For Sino-Forest, reported volume on the Canadian exchanges is reduced based on the NYSE monthly average specialist participation rate, which ranged from 2.5% to 10.2% during the Class Period.<sup>29</sup> I have also used the same adjustments for shares traded on various German exchanges. For shares traded over-the-counter in the U.S, I reduced reported volume by 27.4%. The over-the-counter market employs a market maker system similar to NASDAQ,<sup>30</sup> so I used a NASDAQ adjustment.<sup>31</sup>
- 31. Next, to calculate investor purchase volume, I added shares issued by Sino-Forest in various offerings and I subtracted Sino-Forest insider stock purchases from volume (after accounting for market makers and specialists). To calculate investor sales volume, I subtracted Sino-Forest insider stock sales from volume (after accounting for market makers and

<sup>&</sup>lt;sup>28</sup> For example, *see* Fernando Avalos and Marcia Kramer Mayer, "Dealer Participation on the New York Stock Exchange and Nasdaq," NERA Economic Consulting working paper, May 2002; and John F. Gould and Allan W. Kleidon, "Market Maker Activity on Nasdaq: Implications for Trading Volume," *Stanford Journal of Law, Business & Finance* 1, 1994, 1-17.

<sup>&</sup>lt;sup>29</sup> I use the published NYSE monthly specialist participation rate as a proxy for the TSX market maker participation rate, which I was unable to obtain. Source: NYSE Euronext: http://www.nyxdata.com/Data-Products/Facts-and-Figures, Market Activity, link to Specialist Activity.

<sup>&</sup>lt;sup>30</sup> See http://www.sec.gov/answers/mktmaker.htm.

<sup>&</sup>lt;sup>31</sup> I obtained information regarding market maker activity on shares traded on NASDAQ from NASDAQ via e-mail. I have assumed that a similar amount of shares are traded by market makers in securities traded over-the-counter in the U.S.

<sup>&</sup>lt;sup>32</sup> Insider transactions were obtained from SEDI. SEDI is an acronym for the "System for Electronic Disclosure by Insiders." SEDI "…is Canada's on-line, browser-based service for the filing and viewing of insider reports as required by various provincial securities rules and regulations." *See* https://www.sedi.ca/sedi/SVTWelcome?locale=en\_ca&pageName=splashPage.

<sup>&</sup>lt;sup>33</sup> According to SEDI data, Sino-Forest insiders purchased 586,945 common shares during the Class Period.

specialists).<sup>34</sup> Attached as Exhibit "**D**" is a table of reported and adjusted volume used in the multi-trader model for the Class Period.

32. After adjusting the total reported volume to remove market maker/specialist trades and insider purchases, as well as adding shares issued by Sino-Forest during the Class Period, I calculate that approximately 1.27 billion shares were purchased by investors and approximately 1.19 billion shares were sold by investors during the Class Period.

#### ii) Float

33. The next step in developing the inputs required for a trading model is to estimate float. Float, which is defined as the number of shares that were available for trading and potentially damaged during the Class Period, was estimated by deducting from total shares outstanding shares that can be independently determined to have not been traded in the Class Period and generally include: (i) shares held by insiders (Directors and Officers)<sup>35</sup> and (ii) shares held by institutional investors determined to have been purchased before the beginning of the Class Period and held throughout the Class Period on a quarterly basis.<sup>36,37</sup> Exhibit "E" shows the daily float for Sino-Forest.

<sup>&</sup>lt;sup>34</sup> According to SEDI data, Sino-Forest insiders sold 10,797,140 common shares during the Class Period.

 $<sup>^{\</sup>rm 35}$  The Directors and Officers holdings were obtained from FactSet and from SEDAR filings.

<sup>&</sup>lt;sup>36</sup> These are shares that I determined were held by an institution before the Class Period began and still held by that institution after each quarter during the Class Period. On a quarterly basis, if an institution sells shares during a class period, I deduct those shares from its holdings, which necessarily increases the float of shares available to trade. Source for quarterly institutional holdings: FactSet.

 $<sup>^{\</sup>rm 37}$  I increased the float on the dates when Sino-Forest issued shares, either privately or publicly.

## iii) Trading Groups

- 34. I used a multi-trader model to estimate the timing of purchases and sales. A multi-trader model divides the defined float into groups shares held by traders with higher turnover rates ("active traders") and shares held by traders with lower turnover rates ("passive traders"). Daily trading volume is then apportioned across the trader groups. The fraction of daily volume that is attributed to each trader group is determined by the fraction of the float that is owned by traders in each group and their relative propensity to trade. The relative propensity to trade measures how often a share of one investor group will turn over compared to another investor group.
- 35. Given the assumptions about the fraction of total float held by each trader group, and the fraction of total volume attributed to each group, the multi-trader model calculates the number of the retained shares and the in-and-out shares over the Class Period.
- 36. To determine the fraction of the float held by each trader group, and the relative trading turnover, I used annual turnover rates for investors in the float that encompass relative turnovers rates of up to 201.<sup>38</sup> Put another way, the trading model assumes that the most active trader turns over shares 201 times more than the most passive trader. This range encompasses reasonable estimates of relative turnover rates.<sup>39</sup>
- 37. Rather than subjectively assigning amounts of total float to relative turnover rates evenly, I have relied on generally accepted statistical properties of large samples of data.

<sup>&</sup>lt;sup>38</sup> The result is generally insensitive to the mean and standard deviation of the distribution. *See* Michael Barclay and Frank C. Torchio, "A Comparison of Trading Models Used for Calculating Aggregate Damages in Securities Litigation," *Law & Contemporary Problems* 64(2&3), Spring-Summer 2001, 105-136.

<sup>&</sup>lt;sup>39</sup> See B. Barber and T. Odean, "Trading Is Hazardous to Your Wealth: The Common Stock Investment Performance of Individual Investors," *Journal of Finance* 55(2), April 2000, 773-806, Figure 1.

Specifically, it is reasonable and objective to assume that the statistical distribution for the turnover rates for Sino-Forest retail investors can be described by a bell-shaped normal distribution.<sup>40</sup> This is a common assumption used in mathematics based on the statistical properties of large samples, which applies to the case here in which large amounts of Sino-Forest shares<sup>41</sup> were traded daily by hundreds, if not thousands of investors.<sup>42</sup> I created 51 trader groups.

38. Because of the potential presence of day traders for Sino-Forest during the Class Period, I have estimated that 15% of reported volume is attributable to intraday turnover of Sino-Forest shares.<sup>43</sup> This parameter effectively eliminates from the distribution of investor turnover discussed above those investors who have extremely high turnover, which is generally associated with day traders.

<sup>&</sup>lt;sup>40</sup> For example, *see* Mutual fund turnover data as of December 31, 1999 published in January 2000. Source: Morningstar Principia Pro for Mutual Funds.

<sup>&</sup>lt;sup>41</sup> The average daily trading volume for Sino-Forest common stock was approximately 1.2 million shares during the Class Period.

which a sampling distribution approaches the normal form. Many sampling distributions based on large *n* can be approximated by the normal distribution even though the population distribution itself is definitely not normal. This is the extremely important principle that we will call the central limit theorem. The normal distribution is the *limiting form* for large *n* for a very large variety of sampling distributions. This is one of the most remarkable and useful principles to come out of theoretical statistics." Robert L. Winkler and William L. Hays, <u>Statistics Probability, Inference and Decision, Second Edition,</u> Holt Rinehart and Winston, 1975, p. 245. According to the central limit theorem and the law of large numbers, if a finite sample is a random sample from any probability with a finite mean and finite variance, the sample's average approximately follows a normal distribution. William H. Greene, <u>Econometric Analysis 2<sup>nd</sup> Edition</u>, Prentice Hall 1993, p. 104.

<sup>&</sup>lt;sup>43</sup> See David Tabak, "Intraday Trading Rates in Shareholder Class Actions," Securities & Finance Insights, June 2002.

#### C. Results

## i) Trading Model

39. Exhibit "F" shows sales of total investor purchase volume separated out as in-and-out shares and retained shares (those sold between June 3, 2011 and August 25, 2011, the last trading day in Canada for Sino-Forest common stock before trading ceased pursuant to an order from the Ontario Securities Commission, and those still held at the close of trading on August 25, 2011). Based on the multi-trader model, approximately 1,048.5 million shares were in-and-out and approximately 225.1 million shares were retained (*i.e.*, purchased during the Class Period, and still held after trading was halted on June 2, 2011, the last day of the Class Period).<sup>44</sup>

## ii) Damages under OSA Section 138.5(1)

- 40. I calculate damages for Sino-Forest common stock in accordance with the formulas set forth in Section 138.5(1) of the OSA, which requires a calculation of the number of shares purchased during the Class Period and then sold on each day on or after June 2, 2011, the date of the alleged corrective disclosure through August 25, 2011, the last trading day in Canada for Sino-Forest common stock before trading ceased pursuant to an order from the Ontario Securities Commission.
- 41. For shares purchased during the Class Period and sold between June 2, 2011 and June 16, 2011, Section 138.5(1) damages are calculated as the difference between the purchase price and the sale price.<sup>45</sup> For shares purchased during the Class Period and sold after June 16,

<sup>&</sup>lt;sup>44</sup> I note that the retained shares are greater than reported in the Torchio November 2011 Affidavit primarily due to the inclusion of reported volume from the U.S. and German exchange, and also due, to a lesser extent, from adjustments to assumptions for the multi-trader model.

<sup>&</sup>lt;sup>45</sup> Since individual level transaction data are not available to me, my estimate of damages does not account for any hedging or other risk limitation transactions. It also does not account

2011 (the tenth trading day following the two-day event window of June 2, 2011 to June 3, 2011), Section 138.5(1) damages are calculated as the lesser of: (i) the purchase price minus the sale price; and (ii) the purchase price minus the C\$4.49 per share average closing price from June 3, 2011 through June 16, 2011.

- 42. Based on the trading model methodology discussed previously, and the damages methodology described above, I calculate Section 138.5(1) damages of C\$3,233.9 million for shares purchased during the Class Period (excluding those issued in public offerings in June 2007, June 2009, and December 2009) and not sold prior to June 2, 2011, the date of the alleged corrective disclosure. Of this C\$3,233.9 million, C\$3,056.2 million are from shares purchased on various Canadian exchanges, C\$174.4 million are for shares purchased over-the-counter in the U.S., and C\$3.2 million are for shares purchased on German exchanges. GE Exhibits "G-1" and "G-2" for a summary of Section 138.5(1) damages.
- 43. I have also been asked to estimate damages using the Section 138.5(1) formula to Sino-Forest investors who received shares in various offerings of common shares throughout the Class Period pursuant to Section 130 of the OSA.<sup>48</sup> During the Class Period, Sino-Forest issued

for any commissions paid. To the extent that there were any hedging or other risk limitation transactions, they would lower the damages estimate by the gains from the risk limiting transactions

<sup>&</sup>lt;sup>46</sup> It is my understanding that only shares purchased in the U.S. and/or Germany by a Canadian investor have recognizable claims in this matter. Because I do not have the individual level transaction data, I cannot estimate what portion of the damages from the U.S. and/or German exchanges have a recognizable claim in this matter.

<sup>&</sup>lt;sup>47</sup> This calculation does not take into account possible gains that can occur when an investor has a loss on one round-trip transaction and also has a gain on a separate round-trip transaction during a class period. A round-trip transaction occurs when a purchase is sold (*i.e.*, in a trading model, a purchase is matched with a subsequent sale).

<sup>&</sup>lt;sup>48</sup> Section 130 of the OSA does not provide a formula to estimate the damages for securities issued during a class period. For the purposes of this Affidavit, I have been asked to

common shares in June 2007, June 2009, and December 2009. Using the trading model described above, I estimate how many shares issued in an offering were still held as of the alleged corrective disclosure on June 2, 2011, and therefore damaged. For the shares offered in June 2007, I estimate the damages to be C\$0.7 million. For the shares offered in June 2009, I estimate the damages to be C\$33.4 million. For the shares issued in December 2009, I estimate the damages to be C\$44.4 million. *See* Exhibit "G-1." Exhibit "F" also shows the damaged shares and the damages under Section 138.5(1) as computed by the multi-trader model.

### iii) Damages under OSA Section 138.5(3)

- 44. I have also been asked to calculate damages under Section 138.5(3) wherein "...damages shall not include any amount that the defendant proves is attributable to a change in the market price of securities that is unrelated to the misrepresentation or the failure to make timely disclosure." I anticipate that the Defendants may argue that the Plaintiffs are entitled to damages based solely on the price movements on June 2, 2011 and June 3, 2011. The following Section 138.5(3) damage estimates would be the result of a successful argument by Defendants that the damages are limited to the price declines on June 2, 2011 and June 3, 2011.
- 45. In order to estimate Section 138.5(3) damages, I have been asked to assume that the artificial inflation is based on 100% of the excess price movements on June 2, 2011 and June 3, 2011, the two-day event window following the alleged corrective disclosure. Thus, this aggregate damages measure represents the potential damages based on the two-day event window following the alleged corrective disclosure and not necessarily the aggregate damages that might be obtained from a comprehensive loss causation analysis. Using the market model

estimate damages based on the formulas contained in Section 138.5 of the OSA.

<sup>&</sup>lt;sup>49</sup> Section 138.5(3) of the OSA.

from the Torchio April 2012 Affidavit, I compute the excess (net of market and industry) price declines on these two dates, which I use to compute Section 138.5(3) damages. The excess price movements in Sino-Forest common stock on June 2, 2011 and June 3, 2011 are detailed in Exhibit "H."

- 46. I estimate Section 138.5(3) damages based on 100% of the excess stock price declines on June 2, 2011 and June 3, 2011 using the Constant Percentage method of determining artificial inflation. *See* Appendix A for a description of the Constant Percentage method.
- 47. I estimate damages for the shares purchased during the Class Period and sold on or after June 2, 2011, the first alleged corrective disclosure, as follows. For shares purchased during the Class Period and sold on June 2, 2011, Section 138.5(3) damages are calculated as the lesser of: (i) artificial inflation at purchase less the artificial inflation remaining in Sino-Forest common stock on June 2, 2011; and (ii) the difference between the purchase price and the sale price. For shares purchased during the Class Period (excluding shares acquired in an offering) and sold between June 3, 2011 and June 16, 2011 (the tenth trading day following the two-day event window of June 2, 2011 to June 3, 2011), Section 138.5(3) damages are calculated as the lesser of: (i) the artificial inflation at purchase; and (ii) the difference between the purchase price and the sale price. For shares purchased during the Class Period and sold after June 16, 2011, Section 138.5(3) damages are calculated as the lesser of: (i) the artificial inflation at purchase; (ii) the purchase price minus the sale price; and (iii) the purchase price minus the C\$4.49 per share average closing price from June 3, 2011 through June 16, 2011.

<sup>&</sup>lt;sup>50</sup> Since individual level transaction data are not available to me, my estimate of damages does not account for any hedging or other risk limitation transactions. It also does not account for any commissions paid. To the extent that there were any hedging or other risk limitation transactions, they would lower the damages estimate by the gains from the risk limiting transactions.

- 48. Based on the trading model methodology discussed previously, and the damages methodology described above, I calculate Section 138.5(3) damages of C\$2,997.5 million for shares purchased during the Class Period (excluding those issued in public offerings in June 2007, June 2009, and December 2009) and not sold prior to June 2, 2011, the date of the alleged corrective disclosure. Of this C\$2,997.5 million, C\$2,832.7 million are from shares purchased on various Canadian exchanges, C\$161.9 million are for shares purchased over-the-counter in the U.S., and C\$3.0 million are for shares purchased on German exchanges. *See* Exhibits "I-1" and "I-2" for a summary of Section 138.5(3) damages.<sup>51</sup>
- 49. I have also been asked to estimate damages, using the Section 138.5(3) formula, to Sino-Forest investors who received shares in various offerings of common shares throughout the Class Period pursuant to Section 130 of the OSA. During the Class Period, Sino-Forest issued common shares in June 2007, June 2009, and December 2009. Using the trading model described above, I estimate how many shares issued in an offering were still held as of the alleged corrective disclosure on June 2, 2011, and therefore damaged. For the shares offered in June 2007, I estimate the damages to be C\$0.7 million. For the shares offered in June 2009, I estimate the damages to be C\$33.1 million. For the shares issued in December 2009, I estimate the damages to be C\$42.9 million. See Exhibit "I-1."
- 50. Exhibit "**J**" shows the daily damaged shares and the daily damages under Section 138.5(3) as computed by the multi-trader model.

<sup>&</sup>lt;sup>51</sup> This calculation does not take into account possible gains that can occur when an investor has a loss on one round-trip transaction and also has a gain on a separate round-trip transaction during the class period. A round-trip transaction occurs when a purchase is sold (*i.e.*, in a trading model, a purchase is matched with a subsequent sale).

#### V. DAMAGES TO SINO-FOREST NOTEHOLDERS

51. During the Class Period, Sino-Forest had five notes outstanding with a total amount issued of US\$2.10 billion as detailed in the table below.

| <b>Notes Offered</b>                         | Date <sup>52</sup> | <b>Amount Issued</b> |
|----------------------------------------------|--------------------|----------------------|
| 9.125% Guaranteed Senior Notes <sup>53</sup> | 8/10/2004          | US\$300,000,000      |
| 5% Convertible Senior Notes <sup>54</sup>    | 7/17/2008          | US\$345,000,000      |
| 10.25% Guaranteed Senior Notes <sup>55</sup> | 7/27/2009          | US\$399,517,000      |
| 4.25% Convertible Senior Notes <sup>56</sup> | 12/10/2009         | US\$460,000,000      |
| 6.25% Guaranteed Senior Notes <sup>57</sup>  | 10/14/2010         | US\$600,000,000      |

52. I computed damages using two different methods for four of the five notes.<sup>58</sup> First, I estimated damages based on a Section 138.5(1) measure of damages. Second, at the request of

<sup>&</sup>lt;sup>52</sup> Announcement Date for each offering. Source: Bloomberg.

<sup>&</sup>lt;sup>53</sup> See Sino-Forest 2004 Annual Report.

<sup>&</sup>lt;sup>54</sup> "Sino-Forest Corporation Closes Convertible Senior Note Offering," Sino-Forest Press Release, July 23, 2008.

<sup>&</sup>lt;sup>55</sup> US\$212.33 million of the 10.25% Senior Notes were offered in exchange for the 9.125% Senior Notes issued on August 17, 2004. "SINO-FOREST ANNOUNCES SUCCESSFUL COMPLETION OF BOND EXCHANGE OFFER AND CONSENT SOLICITATION," Sino-Forest Press Release, July 27, 2009. Sino-Forest issued US\$187.2 million of the 10.25% Senior Notes in connection with its acquisition of Mandra Forestry Holdings Limited. "SINO-FOREST COMPLETES ACQUISITION OF MANDRA FORESTRY," Sino-Forest Press Release, February 8, 2010.

<sup>&</sup>lt;sup>56</sup> "SINO-FOREST COMPLETES US\$460 MILLION CONVERTIBLE NOTE AND CDN\$367 MILLION COMMON SHARE OFFERINGS," Sino-Forest Press Release, December 17, 2009.

<sup>&</sup>lt;sup>57</sup> "SINO-FOREST ANNOUNCES COMPLETION OF US\$600 MILLION NOTES OFFERING," Sino-Forest Press Release, October 21, 2010.

<sup>&</sup>lt;sup>58</sup> For the 9.125% Guaranteed Senior Notes, in the Torchio November 2011 Affidavit, I estimated maximum obtainable damages of US\$3.2 million based upon the face amount of US\$87.7 million of notes remaining (after the exchange of US\$213.3 million for new notes on July 27, 2009) that were sold between the assumed corrective disclosure date of June 2, 2011 and the August 17, 2011 maturity date of the notes. *See* Torchio November 2011 Affidavit, pp. 17-19 for details on the computation of estimated damages. I have not been asked to update my damages analysis for this note. I note that, without all of the transaction detail in the 9.125% Guaranteed Senior Notes, I am unable to ascertain what notes were purchased before the start of the Class Period compared with those purchased during the Class Period.

Co-Counsel, I estimated damages based on the value of the notes on May 9, 2012, the date of the auction to settle the credit derivative trades for Sino-Forest CDSs.

- 53. For the first method, based on a Section 138.5(1) measure of damages, I assumed that the measure of damages should be the difference between the assumed price paid for the notes (par price) and the 10-day average trading price following the two-day event window of June 2, 2011 to June 3, 2011.<sup>59</sup> Under this method, a measure of total maximum obtainable damages for the four notes currently outstanding is US\$703.5 million.<sup>60</sup> *See* Exhibit "**K**."
- 54. For the second method, I have been asked by Co-Counsel to use the value of the four outstanding notes as of May 9, 2012, the date of the auction to settle the credit derivative trades for Sino-Forest credit default swaps, <sup>61</sup> to compute total damages for the four notes

<sup>&</sup>lt;sup>59</sup> For two of the four notes, I used daily note prices available from FINRA TRACE to calculate damages. For the two notes where FINRA TRACE prices were not available, I used the average of the price declines from the two notes with available pricing data to calculate damages. *See* Exhibit "**K**."

 $<sup>^{60}</sup>$  I note that the damages for the Sino-Forest noteholders could be greater or lower depending on the noteholder's actual purchase price and/or selling price.

<sup>&</sup>lt;sup>61</sup> On March 30, 2012, Sino-Forest announced that:

<sup>...</sup> it has reached agreement with an ad hoc committee of its noteholders (the "Ad Hoc Committee") on the material terms of a transaction (the "Transaction") which would involve either a sale of the Company to a third party or a restructuring under which the noteholders would acquire substantially all of the assets of the Company, including the shares of all of its direct subsidiaries which own, directly or indirectly, all of the business operations of the Company. The Ad Hoc Committee represents a significant portion of the holders of the Company's 5% Convertible Senior Notes due 2013, 10.25% Guaranteed Senior Notes due 2014. 4.25% Convertible Senior Notes due 2016 and 6.25% Guaranteed Senior Notes due 2017 (collectively, the "Notes" and holders of Notes, the "Noteholders"). The Company is initiating proceedings today in the Ontario Superior Court of Justice (the "Court") under the Companies' Creditors Arrangement Act (the "CCAA") seeking approval for a Court supervised restructuring process to implement

of the notes on May 9, 2012. The auction to settle the CDSs set a final price of 29% of the face amount for the notes. Therefore, I computed the value of the notes as 29% multiplied by the face amount of each note outstanding.<sup>62</sup> Under this method, a measure of total maximum obtainable damages for the four notes currently outstanding is US\$1,281.2 million.<sup>63</sup> *See* Exhibit "L."

#### VI. ADDITIONAL DAMAGE CALCULATIONS

## A. Additional Damages Period

55. Based on the methodology described above, I have also calculated damages under Sections 138.5(1) and 138.5(3) of the OSA for the Additional Damages Period. Thus, I provide the additional damages for shares purchased from March 31, 2006 through March 16, 2007, the

the Transaction, including the immediate initiation of a sale solicitation process and a stay of certain creditor claims. ("Sino-Forest Announces CCAA Filing to Pursue Third Party Sale Transaction Or Restructuring with Noteholders; Commences Action Against Muddy Waters," Sino-Forest News Release, March 30, 2012.)

On April 10, 2012, the International Swap Dealers Association announced that: "... its Asia Ex-Japan Credit Derivatives Determinations Committee resolved that a Bankruptcy Credit Event occurred in respect of Sino-Forest Corporation. The Committee determined that an auction will be held in respect of outstanding CDS transactions." "ISDA Credit Derivatives Determinations Committee: Sino-Forest Corporation Credit Event," ISDA News Release, April 10, 2012. The CDS auction was held on May 9, 2012. Source: Markit (available at www.creditfixings.com/CreditEventAuctions/results.jsp?ticker=SIFO).

<sup>62</sup> Source of pricing: Markit (available at www.creditfixings.com/CreditEventAuctions/ results.jsp?ticker=SIFO). *See* also "Sino-Forest CDS payout determined, asset value still unknown," *The Globe and Mail*, May 9, 2012, 1:35 pm. For an example of pricing credit default swaps after a credit event, *see* John Hull and Alan White, "Valuing Credit Default I: No Counterparty Default Risk," NYU Working Paper No. FIN-00-021, April 2000, 3-4. I also note that the 29% CDS auction price was consistent with bid-evaluated prices for the notes that ranged from 28.25% to 29.17% on May 9, 2012. Source: Bloomberg.

<sup>63</sup> I note that the damages for the Sino-Forest noteholders could be greater or lower depending on the noteholder's actual purchase price and/or selling price.

last trading day before the start of the Class Period. I find additional damages of C\$644,200 for 194,036 damaged shares under both Section 138.5(1) and Section 138.5(3).

## B. Note Purchaser Damages: Primary vs. Secondary Market Damages

Notes of US\$703.5 million. This measure is based on the difference between the par value and the 10-day average trading price following the end of the Class Period. Co-Counsel has also asked that I separate the estimated damages of US\$703.5 million for Sino-Forest note holders into those note holders that purchased Sino-Forest notes in the initial offerings and those that acquired Sino-Forest notes in the secondary market. In order to separate the estimated damages between the two groups of damaged investors, I use a proportional trading model as described in the Torchio November 2011 Affidavit. I assume that turnover for the notes was 4% per month. Based on a turnover of 4%, I estimate Primary Notes Damages for note holders who purchased notes in the initial offering of Sino-Forest notes to be US\$357.1 million, and Secondary Notes Damages for note holders who purchased notes in the secondary market to be US\$346.4 million.

Sino-Forest Primary and Secondary Market Bond Damages

| Description                           | Primary<br>Damages (US\$) | Secondary<br>Damages (US\$) |
|---------------------------------------|---------------------------|-----------------------------|
| 10.25% Guaranteed Senior Notes (144A) | \$56,361,979              | \$82,000,746                |
| 6.25% Guaranteed Senior Notes (144A)  | \$183,824,493             | \$70,995,507                |
| 5.00% Convertible Senior Notes (144A) | \$31,867,700              | \$101,134,113               |
| 4.25% Convertible Senior Notes (144A) | \$85,050,817              | \$92,284,933                |
| TOTAL                                 | \$357,104,988             | \$346,415,299               |

<sup>&</sup>lt;sup>64</sup> For example, *see* Jack Bao, Jun Pan, and Jiang Wang, "The Illiquidity of Corporate Bonds," *The Journal of Finance*, Vol. LXVI, No. 3, June 2011, 911-946.

I certify that, to the best of my knowledge and belief:

- -- the statements of fact contained in this Affidavit are true and correct;
- -- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions;
- -- I have reviewed Rule 4.1 of the Ontario *Rules of Civil Procedure*, and I have prepared this Affidavit having regard to the duty described therein;
- -- I have no present or prospective interest in the parties to this case, and I have no personal interest or bias with respect to the parties involved; and
- -- my compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of, this Affidavit.

Date

Daic

Frank C. Torchio

Sworn to me this \( \frac{1}{2} \) day of January, 2013

Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948

Commission Expires June 22, 2013

#### **List of Exhibits**

#### **Exhibit Title**

- A Resume of Frank C. Torchio
- B Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011
- C Sino-Forest Common Stock Daily Closing Price and Volume from March 19, 2007 to August 25, 2011
- D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011
- E Sino-Forest Common Stock Daily Float for the Multi-Trader Model from March 19, 2007 to August 25, 2011
- F Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011
- G-1 Sino-Forest Common Stock Section 138.5(1) Statutory Damages by Country and for Primary Offerings (C\$ in millions)
- G-2 Summary of Investor Purchase Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages for Sino-Forest Common Stock
- H Sino-Forest Common Stock Excess Price Declines on June 2-3, 2011 (C\$)
- I-1 Sino-Forest Common Stock Damages by Country and for Primary Offerings Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$ in millions)
- I-2 Summary of Investor Purchase Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation for Sino-Forest Common Stock
- J Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011
- K Estimated Maximum Obtainable Damages (Section 138.5(1)) for Sino-Forest Notes Using Values After the Alleged Corrective Disclosure (US\$)
- L Estimated Maximum Obtainable Damages for Sino-Forest Notes Using Values as of May 9, 2012 (US\$)

This is Exhibit "A"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this May of January, 2013

A Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948
Commission Expires June 22, 2013

## Exhibit A

January 2013

# FRANK C. TORCHIO, CFA

| Business Address:           | School Address:                   | Home Address:       |
|-----------------------------|-----------------------------------|---------------------|
| Forensic Economics, Inc.    | Wm. E. Simon Graduate School      | 68 Knollwood Drive  |
| 95 Allens Creek Road        | University of Rochester           | Rochester, NY 14618 |
| Building 2, Suite 303       | Carol Simon Hall                  | (585) 249-9455      |
| Rochester, NY 14618         | Rochester, NY 14627               |                     |
| (585) 385-7440              | (585) 275-3914                    |                     |
| frank@forensiceconomics.com | frank.torchio@simon.rochester.edu |                     |

# **Employment and Education**

|              | <u> </u>                                                                                                                                                                                             |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9/97-present | <b>Wm. E. Simon Graduate School of Business Administration</b> , University of Rochester, Rochester, NY. Part-time faculty. Finance and Economics.                                                   |
| 8/89-present | <b>Forensic Economics, Inc.</b> (incorporated in 1993), Rochester, NY. President. Consulting in financial valuations and financial-economic analysis in securities litigation and business disputes. |
| 6/82-8/89    | Rochester Gas and Electric Corporation, Rochester, NY.                                                                                                                                               |
| 6/88-8/89    | Vice President for Utilicom, an RG&E venture subsidiary.                                                                                                                                             |
| 4/87-6/88    | Economist - Strategic Planning Department.                                                                                                                                                           |
| 6/82-3/87    | Financial Analyst - Treasury Department.                                                                                                                                                             |
| 9/80-12/81   | <b>M.B.A., Economics and Finance</b> , William E. Simon Graduate School of Business Administration, University of Rochester, Rochester, NY.                                                          |
| 9/78-8/80    | Insurance Services Office, New York, NY. Statistician - Commercial Lines.                                                                                                                            |
| 9/74-5/78    | <b>B.A., Mathematics</b> , Niagara University, Niagara Falls, NY.                                                                                                                                    |

### **Publications**

- "Event Study Analysis in Securities Litigation and the Bonferroni Correction," Working Paper, 2010.
- "Proper Event Study Analysis in Securities Litigation," *The Journal of Corporation Law*, 35:1, 2009, pp.159-168.
- "The Circularity of Life in Securities Class Actions," Working Paper, 2008.
- "A Comparison of Trading Models Used for Calculating Aggregate Damages in Securities Litigation," with Michael Barclay, *Law and Contemporary Problems: Complex Litigation at the Millennium*, Vol. 64, Nos. 2 & 3, Spring/Summer 2001.
- "University of Rochester's Endowment Fund Review," with Gregg A. Jarrell, University of Rochester Simon School Working Paper, 11/93.
- "The Longer-Term Relation Between Accounting Performance and Stock Returns," with Gregg A. Jarrell, Working Paper Bradley Policy Research Center, 8/92.
- "Proper Transfer Pricing Aids Success," with Gregg A. Jarrell, *Rochester Business Journal*, 7/30/90.
- "Calculating Proper Transfer Prices," with Gregg A. Jarrell, Public Utilities Fortnightly, 1/1/91.

#### **Awards**

Awarded the Chartered Financial Analyst (CFA)<sup>®</sup> designation by the CFA Institute (2002).

The Richard L. Rosenthal Fellowship at the University of Rochester (1991).

William E. Simon Graduate School of Business Administration Alumni Service Award (1992).

#### **Activities**

Chairperson and speaker on Transfer Pricing Economics at the International Institute of Manufacturing.

Former adjunct faculty for economics and finance at Rochester Institute of Technology Graduate School of Business.

Member of the National Association of Forensic Economics.

Volunteer for entertaining at nursing homes and senior citizen communities to raise funds for the American Cancer Society.

## **Expert Testimony and Expert Consulting Experience (Last Four Years)**

Expert Report of Frank C. Torchio in <u>David Hoppaugh</u>, <u>Individually and On Behalf of All Others Similarly Situated v. K12 Inc.</u>, <u>Ronald J. Packard</u>, and <u>Harry T. Hawks</u>, in the United States District Court, Eastern District of Virginia, Alexandria Division, Civ. A. No. 1:12-cv-00103-CMH-IDD (December 23, 2012).

Affidavit of Frank C. Torchio in <u>Trustees of the Mill Wright Regional Council of Ontario Pension Fund v. Celestica Inc.</u>, Stephen W. Delaney and Anthony P. Puppi; Nabil Berzi v. Celestica Inc., Stephen W. Delaney and Anthony P. Puppi; and Huacheng Xing v. Celestica Inc., <u>Stephen W. Delaney and Anthony P. Puppi</u>, in the Superior Court of Justice, Ontario, Canada, Court File No.: CV-11-424069-00CP (December 14, 2012).

Declaration of Frank C. Torchio in <u>In re General Electric Co. Sec. Litig.</u>, in the United States District Court, Southern District of New York, Case No. Civ. No. 09-CIV-1951 (DLC), (December 3, 2012).

Declaration of Frank C. Torchio in <u>In re General Electric Co. Sec. Litig.</u>, in the United States District Court, Southern District of New York, Case No. Civ. No. 09-CIV-1951 (DLC), (November 2, 2012).

Declaration of Frank C. Torchio in <u>United States Securities and Exchange Commission, v. A.C.L.N., Ltd., Abderrazak "Aido" Labiad, Joseph J.H. Bisschops, Alex De Ridder, Boo International (Cyprus), Minas Ioannou, Christakis Ioannou, Emerald Sea Marine, Inc., Pearlrose Holdings International, S.A., and Scott Investments S.A. in the United States District Court, Southern District of New York, Case No. 02CV7988 (September 27, 2012).</u>

Affidavit of Frank C. Torchio in E. Eddy Bayens, John Sinclair, Luc Fortin, Pierre Racicot and Stanley Shortt, in their capacity as Trustees of the Musicians, Pension Fund of Canada v. Kinross Gold Corporation, Tye W. Burt, Paul H. Barry, Glen J. Masterman and Kenneth G. Thomas in the Superior Court of Justice, Ontario, Canada, Court File No.: CY-12-44865100CP (September 27, 2012).

Deposition of Frank C. Torchio in <u>In re Wehle</u>, File Nos. 2006-1463, 2006-1463/A, 2006-1463/B, 2007-2911 in the Surrogate's Court, Monroe County, State of New York (August 30, 2012).

Affidavit of Frank C. Torchio in <u>AFA Livförsäkringsaktiebolag</u>, <u>AFA Sjukförsäkringsaktiebolag</u>, <u>AFA Trygghetsförsäkringsaktiebolag</u> and <u>Kollektivavtalsstiftelsen Trygghetsfonden TSL</u>; and <u>William Leslie v. Agnico-Eagle Mines Limited</u>, <u>Sean Boyd</u>, <u>Eberhard Scherkus and Ammar Al-Joundi</u>, et al. in the Superior Court of Justice, Ontario, Canada, Court File No.: CV-12-448410-00CP (August 28, 2012).

Deposition of Frank C. Torchio in Marvin Neil Silver and Cliff Cohen v. IMAX Corporation, Richard L. Gelfond, Bradley J. Wechsler, Francis T. Joyce, Neil S. Braun, Kenneth G. Copland, Garth M. Girvan, David W. Leebron and Kathryn A. Gamble in the Superior Court of Justice, Ontario, Canada, Court File No.: CV-06-3257-00 (June 19, 2012).

Affidavit of Frank C. Torchio in The Trustees of the Labourers' Pension Fund of Central and Eastern Canada, The Trustees of the International Union of Operating Engineers Local 793

Pension Plan for Operating Engineers in Ontario, Sjunde AP-Fonden, David Grant and Robert Wong v. Sino-Forest Corporation, et al. in the Superior Court of Justice, Ontario, Canada, Court File No.: CV-11-431153-00CP (June 19, 2012).

Affidavit of Frank C. Torchio in Support of Motion to Correct Judgment in <u>Tull N. Gerreald, Jr., et al. v. Just Care, Inc.</u> in the Court of Chancery of the State of Delaware, C.A. No. 5233-VCP (June 12, 2012).

Affidavit of Frank C. Torchio in <u>Gerald Czamanske v. Canadian Royalties et al.</u> in the Superior Court of Justice, Ontario, Canada, Court File No.: CV-10-405156 00CP (June 1, 2012).

Affidavit of Frank C. Torchio in Marvin Neil Silver and Cliff Cohen v. IMAX Corporation, Richard L. Gelfond, Bradley J. Wechsler, Francis T. Joyce, Neil S. Braun, Kenneth G. Copland, Garth M. Girvan, David W. Leebron and Kathryn A. Gamble in the Superior Court of Justice, Ontario, Canada, Court File No.: CV-06-3257-00 (May 9, 2012).

Expert Report of Frank C. Torchio in Response to Defendants' Experts in <u>In Re MoneyGram International</u>, <u>Inc. Securities Litigation</u> in the Court of Chancery of the State of Delaware, C.A. No. 6387-VCL (April 18, 2012).

Deposition of Frank C. Torchio in <u>Kehoe Component Sales, Inc. d/b/a Pace Electronics Products v. Best Lighting Products, Inc.</u> in the United States District Court Southern District of Ohio Eastern Division, C.A. No. 2:08-cv-752 (April 4, 2012).

Affidavit of Frank C. Torchio in <u>The Trustees of the Labourers' Pension Fund of Central and Eastern Canada and the Trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario v. Sino-Forest Corporation, et al. in the Superior Court of Justice, Ontario, Canada, Court File No.: CV-11-431153-00CP (April 2, 2012).</u>

Second Supplemental Expert Report of Frank C. Torchio in <u>In Re MoneyGram International</u>, <u>Inc. Securities Litigation</u> in the Court of Chancery of the State of Delaware, C.A. No. 6387-VCL (February 24, 2012).

Supplemental Report of Frank C. Torchio in <u>Kehoe Component Sales, Inc. d/b/a Pace Electronics Products v. Best Lighting Products</u>, Inc. in the United States District Court Southern District of Ohio Eastern Division, C.A. No. 2:08-cv-752 (February 9, 2012).

Affidavit of Frank C. Torchio in <u>The Trustees of the Labourers' Pension Fund of Central and Eastern Canada and the Trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario v. Sino-Forest Corporation, et al. in the Superior Court of Justice, Ontario, Canada, Court File No.: CV-11-431153-00CP (November 30, 2011).</u>

Expert Report of Frank C. Torchio in <u>Kehoe Component Sales, Inc. d/b/a Pace Electronics</u> <u>Products v. Best Lighting Products, Inc.</u> in the United States District Court Southern District of Ohio Eastern Division, C.A. No. 2:08-cv-752 (November 23, 2011).

Expert Report of Frank C. Torchio in <u>In Re Talecris Biotherapeutics Holdings Shareholder Litigation</u> in the Court of Chancery of the State of Delaware, C.A. No. 5614-VCL (November 22, 2011).

Rebuttal Report of Frank C. Torchio in <u>In Re Appraisal of The Aristotle Corporation</u> in the Court of Chancery of the State of Delaware, C.A. No. 5137-VCS, <u>John Crawford</u>, et al. v. <u>The Aristotle Corporation</u> in the Court of Chancery of the State of Delaware, C.A. No. 5361-VCS (September 1, 2011).

Consultant in <u>Centro Securities Litigation</u> in the Federal Court of Australia, Victoria District Registry, No. 366 of 2008 (August 28, 2011).

Expert Report of Frank C. Torchio in <u>In Re Appraisal of The Aristotle Corporation</u> in the Court of Chancery of the State of Delaware, C.A. No. 5137-VCS, <u>John Crawford</u>, et al. v. <u>The Aristotle Corporation</u> in the Court of Chancery of the State of Delaware, C.A. No. 5361-VCS (August 1, 2011).

Trial Testimony of Frank C. Torchio in <u>Tull N. Gerreald, Jr., et al. v. JUST CARE, Inc.</u> in the Court of Chancery of the State of Delaware, C.A. No. 5233-VCP (July 19, 2011).

Deposition of Frank C. Torchio in <u>Tull N. Gerreald, Jr., et al. v. JUST CARE, Inc.</u> in the Court of Chancery of the State of Delaware, C.A. No. 5233-VCP (June 14, 2011).

Expert Rebuttal Report of Frank C. Torchio in <u>Tull N. Gerreald, Jr., et al. v. JUST CARE, Inc.</u> in the Court of Chancery of the State of Delaware, C.A. No. 5233-VCP (May 31, 2011).

Supplemental Expert Report of Frank C. Torchio in <u>Willie R. Pittman, et al. v. MoneyGram International, Inc., et al.</u> in the Court of Chancery of the State of Delaware, C.A. No. 6387-VCL (May 13, 2011).

Expert Report of Frank C. Torchio in <u>Tull N. Gerreald, Jr., et al. v. JUST CARE, Inc.</u> in the Court of Chancery of the State of Delaware, C.A. No. 5233-VCP (May 9, 2011).

Expert Report of Frank C. Torchio in <u>Willie R. Pittman, et al. v. MoneyGram International, Inc.</u>, et al. in the Court of Chancery of the State of Delaware, C.A. No. 6387-VCL (May 6, 2011).

Deposition of Frank C. Torchio in <u>In Re Fannie Mae Securities Litigation</u> in the United States District Court, District of Columbia, Consolidated Civil Action No. 1:04-CV-01639 (February 10-11, 2011).

Expert Rebuttal Report of Frank C. Torchio in <u>In Re Fannie Mae Securities Litigation</u> in the United States District Court, District of Columbia, Consolidated Civil Action No. 1:04-CV-01639 (December 20, 2010).

Trial Testimony of Frank C. Torchio in New York State Electric & Gas Corporation v. FirstEnergy Corp. in the United States District Court for the Northern District of New York, Civil Action No.3:03-CV-0438 (DEP) (December 13, 2010).

Affidavit of Frank C. Torchio in New York State Electric & Gas Corporation v. FirstEnergy Corp. in the United States District Court for the Northern District of New York, Civil Action No.3:03-CV-0438 (DEP) (November 30, 2010).

Supplemental Affidavit of Frank C. Torchio in <u>In Re The Student Loan Corporation Litigation</u> in the Court of Chancery of the State of Delaware, Consolidated C.A. No. 5832-VCL (November 29, 2010).

Affidavit of Frank C. Torchio in <u>In Re The Student Loan Corporation Litigation</u> in the Court of Chancery of the State of Delaware, Consolidated C.A. No. 5832-VCL (November 19, 2010).

Declaration of Frank C. Torchio in <u>In Re Countrywide Financial Corporation Securities</u>
<u>Litigation</u> in the United States District Court, Central District of California, Western Division, Lead Case No. CV 07-05295 MRP (MANx) (October 6, 2010).

Expert Report of Frank C. Torchio in <u>In Re Fannie Mae Securities Litigation</u> in the United States District Court, District of Columbia, Consolidated Civil Action No. 1:04-CV-01639 (September 14, 2010).

Expert Report of Frank C. Torchio and James L. Canessa in <u>Beechwood Restorative Care Center</u>, et al. v. <u>Laura E. Leeds</u>, et al. in the United States District Court, Western District of New York, Case No. 02-CV-6235 (August 25, 2010).

Declaration of Frank C. Torchio for Settlement Purposes in <u>In Re Countrywide Financial</u> <u>Corporation Securities Litigation</u> in the United States District Court, Central District of California, Western Division, Lead Case No. CV 07-05295 MRP (MANx) (June 29, 2010).

Expert Report of Frank C. Torchio in <u>Franz Schliecher</u>, et al. vs. <u>Gary C. Wendt</u>, <u>William J. Shea</u>, <u>Charles B. Chokel and James S. Adams</u> in the United States District Court for the Southern District of Indiana, Indianapolis Division, No.02 CV 1332 TWP-TAB (June 28, 2010).

Deposition of Frank C. Torchio in New York State Electric & Gas Corporation v. FirstEnergy Corp. in the United States District Court for the Northern District of New York, Civil Action No.3:03-CV-0438 (DEP) (June 24, 2010).

Deposition of Frank C. Torchio in <u>Alexander Dobbie and Michael Benson v. Arctic Glacier Income Fund</u>, Arctic Glacier Inc., Richard L. Johnson, Keith W. McMahon, Douglas A. Bailey, <u>James E. Clark</u>, Robert J. Nagy, Gary A. Filmon and David R. Swaine in the Superior Court of Justice, Ontario, Canada, No. 59725 (June 4, 2010).

Expert Report of Frank C. Torchio in <u>New York State Electric & Gas Corporation v. FirstEnergy Corp.</u> in the United States District Court for the Northern District of New York, Civil Action No.3:03-CV-0438 (DEP) (May 28, 2010).

Affidavit of Frank C. Torchio in <u>Alexander Dobbie and Michael Benson v. Arctic Glacier Income Fund</u>, Arctic Glacier Inc., Richard L. Johnson, Keith W. McMahon, Douglas A. Bailey, <u>James E. Clark</u>, Robert J. Nagy, Gary A. Filmon and David R. Swaine in the Superior Court of Justice, Ontario, Canada, No. 59725 (April 30, 2010).

Declaration of Frank C. Torchio in Akanthos Capital Management, LLC; Aria Opportunity Fund Ltd.; AQR Absolute Return Master Account, L.P.; CC Arbitrage, Ltd; CNH CA Master Account, L.P.; Galileo Partners Fund I, L.P.; GLG Investments plc: sub-fund GLG Global Convertible UCITS Fund; GLG Investments IV plc: sub-fund GLG Global Convertible UCITS (Distributing) Fund; GLG Global Convertible Fund plc; GLG Market Neutral Fund; Highbridge International LLC; Kamunting Street Master Fund, Ltd.; KBC Financial Products (Cayman Islands) Ltd.; Kingstown Partners, L.P.; Pandora Select Advisors, LLC; Parsoon Opportunity Fund Ltd.; Tenor Opportunity Master Fund, Ltd.; Whitebox Advisors, LLC; Whitebox Combined Advisors, LLC; Whitebox Convertible Arbitrage Advisors, LLC; and Whitebox Hedged High Yield Advisors, LLC, v CompuCredit Holdings Corporation in the United States District Court for the Northern District of Georgia, No. 1:10-CV-844-TCB (April 28, 2010).

Expert Report of Frank C. Torchio in <u>Eugene Singer v. Anthony Dubreville and i2 Technologies</u>, <u>Inc. (Nominal Defendant)</u> in the Court of Chancery of the State of Delaware, Civil Action No. 3310-CC (December 28, 2009).

Testimony of Frank C. Torchio at hearing in <u>Irwin J. Barkan & D&D Barkan, LLC v. Dunkin Donuts, Inc.</u>, and <u>Baskin-Robbins USA</u>, <u>Co.</u> in the United States District Court For The District of Rhode Island, No. 05-50-L (December 18, 2009).

Arbitration Testimony of Frank C. Torchio in <u>Mid-Lakes Management Corp. as fiduciary for Mid-Lakes Management Employee Pension Trust v. Eagle Steward Wealth Management, LCC, Arbitration Proceeding in Monroe County, New York (November 23, 2009).</u>

Arbitration Testimony of Frank C. Torchio in <u>SEI, Societa Esplosivi Industriali Spa v. L3-KDI Precision Products, Inc.</u>, International Chamber of Commerce, Geneva, Switzerland, ICC Case No. 15513/FM111 (November 5-6, 2009).

Expert Report of Frank C. Torchio in <u>Mid-Lakes Management Corp. as fiduciary for Mid-Lakes Management Employee Pension Trust v. Eagle Steward Wealth Management, LCC</u>, Arbitration Proceeding in Monroe County, New York (October 22, 2009).

Declaration of Frank C. Torchio in <u>Reba Bagley</u>, <u>Scott Silver</u>, <u>Tolan Beck</u>, <u>and Rod Huges vs.</u> <u>KB Home et al.</u> in the United States District Court Central District of California Western Division, No. CV-07-01754 DSF (Ssx) (October 1, 2009).

Expert Report of Frank C. Torchio in <u>SEI, Societa Esplosivi Industriali Spa v. L3-KDI Precision Products, Inc.</u>, International Chamber of Commerce, Geneva, Switzerland, ICC Case No. 15513/FM111 (September 9, 2009).

Expert Report of Frank C. Torchio in <u>Marsh & McLennan Companies</u>, <u>Inc. Securities Litigation</u> in the United States District Court for the Southern District of New York, Civil Action No. 04-CV-08144 (SWK) (July 27, 2009).

Preliminary Report for Mediation of Frank C. Torchio in <u>Centro Securities Litigation</u> in the Federal Court of Australia, Victoria District Registry, No. 366 of 2008 (July 13, 2009).

Deposition of Frank C. Torchio in <u>Irwin J. Barkan & D&D Barkan, LLC v. Dunkin Donuts, Inc.</u>, <u>and Baskin-Robbins USA, Co.</u> in the United States District Court For The District of Rhode Island, No. 05-50-L (July 8, 2009 and July 10, 2009).

Trial Testimony of Frank C. Torchio in The Matter of the Judicial Settlement of the Final Account of JPMorgan Chase Bank (successor by merger to The Chase Manhattan Bank, successor by merger to The Chase Manhattan Bank, N.A., successor by merger to The Chase Lincoln First Bank, N.A., successor by consolidation to Lincoln First Bank of Rochester) as Trustee for the Trust under Article "EIGHTH-B" of the Will of BLANCHE D. HUNTER, deceased, for the benefit of PAMELA TOWNLEY CREIGHTON, now also deceased in the Surrogate's Court of the State of New York, County of Westchester, File No. 30-1973 B (July 2, 2009).

Supplemental Declaration of Frank C. Torchio in <u>Vivendi Universal</u>, S.A. Securities <u>Litigation</u> in the United States District Court for the Southern District of New York, No. 02 Civ. 5571 (RJH) (HBP) (June 29, 2009).

Expert Report of Frank C. Torchio in <u>Irwin J. Barkan & D&D Barkan, LLC v. Dunkin Donuts, Inc.</u>, and <u>Baskin-Robbins USA</u>, <u>Co.</u> in the United States District Court For The District of Rhode Island, No. 05-50-L (June 16, 2009).

Declaration of Frank C. Torchio in <u>Vivendi Universal, S.A. Securities Litigation</u> in the United States District Court for the Southern District of New York, No. 02 Civ. 5571 (RJH) (HBP) (April 29, 2009).

This is Exhibit "B"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this <u>N</u> day of January, 2013

A Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948
Commission Expires June 22, 2013

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

| Date [1] 3/19/2007 3/20/2007 3/21/2007 3/22/2007 3/23/2007 3/26/2007 | Volume               | Closing<br>Price     |                  |                | Closing              |                 |                | Closing      |                 |
|----------------------------------------------------------------------|----------------------|----------------------|------------------|----------------|----------------------|-----------------|----------------|--------------|-----------------|
| [1] 3/19/2007 3/20/2007 3/21/2007 3/22/2007 3/23/2007                |                      | Price                |                  |                | _                    |                 | Closing        |              |                 |
| [1] 3/19/2007 3/20/2007 3/21/2007 3/22/2007 3/23/2007                |                      |                      |                  |                | Price                |                 |                | Price        |                 |
| 3/19/2007<br>3/20/2007<br>3/21/2007<br>3/22/2007<br>3/23/2007        |                      | C\$                  | Return           | Volume         | US\$                 | Return          | Volume         | EUR          | Return          |
| 3/20/2007<br>3/21/2007<br>3/22/2007<br>3/23/2007                     | [2]                  | [3]                  | [4]              | [5]            | [6]                  | [7]             | [8]            | [9]          | [10]            |
| 3/21/2007<br>3/22/2007<br>3/23/2007                                  | 579,842              | \$ 10.51             | 4.06%            | 15,250         | \$ 8.90              | na              | 4,510          | 6.78         | 5.12%           |
| 3/22/2007<br>3/23/2007                                               | 894,993              | \$ 10.83             | 3.04%            | 9,100          | \$ 9.30              | 4.46%           | 10,240         | 7.09         | 4.57%           |
| 3/23/2007                                                            | 713,649              | \$ 11.11             | 2.59%            | 20,610         | \$ 9.60              | 3.23%           | 12,120         | 7.09         | 0.00%           |
|                                                                      | 1,101,991            | \$ 11.56             | 4.05%            | 36,350         | \$ 10.05             | 4.69%           | 15,110         | 7.55         | 6.49%           |
| 3/26/2007                                                            | 1,563,127            | \$ 11.88             | 2.77%            | 10,400         | \$ 9.99              | -0.60%          | 16,545         | 7.51         | -0.53%          |
| 2 /25 /2005                                                          | 1,436,951            | \$ 12.95             | 9.01%            | 43,900         | \$ 11.15             | 11.61%          | 10,582         | 8.15         | 8.52%           |
| 3/27/2007                                                            | 538,656              | \$ 12.85             | -0.77%           | 4,550          | \$ 11.20             | 0.45%           | 7,626          | 8.36         | 2.58%           |
| 3/28/2007                                                            | 2,181,373            | \$ 12.64             | -1.63%           | 92,800         | \$ 10.74             | -4.07%          | 4,654          | 8.10         | -3.11%          |
| 3/29/2007                                                            | 2,791,740            | \$ 13.42             | 6.17%            | 11,540         | \$ 11.66             | 8.53%           | 13,125         | 8.59         | 6.05%           |
| 3/30/2007                                                            | 484,814              | \$ 13.10             | -2.38%           | 8,801          | \$ 11.33             | -2.84%          | 6,280          | 8.50         | -1.05%          |
| 4/2/2007                                                             | 346,328              | \$ 12.94             | -1.22%           | 27,130         | \$ 11.26             | -0.64%          | 2,900          | 8.39         | -1.29%          |
| 4/3/2007                                                             | 602,846              | \$ 12.95             | 0.08%            | 52,620         | \$ 11.32             | 0.57%           | 2,720          | 8.34         | -0.60%          |
| 4/4/2007                                                             | 536,125              | \$ 12.97             | 0.15%            | 0              | -                    | na              | 1,495          | 8.31         | -0.36%          |
| 4/5/2007                                                             | 876,510              | \$ 13.29             | 2.47%            | 5,235          | \$ 11.45             | na              | 809            | 8.46         | 1.81%           |
| 4/9/2007                                                             | 294,242              | \$ 13.57             | 2.11%            | 2,100          | \$ 11.78             | 2.85%           | 0              | - 0.00       | na              |
| 4/10/2007                                                            | 513,029              | \$ 13.83             | 1.92%            | 1,400          | \$ 12.10             | 2.75%           | 6,095          | 8.90         | na<br>o 7 co    |
| 4/11/2007                                                            | 543,962              | \$ 13.87             | 0.29%            | 14,650         | \$ 12.15             | 0.41%           | 7,919          | 8.95         | 0.56%           |
| 4/12/2007                                                            | 864,791              | \$ 14.25             | 2.74%            | 650            | \$ 12.16             | 0.07%           | 1,268          | 9.13         | 2.01%           |
| 4/13/2007                                                            | 677,870              | \$ 13.85             | -2.81%           | 9,700          | \$ 12.19             | 0.27%           | 5,671          | 9.15         | 0.22%           |
| 4/16/2007                                                            | 899,665              | \$ 13.81             | -0.29%           | 3,000          | \$ 12.20             | 0.07%           | 15,608         | 8.93         | -2.40%          |
| 4/17/2007                                                            | 941,873              | \$ 13.98             | 1.23%            | 20,100         | \$ 12.37             | 1.41%           | 4,902          | 9.14         | 2.35%           |
| 4/18/2007                                                            | 743,935              | \$ 14.10             | 0.86%            | 25,000         | \$ 12.51             | 1.13%           | 4,050          | 9.15         | 0.11%           |
| 4/19/2007                                                            | 468,392              | \$ 13.86             | -1.70%           | 3,200          | \$ 12.29             | -1.77%          | 4,330          | 9.08         | -0.77%          |
| 4/20/2007                                                            | 724,382              | \$ 13.32             | -3.90%           | 2,857          | \$ 11.60             | -5.62%          | 4,612          | 8.67         | -4.52%          |
| 4/23/2007                                                            | 621,928              | \$ 13.32             | 0.00%            | 78,830         | \$ 11.86             | 2.24%           | 6,843          | 8.63         | -0.46%          |
| 4/24/2007                                                            | 245,231              | \$ 13.40             | 0.60%            | 390            | \$ 11.85             | -0.08%          | 1,985          | 8.66         | 0.35%           |
| 4/25/2007                                                            | 389,057              | \$ 13.77<br>\$ 13.62 | 2.76%<br>-1.09%  | 5,800          | \$ 12.12<br>\$ 12.25 | 2.25%<br>1.10%  | 1,762<br>712   | 8.70<br>8.85 | 0.46%<br>1.72%  |
| 4/26/2007                                                            | 86,022               | \$ 13.62             | -1.09%<br>-0.29% | 5,400          | \$ 12.23             | -0.89%          | 631            | 9.00         | 1.72%           |
| 4/27/2007                                                            | 294,277              | \$ 13.50             | -0.29%<br>-0.59% | 1,600          | \$ 12.14             | -0.89%<br>1.31% | 6,117          | 9.00         | 0.00%           |
| 4/30/2007<br>5/1/2007                                                | 346,531<br>1,092,030 | \$ 13.50             | -0.39%<br>0.37%  | 5,689<br>2,900 | \$ 12.30<br>\$ 12.25 | -0.45%          | 0,117          |              |                 |
| 5/2/2007                                                             | 602,561              | \$ 13.36             | -1.40%           | 2,400          | \$ 12.23             | -0.45%          | 1,770          | 8.85         | na              |
| 5/3/2007                                                             | 635,947              | \$ 13.30             | -1.40%<br>-1.57% | 3,900          | \$ 12.22             | -3.85%          | 3,350          | 8.63         | na<br>-2.49%    |
| 5/4/2007                                                             | 656,738              | \$ 13.13             | 3.27%            | 3,200          | \$ 11.75             | -3.83%<br>4.29% | 1,592          | 8.99         | 4.17%           |
| 5/7/2007                                                             | 427,974              | \$ 13.30             | 0.88%            | 1,200          | \$ 12.23             | 1.19%           | 290            | 9.03         | 0.44%           |
| 5/8/2007                                                             | 697,775              | \$ 13.70             | -0.73%           | 1,800          | \$ 12.40             | -1.38%          | 1,316          | 8.93         | -1.11%          |
| 5/9/2007                                                             | 631,071              | \$ 13.38             | -1.62%           | 2,600          | \$ 12.20             | -0.23%          | 11,388         | 8.84         | -1.01%          |
| 5/10/2007                                                            | 929,141              | \$ 13.59             | 1.57%            | 1,400          | \$ 12.20             | -0.23%          | 1,350          | 8.96         | 1.36%           |
| 5/11/2007                                                            | 753,705              | \$ 13.59             | 0.07%            | 8,100          | \$ 12.28             | 0.65%           | 3,244          | 8.90         | -0.67%          |
| 5/14/2007                                                            | 503,810              | \$ 13.05             | -4.04%           | 8,870          | \$ 12.28             | -4.28%          | 2,180          | 8.57         | -3.71%          |
| 5/15/2007                                                            | 1,450,770            | \$ 13.03             | -4.04%           | 59,625         | \$ 11.73             | -2.98%          | 7,130          | 8.09         | -5.60%          |
| 5/16/2007                                                            | 1,354,234            | \$ 12.49             | 1.20%            | 76,885         | \$ 11.40             | -2.19%          | 7,130          | 7.90         | -2.35%          |
| 5/17/2007                                                            | 1,334,234            | \$ 12.04             | 5.30%            | 2,550          | \$ 11.13             | 5.83%           | 1,410          | 8.59         | 8.73%           |
| 5/18/2007                                                            | 546,280              | \$ 13.31             |                  | 2,600          | \$ 12.19             |                 |                | 9.00         | 4.77%           |
| 5/21/2007                                                            | 340,280<br>0         | \$ 13.41<br>-        | 0.75%            | 4,000          | \$ 12.19             | 3.33%           | 3,352<br>2,085 | 9.00         | 1.44%           |
| 5/22/2007                                                            |                      |                      | na               | ,              |                      | 0.06%           |                |              |                 |
|                                                                      | 1,179,246            | \$ 13.83<br>\$ 13.15 | na<br>4 02%      | 500<br>4.600   | \$ 12.75             | 4.51%           | 3,610          | 9.42         | 3.18%           |
| 5/23/2007<br>5/24/2007                                               | 1,402,115            | \$ 13.15             | -4.92%<br>1.67%  | 4,600          | \$ 12.23             | -4.09%<br>2.61% | 2,442          | 8.97         | -4.78%<br>2.12% |
| 5/24/2007<br>5/25/2007                                               | 757,324<br>430,601   | \$ 12.93             | -1.67%           | 9,000          | \$ 11.91             | -2.61%          | 1,357          | 8.78<br>8.76 | -2.12%          |
| 5/25/2007                                                            | 430,691              | \$ 12.90             | -0.23%           | 27,330         | \$ 11.92             | 0.08%           | 3,771          | 8.76         | -0.23%          |
| 5/28/2007                                                            | 82,020               | \$ 12.87             | -0.23%           | 1.500          | ¢ 12.00              | na              | 1 606          | 9 90         | na              |
| 5/29/2007                                                            | 925,356              | \$ 12.85             | -0.16%           | 1,500          | \$ 12.08             | na              | 1,696          | 8.80         | n               |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

|                        | Canadia                | an Exchan    | ges    | U.S    | . Exchange | es               | Germ   | an Exchan | ges    |
|------------------------|------------------------|--------------|--------|--------|------------|------------------|--------|-----------|--------|
|                        |                        | Closing      |        |        | Closing    |                  |        | Closing   |        |
|                        |                        | Price        |        |        | Price      |                  |        | Price     |        |
| Date                   | Volume                 | C\$          | Return | Volume | US\$       | Return           | Volume | EUR       | Return |
| [1]                    | [2]                    | [3]          | [4]    | [5]    | [6]        | [7]              | [8]    | [9]       | [10]   |
| 5/30/2007              | 869,727                | \$ 12.87     | 0.16%  | 10,000 | \$ 12.00   | -0.68%           | 2,500  | 8.80      | 0.00%  |
| 5/31/2007              | 688,622                | \$ 13.05     | 1.40%  | 22,764 | \$ 12.29   | 2.41%            | 690    | 8.83      | 0.34%  |
| 6/1/2007               | 724,888                | \$ 13.15     | 0.77%  | 4,350  | \$ 12.35   | 0.50%            | 1,550  | 9.08      | 2.83%  |
| 6/4/2007               | 1,063,644              | \$ 13.99     | 6.39%  | 8,770  | \$ 13.15   | 6.48%            | 4,600  | 9.79      | 7.82%  |
| 6/5/2007               | 1,234,165              | \$ 14.05     | 0.43%  | 31,400 | \$ 13.18   | 0.20%            | 4,614  | 9.76      | -0.31% |
| 6/6/2007               | 899,577                | \$ 14.05     | 0.00%  | 1,350  | \$ 13.25   | 0.55%            | 4,880  | 9.80      | 0.41%  |
| 6/7/2007               | 998,556                | \$ 13.75     | -2.14% | 7,900  | \$ 13.02   | -1.74%           | 1,800  | 9.78      | -0.20% |
| 6/8/2007               | 1,246,966              | \$ 13.76     | 0.07%  | 1,500  | \$ 12.91   | -0.81%           | 5,095  | 9.56      | -2.25% |
| 6/11/2007              | 847,158                | \$ 14.05     | 2.11%  | 4,100  | \$ 13.28   | 2.83%            | 896    | 9.81      | 2.62%  |
| 6/12/2007              | 1,037,238              | \$ 14.10     | 0.36%  | 43,650 | \$ 13.31   | 0.23%            | 410    | 9.90      | 0.92%  |
| 6/13/2007              | 1,108,829              | \$ 14.98     | 6.24%  | 19,000 | \$ 13.99   | 5.13%            | 1,560  | 10.33     | 4.34%  |
| 6/14/2007              | 3,609,985              | \$ 16.07     | 7.28%  | 17,250 | \$ 15.01   | 7.24%            | 1,944  | 11.00     | 6.49%  |
| 6/15/2007              | 3,751,545              | \$ 16.75     | 4.23%  | 78,308 | \$ 15.40   | 2.62%            | 7,907  | 11.35     | 3.18%  |
| 6/18/2007              | 938,008                | \$ 17.19     | 2.63%  | 72,750 | \$ 16.13   | 4.76%            | 12,531 | 11.89     | 4.76%  |
| 6/19/2007              | 1,141,471              | \$ 17.05     | -0.81% | 54,600 | \$ 16.01   | -0.75%           | 5,936  | 12.17     | 2.35%  |
| 6/20/2007              | 1,204,876              | \$ 16.55     | -2.93% | 500    | \$ 15.30   | -4.45%           | 7,025  | 11.63     | -4.44% |
| 6/21/2007              | 1,348,439              | \$ 16.42     | -0.79% | 8,400  | \$ 15.35   | 0.29%            | 2,700  | 11.03     | -5.16% |
| 6/22/2007              | 1,831,889              | \$ 15.98     | -2.68% | 5,000  | \$ 14.93   | -2.70%           | 4,151  | 11.30     | 2.45%  |
| 6/25/2007              | 839,554                | \$ 15.84     | -0.88% | 6,000  | \$ 14.77   | -1.09%           | 2,175  | 11.20     | -0.88% |
| 6/26/2007              | 1,187,631              | \$ 15.04     | -5.05% | 7,600  | \$ 14.08   | -4.66%           | 2,686  | 10.78     | -3.75% |
| 6/27/2007              | 935,235                | \$ 15.19     | 1.00%  | 14,180 | \$ 14.07   | -0.07%           | 16,867 | 10.48     | -2.78% |
| 6/28/2007              | 850,725                | \$ 14.98     | -1.38% | 600    | \$ 14.10   | 0.24%            | 1,093  | 10.60     | 1.15%  |
| 6/29/2007              | 451,357                | \$ 15.30     | 2.14%  | 300    | \$ 14.14   | 0.27%            | 740    | 10.51     | -0.85% |
| 7/2/2007               | 0                      | _            | na     | 0      | _          | na               | 6,936  | 10.53     | 0.19%  |
| 7/3/2007               | 1,088,634              | \$ 16.28     | na     | 6,700  | \$ 14.89   | na               | 4,117  | 11.04     | 4.84%  |
| 7/4/2007               | 351,462                | \$ 16.64     | 2.21%  | 0      | _          | na               | 5,035  | 11.46     | 3.80%  |
| 7/5/2007               | 991,440                | \$ 17.09     | 2.70%  | 24,600 | \$ 16.27   | na               | 1,353  | 11.96     | 4.36%  |
| 7/6/2007               | 1,420,136              | \$ 17.08     | -0.06% | 2,100  | \$ 16.30   | 0.18%            | 1,498  | 12.00     | 0.33%  |
| 7/9/2007               | 653,479                | \$ 17.05     | -0.18% | 2,600  | \$ 16.32   | 0.14%            | 3,685  | 12.08     | 0.67%  |
| 7/10/2007              | 1,881,542              | \$ 17.04     | -0.06% | 300    | \$ 16.08   | -1.51%           | 3,357  | 11.90     | -1.49% |
| 7/11/2007              | 1,302,972              | \$ 17.92     | 5.16%  | 5,000  | \$ 17.05   | 6.06%            | 5,450  | 12.04     | 1.18%  |
| 7/12/2007              | 886,347                | \$ 18.10     | 1.00%  | 5,050  | \$ 17.25   | 1.17%            | 5,200  | 12.63     | 4.90%  |
| 7/13/2007              | 574,535                | \$ 17.92     | -0.99% | 64,600 | \$ 17.17   | -0.46%           | 691    | 12.59     | -0.32% |
| 7/16/2007              | 575,490                | \$ 17.60     | -1.79% | 78,345 | \$ 16.87   | -1.73%           | 1,914  | 12.37     | -1.75% |
| 7/17/2007              | 1,963,010              | \$ 17.93     | 1.87%  | 10,400 | \$ 17.19   | 1.89%            | 1,350  | 12.24     | -1.05% |
| 7/18/2007              | 1,819,439              | \$ 18.29     | 2.01%  | 8,700  | \$ 17.19   | 1.74%            | 964    | 12.49     | 2.04%  |
| 7/19/2007              | 389,668                | \$ 18.80     | 2.79%  | 2,700  | \$ 18.06   | 3.24%            | 5,894  | 13.02     | 4.24%  |
| 7/20/2007              | 1,528,170              | \$ 18.87     | 0.37%  | 6,090  | \$ 17.96   | -0.56%           | 3,570  | 13.12     | 0.77%  |
| 7/23/2007              | 577,205                | \$ 18.50     | -1.96% | 1,650  | \$ 17.54   | -2.34%           | 18,607 | 12.78     | -2.59% |
| 7/24/2007              | 409,523                |              |        | 1,030  | \$ 17.54   |                  | 3,824  | 12.76     | -2.39% |
| 7/25/2007              | 733,604                | \$ 17.89     | -3.30% | 400    | \$ 17.33   | -0.03%<br>-3.99% | 6,538  | 12.30     |        |
|                        |                        | \$ 17.30     | -3.30% |        |            |                  |        |           | -3.42% |
| 7/26/2007<br>7/27/2007 | 1,071,588<br>1,035,097 | \$ 16.87     | -2.49% | 65,800 | \$ 15.89   | -5.61%           | 7,426  | 11.71     | -3.46% |
|                        |                        | \$ 17.10     | 1.36%  | 5,100  | \$ 16.20   | 1.94%            | 17,577 | 11.93     | 1.88%  |
| 7/30/2007              | 1,836,386              | \$ 17.10     | 0.00%  | 1,100  | \$ 15.97   | -1.41%           | 8,866  | 11.66     | -2.26% |
| 7/31/2007              | 1,440,454              | \$ 16.85     | -1.46% | 1,800  | \$ 15.90   | -0.47%           | 9,935  | 11.78     | 1.03%  |
| 8/1/2007               | 1,143,209              | \$ 16.12     | -4.33% | 45,200 | \$ 15.10   | -5.00%           | 2,602  | 10.94     | -7.13% |
| 8/2/2007               | 755,852                | \$ 16.30     | 1.12%  | 5,300  | \$ 15.33   | 1.52%            | 4,025  | 11.13     | 1.74%  |
| 8/3/2007               | 353,638                | \$ 16.01     | -1.78% | 3,900  | \$ 15.18   | -0.97%           | 1,584  | 11.18     | 0.45%  |
| 8/6/2007               | 0                      | <del>-</del> | na     | 2,500  | \$ 15.00   | -1.19%           | 4,875  | 10.98     | -1.79% |
| 8/7/2007               | 753,435                | \$ 15.96     | na     | 3,800  | \$ 14.81   | -1.29%           | 2,967  | 10.75     | -2.09% |
| 8/8/2007               | 1,285,834              | \$ 16.45     | 3.07%  | 6,300  | \$ 14.68   | -0.86%           | 6,522  | 11.28     | 4.93%  |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|                        | Canadia   | an Exchan | ges              | U.S.              | U.S. Exchanges German Exchan |                 | ges    |         |                  |
|------------------------|-----------|-----------|------------------|-------------------|------------------------------|-----------------|--------|---------|------------------|
|                        |           | Closing   |                  |                   | Closing                      |                 |        | Closing |                  |
|                        |           | Price     |                  |                   | Price                        |                 |        | Price   |                  |
| Date                   | Volume    | C\$       | Return           | Volume            | US\$                         | Return          | Volume | EUR     | Return           |
| [1]                    | [2]       | [3]       | [4]              | [5]               | [6]                          | [7]             | [8]    | [9]     | [10]             |
| 8/9/2007               | 998,882   | \$ 15.60  | -5.17%           | 74,600            | \$ 14.90                     | 1.48%           | 2,850  | 10.84   | -3.90%           |
| 8/10/2007              | 1,253,247 | \$ 14.91  | -4.42%           | 4,500             | \$ 13.91                     | -6.63%          | 19,066 | 10.49   | -3.23%           |
| 8/13/2007              | 1,239,129 | \$ 15.26  | 2.35%            | 118,200           | \$ 14.60                     | 4.99%           | 8,715  | 10.65   | 1.53%            |
| 8/14/2007              | 1,175,049 | \$ 15.23  | -0.20%           | 19,000            | \$ 14.25                     | -2.42%          | 5,042  | 10.55   | -0.94%           |
| 8/15/2007              | 1,165,029 | \$ 14.84  | -2.56%           | 1,100             | \$ 13.94                     | -2.19%          | 3,276  | 10.32   | -2.18%           |
| 8/16/2007              | 1,499,760 | \$ 14.25  | -3.98%           | 3,050             | \$ 13.49                     | -3.23%          | 24,998 | 9.58    | -7.17%           |
| 8/17/2007              | 2,087,019 | \$ 13.97  | -1.96%           | 5,950             | \$ 13.14                     | -2.57%          | 11,394 | 9.81    | 2.40%            |
| 8/20/2007              | 1,438,139 | \$ 14.01  | 0.29%            | 2,900             | \$ 13.27                     | 1.01%           | 5,755  | 9.95    | 1.43%            |
| 8/21/2007              | 1,155,283 | \$ 13.99  | -0.14%           | 3,100             | \$ 13.15                     | -0.93%          | 1,140  | 9.82    | -1.31%           |
| 8/22/2007              | 2,474,474 | \$ 17.19  | 22.87%           | 3,200             | \$ 16.22                     | 23.38%          | 4,273  | 11.56   | 17.72%           |
| 8/23/2007              | 1,347,493 | \$ 16.15  | -6.05%           | 2,125             | \$ 16.27                     | 0.29%           | 6,396  | 11.26   | -2.60%           |
| 8/24/2007              | 1,032,846 | \$ 17.08  | 5.76%            | 2,600             | \$ 16.25                     | -0.14%          | 2,730  | 11.85   | 5.24%            |
| 8/27/2007              | 583,680   | \$ 17.26  | 1.05%            | 1,200             | \$ 16.26                     | 0.09%           | 3,800  | 12.34   | 4.14%            |
| 8/28/2007              | 1,282,354 | \$ 17.28  | 0.12%            | 1,000             | \$ 16.33                     | 0.40%           | 808    | 11.98   | -2.92%           |
| 8/29/2007              | 927,473   | \$ 17.46  | 1.04%            | 0                 | φ 10.00<br>-                 | na              | 7,051  | 11.87   | -0.92%           |
| 8/30/2007              | 357,580   | \$ 17.64  | 1.03%            | 900               | \$ 16.68                     | na              | 1,085  | 12.10   | 1.94%            |
| 8/31/2007              | 1,180,243 | \$ 18.00  | 2.04%            | 843               | \$ 17.04                     | 2.15%           | 1,855  | 12.41   | 2.56%            |
| 9/3/2007               | 0         | Ψ 10.00   | na               | 0                 | Ψ17.0-                       | 2.1370<br>na    | 1,075  | 12.41   | 1.53%            |
| 9/4/2007               | 634,300   | \$ 18.33  | na               | 3,900             | \$ 17.50                     | na              | 1,633  | 12.68   | 0.63%            |
| 9/5/2007               | 2,465,761 | \$ 18.96  | 3.44%            | 2,100             | \$ 17.95                     | 2.57%           | 2,370  | 13.20   | 4.10%            |
| 9/6/2007               | 1,533,645 | \$ 18.90  | -0.32%           | 86,500            | \$ 17.93                     | 0.28%           | 9,034  | 13.20   | -0.53%           |
| 9/7/2007               | 1,206,794 | \$ 19.02  | 0.63%            | 29,600            | \$ 17.89                     | -0.62%          | 4,915  | 13.13   | -0.99%           |
| 9/10/2007              | 2,528,689 | \$ 19.02  | 0.03%            | 9,650             | \$ 17.89                     | 2.46%           | 1,550  | 12.99   | -0.99%           |
|                        |           |           |                  |                   |                              |                 |        |         |                  |
| 9/11/2007              | 1,475,147 | \$ 19.56  | 2.52%            | 5,700             | \$ 18.57                     | 1.32%           | 560    | 13.23   | 1.85%            |
| 9/12/2007              | 1,077,179 | \$ 19.40  | -0.82%           | 3,208             | \$ 18.75                     | 0.96%           | 3,950  | 13.49   | 1.97%            |
| 9/13/2007              | 1,714,753 | \$ 19.81  | 2.11%            | 1,420             | \$ 19.15                     | 2.13%           | 2,605  | 13.66   | 1.26%            |
| 9/14/2007              | 1,525,080 | \$ 20.28  | 2.37%            | 3,500             | \$ 19.41                     | 1.35%           | 4,852  | 13.92   | 1.90%            |
| 9/17/2007              | 1,920,248 | \$ 20.21  | -0.35%           | 79,200            | \$ 19.55                     | 0.72%           | 6,960  | 13.97   | 0.36%            |
| 9/18/2007              | 2,669,671 | \$ 21.01  | 3.96%            | 9,250             | \$ 20.72                     | 5.99%           | 3,260  | 14.35   | 2.72%            |
| 9/19/2007              | 1,641,660 | \$ 22.15  | 5.43%            | 16,350            | \$ 21.25                     | 2.57%           | 13,371 | 14.83   | 3.34%            |
| 9/20/2007              | 2,458,999 | \$ 22.86  | 3.21%            | 4,800             | \$ 22.91                     | 7.83%           | 9,126  | 16.28   | 9.78%            |
| 9/21/2007              | 4,031,455 | \$ 22.17  | -3.02%           | 2,750             | \$ 22.38                     | -2.33%          | 9,831  | 15.57   | -4.36%           |
| 9/24/2007              | 1,135,176 | \$ 22.86  | 3.11%            | 6,600             | \$ 22.86                     | 2.17%           | 5,281  | 16.22   | 4.17%            |
| 9/25/2007              | 2,731,147 | \$ 22.26  | -2.62%           | 900               | \$ 22.20                     | -2.93%          | 10,694 | 15.85   | -2.28%           |
| 9/26/2007              | 663,318   | \$ 22.18  | -0.36%           | 0                 | -                            | na              | 2,818  | 15.70   | -0.95%           |
| 9/27/2007              | 1,351,098 | \$ 21.81  | -1.67%           | 5,140             | \$ 21.72                     | na              | 9,840  | 15.22   | -3.06%           |
| 9/28/2007              | 1,174,679 | \$ 22.48  | 3.07%            | 600               | \$ 21.96                     | 1.11%           | 3,219  | 15.70   | 3.15%            |
| 10/1/2007              | 1,319,624 | \$ 23.47  | 4.40%            | 1,000             | \$ 22.42                     | 2.08%           | 4,886  | 16.36   | 4.20%            |
| 10/2/2007              | 1,927,209 | \$ 23.59  | 0.51%            | 3,400             | \$ 23.25                     | 3.71%           | 5,849  | 16.46   | 0.61%            |
| 10/3/2007              | 1,851,619 | \$ 22.87  | -3.05%           | 500               | \$ 23.00                     | -1.08%          | 3,160  | 16.27   | -1.15%           |
| 10/4/2007              | 2,304,464 | \$ 23.19  | 1.40%            | 4,500             | \$ 23.22                     | 0.95%           | 1,114  | 16.27   | 0.00%            |
| 10/5/2007              | 698,383   | \$ 23.66  | 2.03%            | 2,900             | \$ 24.06                     | 3.61%           | 2,756  | 17.07   | 4.92%            |
| 10/8/2007              | 0         | _         | na               | 1,400             | \$ 24.95                     | 3.71%           | 8,606  | 17.31   | 1.41%            |
| 10/9/2007              | 1,580,204 | \$ 23.68  | na               | 3,400             | \$ 24.12                     | -3.34%          | 7,952  | 17.08   | -1.33%           |
| 0/10/2007              | 2,063,826 | \$ 24.10  | 1.77%            | 10,928            | \$ 24.55                     | 1.78%           | 3,780  | 17.20   | 0.70%            |
| 0/11/2007              | 3,862,540 | \$ 24.55  | 1.87%            | 17,735            | \$ 24.97                     | 1.73%           | 14,915 | 18.00   | 4.65%            |
| 0/11/2007              | 1,349,601 | \$ 24.92  | 1.51%            | 12,700            | \$ 25.51                     | 2.15%           | 16,665 | 17.83   | -0.94%           |
| 0/15/2007              | 1,646,181 | \$ 24.13  | -3.17%           | 9,000             | \$ 23.31                     | -2.82%          | 8,763  | 17.60   | -1.29%           |
|                        |           | \$ 23.58  |                  | 21,950            | \$ 24.79                     |                 | 9,042  | 16.73   | -1.29%<br>-4.94% |
| 0/16/2007<br>0/17/2007 | 2,214,620 |           | -2.28%<br>-2.04% | 21,930<br>151,100 | \$ 23.96                     | -3.35%<br>1.37% | 5,586  | 16.73   | -4.94%<br>-0.78% |
| W/ 17/2007/            | 1,567,650 | \$ 23.10  | -2.04%           | 131,100           | o ∠3.03                      | -1.37%          | 2,280  | 10.00   | -0./0%           |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|                          | Canadia                | an Exchan            | ges              | U.S.            | . Exchange           | s                 | Germ            | an Exchan      | ges               |
|--------------------------|------------------------|----------------------|------------------|-----------------|----------------------|-------------------|-----------------|----------------|-------------------|
|                          |                        | Closing              |                  |                 | Closing              |                   |                 | Closing        |                   |
|                          |                        | Price                |                  |                 | Price                |                   |                 | Price          |                   |
| Date                     | Volume                 | C\$                  | Return           | Volume          | US\$                 | Return            | Volume          | EUR            | Return            |
| [1]                      | [2]                    | [3]                  | [4]              | [5]             | [6]                  | [7]               | [8]             | [9]            | [10]              |
| 10/19/2007               | 4,038,101              | \$ 23.17             | -1.57%           | 107,000         | \$ 24.16             | 0.06%             | 7,060           | 16.50          | 0.30%             |
| 10/22/2007               | 2,173,863              | \$ 22.76             | -1.77%           | 9,188           | \$ 22.90             | -5.21%            | 5,517           | 16.33          | -1.03%            |
| 10/23/2007               | 2,775,683              | \$ 22.51             | -1.10%           | 600             | \$ 23.36             | 2.02%             | 12,408          | 16.48          | 0.92%             |
| 10/24/2007               | 1,606,434              | \$ 22.89             | 1.69%            | 750             | \$ 23.00             | -1.55%            | 22,357          | 15.94          | -3.28%            |
| 10/25/2007               | 2,411,844              | \$ 22.88             | -0.04%           | 6,700           | \$ 23.61             | 2.64%             | 4,191           | 16.47          | 3.32%             |
| 10/26/2007               | 1,019,039              | \$ 23.84             | 4.20%            | 101,200         | \$ 24.61             | 4.24%             | 4,382           | 17.30          | 5.04%             |
| 10/29/2007               | 1,183,662              | \$ 24.72             | 3.69%            | 146,290         | \$ 25.80             | 4.83%             | 14,707          | 18.00          | 4.05%             |
| 10/30/2007               | 1,550,968              | \$ 24.94             | 0.89%            | 7,050           | \$ 25.83             | 0.13%             | 19,549          | 17.70          | -1.67%            |
| 10/31/2007               | 2,165,685              | \$ 25.12             | 0.72%            | 55,093          | \$ 26.96             | 4.37%             | 7,422           | 18.54          | 4.75%             |
| 11/1/2007                | 3,008,124              | \$ 23.81             | -5.21%           | 4,500           | \$ 25.24             | -6.39%            | 7,688           | 17.60          | -5.07%            |
| 11/2/2007                | 1,360,223              | \$ 23.24             | -2.39%           | 91,400          | \$ 24.95             | -1.13%            | 2,180           | 17.34          | -1.48%            |
| 11/5/2007                | 2,458,418              | \$ 23.18             | -0.26%           | 31,950          | \$ 24.52             | -1.73%            | 4,647           | 16.91          | -2.48%            |
| 11/6/2007                | 2,456,578              | \$ 24.06             | 3.80%            | 6,700           | \$ 26.00             | 6.04%             | 5,422           | 17.92          | 5.97%             |
| 11/7/2007                | 1,434,393              | \$ 23.48             | -2.41%           | 23,700          | \$ 25.27             | -2.81%            | 3,981           | 17.68          | -1.34%            |
| 11/8/2007                | 1,700,874              | \$ 23.15             | -1.41%           | 322             | \$ 24.47             | -3.16%            | 6,358           | 16.54          | -6.45%            |
| 11/9/2007                | 968,658                | \$ 23.00             | -0.65%           | 2,000           | \$ 24.20             | -1.11%            | 5,208           | 16.63          | 0.54%             |
| 11/12/2007               | 2,529,395              | \$ 20.48<br>\$ 20.90 | -10.96%          | 75,100<br>1,100 | \$ 22.00<br>\$ 21.75 | -9.10%<br>-1.12%  | 25,297          | 15.46<br>14.71 | -7.04%<br>-4.85%  |
| 11/13/2007               | 2,397,276              | \$ 20.90             | 2.05%            |                 | \$ 21.75             | -1.12%<br>4.92%   | 18,511          |                | -4.85%<br>6.12%   |
| 11/14/2007               | 1,009,978              | \$ 22.00             | 5.26%            | 5,600           | \$ 22.82             | 4.92%<br>-4.21%   | 4,023<br>6,085  | 15.61          | -4.80%            |
| 11/15/2007               | 762,810                | \$ 20.51             | -2.77%           | 32,400          | \$ 21.86             |                   |                 | 14.86<br>14.48 |                   |
| 11/16/2007<br>11/19/2007 | 1,730,387<br>2,705,904 | \$ 18.63             | -4.11%<br>-9.17% | 2,450<br>11,800 | \$ 18.82             | -3.23%<br>-11.06% | 3,363<br>13,508 | 12.72          | -2.56%<br>-12.15% |
| 11/19/2007               | 2,703,904              | \$ 19.50             | -9.17%<br>4.67%  | 2,330           | \$ 19.30             | 2.58%             | 6,454           | 13.10          | 2.99%             |
| 11/20/2007               | 2,505,251              | \$ 19.50             | 0.00%            | 26,050          | \$ 19.30             | 2.28%             | 10,097          | 13.10          | -0.38%            |
| 11/21/2007               | 479,097                | \$ 19.00             | -2.56%           | 20,030          | φ 17.74<br>-         | 2.2670<br>na      | 6,439           | 13.09          | 0.31%             |
| 11/23/2007               | 883,421                | \$ 20.38             | 7.26%            | 1,600           | \$ 20.30             | na                | 1,570           | 13.85          | 5.81%             |
| 11/26/2007               | 1,548,586              | \$ 19.13             | -6.13%           | 6,800           | \$ 19.01             | -6.33%            | 9,096           | 13.71          | -1.01%            |
| 11/20/2007               | 1,742,012              | \$ 19.13             | 4.23%            | 18,900          | \$ 20.03             | 5.36%             | 7,282           | 13.16          | -4.01%            |
| 11/28/2007               | 1,892,748              | \$ 20.79             | 4.26%            | 3,100           | \$ 20.03             | 10.33%            | 2,505           | 14.51          | 10.26%            |
| 11/29/2007               | 1,749,873              | \$ 20.79             | 1.01%            | 100             | \$ 22.10             | -4.38%            | 2,341           | 14.30          | -1.45%            |
| 11/30/2007               | 4,705,844              | \$ 22.00             | 4.76%            | 20,084          | \$ 21.13             | 1.75%             | 6,473           | 15.09          | 5.52%             |
| 12/3/2007                | 1,021,675              | \$ 21.07             | -4.23%           | 2,900           | \$ 21.42             | -0.36%            | 4,744           | 14.40          | -4.57%            |
| 12/4/2007                | 885,950                | \$ 20.70             | -1.76%           | 2,500           | Ψ 21.42              | -0.3070<br>na     | 2,490           | 14.04          | -2.50%            |
| 12/5/2007                | 1,310,064              | \$ 20.70             | 1.30%            | 4,800           | \$ 20.70             | na                | 1,155           | 14.14          | 0.71%             |
| 12/6/2007                | 805,733                | \$ 20.56             | -1.96%           | 2,900           | \$ 20.43             | -1.30%            | 1,975           | 13.73          | -2.90%            |
| 12/7/2007                | 698,496                | \$ 20.15             | -1.99%           | 6,400           | \$ 19.87             | -2.72%            | 370             | 13.70          | -0.22%            |
| 12/10/2007               | 1,313,170              | \$ 20.95             | 3.97%            | 37,800          | \$ 20.50             | 3.18%             | 4,020           | 13.94          | 1.75%             |
| 12/11/2007               | 1,631,898              | \$ 20.99             | 0.19%            | 500             | \$ 21.00             | 2.44%             | 6,865           | 14.51          | 4.09%             |
| 12/12/2007               | 642,900                | \$ 20.60             | -1.86%           | 9,100           | \$ 19.95             | -5.00%            | 2,815           | 13.67          | -5.79%            |
| 12/13/2007               | 772,805                | \$ 20.00             | -2.91%           | 1,420           | \$ 20.15             | 1.00%             | 2,920           | 13.34          | -2.41%            |
| 12/14/2007               | 1,146,949              | \$ 19.28             | -3.60%           | 1,676           | \$ 18.96             | -5.92%            | 545             | 12.91          | -3.22%            |
| 12/17/2007               | 1,739,613              | \$ 18.30             | -5.08%           | 1,500           | \$ 18.53             | -2.28%            | 2,549           | 12.72          | -1.47%            |
| 12/18/2007               | 1,990,718              | \$ 19.00             | 3.83%            | 1,813           | \$ 18.26             | -1.46%            | 4,775           | 12.44          | -2.20%            |
| 12/19/2007               | 1,183,859              | \$ 18.50             | -2.63%           | 6,620           | \$ 18.40             | 0.79%             | 16,270          | 12.95          | 4.10%             |
| 12/20/2007               | 1,123,120              | \$ 18.64             | 0.76%            | 0,020           | φ 10.40              | na                | 410             | 12.79          | -1.24%            |
| 12/21/2007               | 917,884                | \$ 20.04             | 7.51%            | 8,000           | \$ 19.68             | na                | 1,520           | 13.01          | 1.72%             |
| 12/24/2007               | 232,483                | \$ 20.04             | -0.15%           | 1,942           | \$ 20.20             | 2.65%             | 0               | -              | 1.72/0<br>na      |
| 12/27/2007               | 646,664                | \$ 20.53             | 2.60%            | 50,400          | \$ 20.28             | 3.84%             | 2,899           | 14.52          | na                |
| 12/28/2007               | 1,203,141              | \$ 20.79             | 1.27%            | 45,750          | \$ 21.04             | 0.26%             | 205             | 14.40          | -0.83%            |
| 12/31/2007               | 582,114                | \$ 21.44             | 3.13%            | 4,690           | \$ 21.00             | -0.16%            | 0               |                | -0.03 /0<br>na    |
| 1/2/2008                 | 1,378,331              | \$ 21.52             | 0.37%            | 24,156          | \$ 21.64             | 3.03%             | 1,970           | 14.51          | na                |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

|           | Canadia   | an Exchanş | ges             | U.S.    | Exchange | S             | Germ   | an Exchan      | ges     |
|-----------|-----------|------------|-----------------|---------|----------|---------------|--------|----------------|---------|
|           |           | Closing    |                 |         | Closing  |               |        | Closing        |         |
|           |           | Price      |                 |         | Price    |               |        | Price          |         |
| Date      | Volume    | C\$        | Return          | Volume  | US\$     | Return        | Volume | EUR            | Return  |
| [1]       | [2]       | [3]        | [4]             | [5]     | [6]      | [7]           | [8]    | [9]            | [10]    |
| 1/3/2008  | 1,395,886 | \$ 21.69   | 0.79%           | 3,144   | \$ 21.79 | 0.69%         | 592    | 14.81          | 2.07%   |
| 1/4/2008  | 519,516   | \$ 21.36   | -1.52%          | 3,700   | \$ 21.53 | -1.17%        | 400    | 14.98          | 1.15%   |
| 1/7/2008  | 630,199   | \$ 20.71   | -3.04%          | 49,120  | \$ 20.34 | -5.53%        | 1,877  | 13.92          | -7.08%  |
| 1/8/2008  | 844,339   | \$ 20.82   | 0.53%           | 400     | \$ 20.93 | 2.90%         | 2,195  | 13.99          | 0.50%   |
| 1/9/2008  | 2,382,017 | \$ 21.18   | 1.73%           | 13,700  | \$ 21.10 | 0.81%         | 1,235  | 14.26          | 1.93%   |
| 1/10/2008 | 587,719   | \$ 21.01   | -0.80%          | 6,400   | \$ 20.57 | -2.51%        | 2,960  | 13.96          | -2.10%  |
| 1/11/2008 | 564,007   | \$ 20.99   | -0.10%          | 2,500   | \$ 20.59 | 0.10%         | 2,255  | 13.84          | -0.86%  |
| 1/14/2008 | 1,352,813 | \$ 21.92   | 4.43%           | 217,900 | \$ 21.63 | 5.04%         | 855    | 14.13          | 2.10%   |
| 1/15/2008 | 1,223,308 | \$ 20.40   | -6.93%          | 27,600  | \$ 19.62 | -9.32%        | 2,808  | 13.21          | -6.51%  |
| 1/16/2008 | 1,438,365 | \$ 18.94   | -7.16%          | 37,000  | \$ 18.38 | -6.28%        | 9,439  | 12.51          | -5.30%  |
| 1/17/2008 | 888,385   | \$ 19.08   | 0.74%           | 20,635  | \$ 18.50 | 0.63%         | 3,055  | 12.67          | 1.28%   |
| 1/18/2008 | 1,025,437 | \$ 18.67   | -2.15%          | 13,200  | \$ 18.06 | -2.38%        | 3,365  | 12.52          | -1.18%  |
| 1/21/2008 | 593,822   | \$ 16.59   | -11.14%         | 0       | -        | na            | 33,476 | 11.08          | -11.50% |
| 1/22/2008 | 2,827,529 | \$ 17.09   | 3.01%           | 27,490  | \$ 16.11 | na            | 21,690 | 11.05          | -0.27%  |
| 1/23/2008 | 1,010,280 | \$ 17.74   | 3.80%           | 7,283   | \$ 16.90 | 4.91%         | 4,887  | 11.30          | 2.26%   |
| 1/24/2008 | 587,952   | \$ 18.50   | 4.28%           | 800     | \$ 17.92 | 6.06%         | 5,140  | 12.07          | 6.81%   |
| 1/25/2008 | 506,321   | \$ 18.39   | -0.59%          | 1,500   | \$ 18.35 | 2.37%         | 3,895  | 12.75          | 5.63%   |
| 1/28/2008 | 675,000   | \$ 17.83   | -3.05%          | 2,200   | \$ 17.65 | -3.80%        | 1,581  | 12.05          | -5.49%  |
| 1/29/2008 | 1,073,173 | \$ 17.74   | -0.50%          | 1,600   | \$ 17.69 | 0.20%         | 400    | 12.21          | 1.33%   |
| 1/30/2008 | 1,768,418 | \$ 18.07   | 1.86%           | 3,200   | \$ 17.86 | 1.00%         | 0      | 11.95          | -2.13%  |
| 1/31/2008 | 915,198   | \$ 18.44   | 2.05%           | 3,200   | \$ 18.43 | 3.17%         | 1,525  | 12.05          | 0.84%   |
| 2/1/2008  | 4,241,986 | \$ 19.35   | 4.93%           | 1,400   | \$ 19.51 | 5.87%         | 1,970  | 12.74          | 5.73%   |
| 2/4/2008  | 960,820   | \$ 19.92   | 2.95%           | 10,685  | \$ 20.43 | 4.71%         | 5,755  | 12.73          | -0.08%  |
| 2/5/2008  | 1,405,151 | \$ 19.13   | -3.97%          | 12,250  | \$ 19.09 | -6.56%        | 1,650  | 12.95          | 1.73%   |
| 2/6/2008  | 527,936   | \$ 19.14   | 0.05%           | 4,000   | \$ 19.25 | 0.82%         | 1,679  | 13.14          | 1.47%   |
| 2/7/2008  | 619,193   | \$ 19.20   | 0.31%           | 56,400  | \$ 18.60 | -3.36%        | 350    | 12.60          | -4.11%  |
| 2/8/2008  | 333,339   | \$ 19.47   | 1.41%           | 1,000   | \$ 18.99 | 2.11%         | 1,775  | 13.10          | 3.97%   |
| 2/11/2008 | 411,435   | \$ 19.20   | -1.39%          | 11,800  | \$ 19.11 | 0.59%         | 1,660  | 13.13          | 0.23%   |
| 2/12/2008 | 1,154,120 | \$ 18.76   | -2.29%          | 0       | φ 17.11  | na            | 4,300  | 13.20          | 0.53%   |
| 2/13/2008 | 740,328   | \$ 19.00   | 1.28%           | 0       | _        | na            | 1,275  | 12.86          | -2.58%  |
| 2/14/2008 | 1,106,931 | \$ 18.91   | -0.47%          | 38,345  | \$ 18.90 | na            | 500    | 12.91          | 0.39%   |
| 2/15/2008 | 463,816   | \$ 19.09   | 0.95%           | 29,500  | \$ 18.82 | -0.43%        | 868    | 12.90          | -0.08%  |
| 2/18/2008 | 403,810   | ψ 17.07    | na              | 27,500  | ψ 10.02  | -0.4370<br>na | 552    | 13.06          | 1.24%   |
| 2/19/2008 | 571,789   | \$ 18.94   |                 | 11,000  | \$ 18.69 |               | 3,215  | 12.61          | -3.45%  |
| 2/20/2008 | 722,284   | \$ 18.50   | na<br>-2.32%    | 3,700   | \$ 18.26 | na<br>-2.35%  | 2,000  |                | -3.43%  |
| 2/21/2008 | 574,316   | \$ 18.30   | -2.32%<br>4.59% | 1,760   | \$ 19.05 | 4.35%         | 3,600  | 12.47<br>12.57 | 0.80%   |
| 2/21/2008 | 1,063,397 |            |                 |         | \$ 19.03 |               |        |                |         |
|           |           | \$ 18.71   | -3.31%          | 4,500   |          | -3.78%        | 175    | 12.80          | 1.83%   |
| 2/25/2008 | 429,244   | \$ 19.15   | 2.35%           | 9,250   | \$ 19.27 | 5.13%         | 325    | 12.77          | -0.23%  |
| 2/26/2008 | 558,207   | \$ 19.10   | -0.26%          | 23,000  | \$ 19.30 | 0.16%         | 475    | 12.98          | 1.64%   |
| 2/27/2008 | 351,624   | \$ 19.25   | 0.79%           | 800     | \$ 19.46 | 0.83%         | 260    | 12.90          | -0.62%  |
| 2/28/2008 | 277,886   | \$ 18.98   | -1.40%          | 12,650  | \$ 19.48 | 0.10%         | 0      | 12.96          | 0.47%   |
| 2/29/2008 | 409,839   | \$ 18.98   | 0.00%           | 15,240  | \$ 19.19 | -1.47%        | 500    | 12.64          | -2.47%  |
| 3/3/2008  | 1,790,468 | \$ 19.14   | 0.84%           | 1,500   | \$ 19.20 | 0.01%         | 1,600  | 12.70          | 0.47%   |
| 3/4/2008  | 1,031,041 | \$ 19.06   | -0.42%          | 14,800  | \$ 19.13 | -0.34%        | 775    | 12.47          | -1.81%  |
| 3/5/2008  | 1,505,733 | \$ 19.65   | 3.10%           | 1,600   | \$ 20.00 | 4.52%         | 1,320  | 12.87          | 3.21%   |
| 3/6/2008  | 1,029,339 | \$ 18.60   | -5.34%          | 3,800   | \$ 18.79 | -6.03%        | 1,090  | 13.21          | 2.64%   |
| 3/7/2008  | 1,551,609 | \$ 17.94   | -3.55%          | 3,112   | \$ 18.22 | -3.03%        | 2,047  | 12.00          | -9.16%  |
| 3/10/2008 | 1,050,933 | \$ 17.11   | -4.63%          | 7,100   | \$ 16.91 | -7.22%        | 3,551  | 11.59          | -3.42%  |
| 3/11/2008 | 722,458   | \$ 18.11   | 5.84%           | 600     | \$ 17.67 | 4.53%         | 180    | 11.34          | -2.16%  |
| 3/12/2008 | 457,411   | \$ 17.72   | -2.15%          | 550     | \$ 18.25 | 3.28%         | 980    | 11.58          | 2.12%   |
| 3/13/2008 | 1,301,300 | \$ 17.75   | 0.17%           | 8,400   | \$ 17.54 | -3.90%        | 360    | 10.99          | -5.09%  |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

|           | Canadia   | an Exchan            | ges     | U.S    | . Exchange           | S      | German Exchanges |         |         |
|-----------|-----------|----------------------|---------|--------|----------------------|--------|------------------|---------|---------|
|           |           | Closing              |         |        | Closing              |        |                  | Closing |         |
|           |           | Price                |         |        | Price                |        |                  | Price   |         |
| Date      | Volume    | C\$                  | Return  | Volume | US\$                 | Return | Volume           | EUR     | Return  |
| [1]       | [2]       | [3]                  | [4]     | [5]    | [6]                  | [7]    | [8]              | [9]     | [10]    |
| 3/14/2008 | 912,668   | \$ 17.00             | -4.23%  | 0      | -<br>0.16.76         | na     | 100              | 11.39   | 3.64%   |
| 3/17/2008 | 711,970   | \$ 16.87             | -0.76%  | 500    | \$ 16.56             | na     | 10,339           | 10.60   | -6.94%  |
| 3/18/2008 | 2,097,833 | \$ 16.83             | -0.24%  | 3,700  | \$ 16.19             | -2.24% | 6,600            | 10.12   | -4.53%  |
| 3/19/2008 | 8,278,645 | \$ 15.00             | -10.87% | 4,350  | \$ 14.85             | -8.32% | 810              | 10.48   | 3.56%   |
| 3/20/2008 | 1,185,542 | \$ 14.92             | -0.53%  | 7,600  | \$ 14.52             | -2.16% | 6,467            | 9.40    | -10.31% |
| 3/24/2008 | 810,095   | \$ 15.74             | 5.50%   | 0      | \$ 15.40             | 6.03%  | 0                | -       | na      |
| 3/25/2008 | 1,264,928 | \$ 15.82             | 0.51%   | 1,100  | \$ 15.45             | 0.29%  | 4,205            | 9.80    | na      |
| 3/26/2008 | 604,772   | \$ 16.31             | 3.10%   | 6,000  | \$ 16.21             | 4.95%  | 5,310            | 10.12   | 3.27%   |
| 3/27/2008 | 1,140,738 | \$ 15.97             | -2.08%  | 300    | \$ 16.10             | -0.68% | 700              | 10.11   | -0.10%  |
| 3/28/2008 | 585,211   | \$ 15.75             | -1.38%  | 1,200  | \$ 15.40             | -4.35% | 1,210            | 9.69    | -4.15%  |
| 3/31/2008 | 1,072,100 | \$ 16.00             | 1.59%   | 575    | \$ 15.54             | 0.91%  | 0                | 9.61    | -0.83%  |
| 4/1/2008  | 1,220,197 | \$ 16.66             | 4.13%   | 0      | -                    | na     | 1,294            | 10.40   | 8.22%   |
| 4/2/2008  | 1,746,596 | \$ 17.23             | 3.42%   | 300    | \$ 16.71             | na     | 1,667            | 10.82   | 4.04%   |
| 4/3/2008  | 2,484,136 | \$ 17.74             | 2.96%   | 4,000  | \$ 17.66             | 5.68%  | 1,500            | 10.82   | 0.00%   |
| 4/4/2008  | 500,928   | \$ 17.62             | -0.68%  | 1,200  | \$ 17.43             | -1.30% | 9,790            | 11.12   | 2.77%   |
| 4/7/2008  | 444,404   | \$ 17.90             | 1.59%   | 700    | \$ 17.84             | 2.32%  | 473              | 11.40   | 2.52%   |
| 4/8/2008  | 1,192,416 | \$ 17.35             | -3.07%  | 700    | \$ 17.63             | -1.16% | 1,370            | 11.20   | -1.75%  |
| 4/9/2008  | 5,699,720 | \$ 16.70             | -3.75%  | 0      | -                    | na     | 1,550            | 10.54   | -5.89%  |
| 4/10/2008 | 353,596   | \$ 16.48             | -1.32%  | 0      | -                    | na     | 1,147            | 10.22   | -3.04%  |
| 4/11/2008 | 611,191   | \$ 16.09             | -2.37%  | 1,300  | \$ 15.61             | na     | 10,525           | 9.80    | -4.11%  |
| 4/14/2008 | 712,388   | \$ 16.02             | -0.44%  | 4,650  | \$ 15.70             | 0.56%  | 424              | 10.05   | 2.55%   |
| 4/15/2008 | 191,676   | \$ 15.63             | -2.43%  | 1,000  | \$ 15.49             | -1.32% | 0                | 10.01   | -0.40%  |
| 4/16/2008 | 409,259   | \$ 15.61             | -0.13%  | 13,600 | \$ 15.59             | 0.63%  | 2,292            | 9.75    | -2.60%  |
| 4/17/2008 | 2,107,835 | \$ 15.25             | -2.31%  | 3,100  | \$ 15.06             | -3.43% | 520              | 9.48    | -2.77%  |
| 4/18/2008 | 560,357   | \$ 15.89             | 4.20%   | 740    | \$ 15.78             | 4.83%  | 13,135           | 10.02   | 5.70%   |
| 4/21/2008 | 574,701   | \$ 15.21             | -4.28%  | 1,300  | \$ 15.25             | -3.40% | 7,535            | 9.70    | -3.19%  |
| 4/22/2008 | 182,005   | \$ 15.35             | 0.92%   | 5,350  | \$ 15.00             | -1.61% | 1,225            | 9.51    | -1.96%  |
| 4/23/2008 | 366,443   | \$ 15.10             | -1.63%  | 4,100  | \$ 14.88             | -0.83% | 2,300            | 9.52    | 0.11%   |
| 4/24/2008 | 1,105,330 | \$ 15.27             | 1.13%   | 2,500  | \$ 15.04             | 1.10%  | 280              | 9.41    | -1.16%  |
| 4/25/2008 | 737,885   | \$ 15.45             | 1.18%   | 100    | \$ 15.10             | 0.42%  | 5,890            | 9.65    | 2.55%   |
| 4/28/2008 | 673,503   | \$ 15.59             | 0.91%   | 1,250  | \$ 15.33             | 1.51%  | 4,250            | 9.81    | 1.66%   |
| 4/29/2008 | 875,091   | \$ 15.52             | -0.45%  | 2,300  | \$ 15.46             | 0.84%  | 849              | 10.00   | 1.94%   |
| 4/30/2008 | 1,002,811 | \$ 15.25             | -1.74%  | 200    | \$ 15.25             | -1.37% | 1,590            | 9.80    | -2.00%  |
| 5/1/2008  | 891,006   | \$ 15.28             | 0.20%   | 700    | \$ 14.92             | -2.14% | 0                | -       | na      |
| 5/2/2008  | 500,069   | \$ 16.00             | 4.71%   | 1,500  | \$ 15.89             | 6.49%  | 1,568            | 10.20   | na      |
| 5/5/2008  | 549,802   | \$ 16.27             | 1.69%   | 3,850  | \$ 16.26             | 2.34%  | 1,810            | 10.45   | 2.45%   |
| 5/6/2008  | 631,357   | \$ 17.07             | 4.92%   | 625    | \$ 16.50             | 1.46%  | 75               | 10.36   | -0.86%  |
| 5/7/2008  | 1,059,323 | \$ 17.40             | 1.93%   | 500    | \$ 17.23             | 4.41%  | 1,837            | 11.26   | 8.69%   |
| 5/8/2008  | 837,990   | \$ 17.42             | 0.11%   | 200    | \$ 16.70             | -3.07% | 1,865            | 10.80   | -4.09%  |
| 5/9/2008  | 393,896   | \$ 17.42             | -2.41%  | 2,900  | \$ 16.70             | 0.82%  | 2,740            | 10.30   | -0.83%  |
| 5/12/2008 | 708,377   | \$ 16.24             | -4.47%  | 4,000  | \$ 16.68             | -0.90% | 2,740            | 10.71   | 1.96%   |
|           | 1,971,334 |                      |         | 2,350  |                      | 1.38%  | 400              | 10.46   | -4.21%  |
| 5/13/2008 |           | \$ 16.96             | 4.43%   |        | \$ 16.91             |        |                  |         |         |
| 5/14/2008 | 658,648   | \$ 16.83<br>\$ 18.72 | -0.77%  | 7,087  | \$ 16.89<br>\$ 18.87 | -0.14% | 1,050            | 10.83   | 3.54%   |
| 5/15/2008 | 1,588,168 | \$ 18.72             | 11.23%  | 22,300 | \$ 18.87             | 11.69% | 4,400            | 12.04   | 11.17%  |
| 5/16/2008 | 662,317   | \$ 18.55             | -0.91%  | 6,600  | \$ 18.89             | 0.13%  | 2,306            | 12.08   | 0.33%   |
| 5/19/2008 | 0         | ¢ 17.02              | na      | 4 225  | ¢ 10.06              | na     | 840              | 12.19   | 0.91%   |
| 5/20/2008 | 5,641,564 | \$ 17.83             | na      | 4,225  | \$ 18.06             | na     | 1,297            | 11.62   | -4.68%  |
| 5/21/2008 | 358,132   | \$ 18.03             | 1.12%   | 4,388  | \$ 18.31             | 1.38%  | 1,583            | 11.69   | 0.60%   |
| 5/22/2008 | 557,468   | \$ 18.30             | 1.50%   | 407    | \$ 18.41             | 0.57%  | 1,400            | 11.58   | -0.94%  |
| 5/23/2008 | 566,330   | \$ 18.13             | -0.93%  | 1,224  | \$ 18.19             | -1.22% | 500              | 11.67   | 0.78%   |
| 5/26/2008 | 91,617    | \$ 18.38             | 1.38%   | 0      | -                    | na     | 598              | 11.72   | 0.43%   |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

|           | Canadia   | an Exchan | ges    | U.S    | . Exchange | s            | Germ   | an Exchan | ges     |
|-----------|-----------|-----------|--------|--------|------------|--------------|--------|-----------|---------|
|           |           | Closing   |        |        | Closing    |              |        | Closing   |         |
|           |           | Price     |        |        | Price      |              |        | Price     |         |
| Date      | Volume    | C\$       | Return | Volume | US\$       | Return       | Volume | EUR       | Return  |
| [1]       | [2]       | [3]       | [4]    | [5]    | [6]        | [7]          | [8]    | [9]       | [10]    |
| 5/27/2008 | 1,218,775 | \$ 19.23  | 4.62%  | 1,950  | \$ 18.99   | na<br>• cont | 662    | 12.25     | 4.52%   |
| 5/28/2008 | 939,734   | \$ 19.91  | 3.54%  | 5,689  | \$ 20.10   | 5.88%        | 2,549  | 12.58     | 2.69%   |
| 5/29/2008 | 1,309,322 | \$ 20.01  | 0.50%  | 250    | \$ 20.24   | 0.65%        | 1,055  | 12.88     | 2.38%   |
| 5/30/2008 | 2,434,277 | \$ 20.80  | 3.95%  | 8,469  | \$ 20.87   | 3.13%        | 440    | 13.51     | 4.89%   |
| 6/2/2008  | 2,097,855 | \$ 19.99  | -3.89% | 750    | \$ 20.04   | -3.98%       | 2,761  | 13.00     | -3.77%  |
| 6/3/2008  | 1,063,498 | \$ 19.51  | -2.40% | 2,111  | \$ 19.48   | -2.77%       | 790    | 12.92     | -0.62%  |
| 6/4/2008  | 2,161,185 | \$ 19.80  | 1.49%  | 466    | \$ 19.50   | 0.08%        | 1,080  | 12.47     | -3.48%  |
| 6/5/2008  | 2,144,479 | \$ 19.97  | 0.86%  | 1,025  | \$ 19.67   | 0.87%        | 2,224  | 12.46     | -0.08%  |
| 6/6/2008  | 1,387,894 | \$ 19.90  | -0.35% | 928    | \$ 19.63   | -0.22%       | 600    | 12.38     | -0.64%  |
| 6/9/2008  | 1,085,714 | \$ 19.18  | -3.62% | 525    | \$ 18.71   | -4.67%       | 2,450  | 12.45     | 0.57%   |
| 6/10/2008 | 491,858   | \$ 18.80  | -1.98% | 475    | \$ 18.50   | -1.12%       | 540    | 11.98     | -3.78%  |
| 6/11/2008 | 1,959,056 | \$ 18.16  | -3.40% | 3,050  | \$ 17.83   | -3.62%       | 0      | 11.83     | -1.25%  |
| 6/12/2008 | 371,441   | \$ 18.35  | 1.05%  | 800    | \$ 18.00   | 0.93%        | 5,150  | 11.80     | -0.25%  |
| 6/13/2008 | 334,902   | \$ 18.68  | 1.80%  | 100    | \$ 18.11   | 0.61%        | 75     | 11.64     | -1.36%  |
| 6/16/2008 | 209,587   | \$ 19.00  | 1.71%  | 0      | -          | na           | 180    | 11.73     | 0.77%   |
| 6/17/2008 | 973,128   | \$ 19.04  | 0.21%  | 500    | \$ 18.64   | na           | 500    | 12.00     | 2.30%   |
| 6/18/2008 | 275,910   | \$ 19.04  | 0.00%  | 0      | -          | na           | 0      | 11.98     | -0.17%  |
| 6/19/2008 | 353,865   | \$ 18.70  | -1.79% | 0      | -          | na           | 850    | 11.84     | -1.17%  |
| 6/20/2008 | 330,354   | \$ 18.33  | -1.98% | 210    | \$ 18.09   | na           | 2,700  | 11.55     | -2.45%  |
| 6/23/2008 | 718,732   | \$ 18.69  | 1.96%  | 0      | -          | na           | 0      | 11.67     | 1.04%   |
| 6/24/2008 | 447,013   | \$ 18.48  | -1.12% | 1,400  | \$ 17.99   | na           | 750    | 11.67     | 0.00%   |
| 6/25/2008 | 655,305   | \$ 18.83  | 1.89%  | 900    | \$ 18.54   | 3.04%        | 400    | 11.75     | 0.69%   |
| 6/26/2008 | 850,345   | \$ 17.90  | -4.94% | 0      | _          | na           | 2,755  | 11.63     | -1.02%  |
| 6/27/2008 | 434,347   | \$ 17.86  | -0.22% | 200    | \$ 17.63   | na           | 1,417  | 11.32     | -2.67%  |
| 6/30/2008 | 758,663   | \$ 17.86  | 0.00%  | 2,900  | \$ 17.67   | 0.24%        | 2,007  | 11.01     | -2.74%  |
| 7/1/2008  | 0         | -         | na     | 2,000  | \$ 17.06   | -3.46%       | 250    | 11.13     | 1.09%   |
| 7/2/2008  | 857,291   | \$ 16.97  | na     | 13,200 | \$ 17.03   | -0.18%       | 540    | 11.53     | 3.59%   |
| 7/3/2008  | 780,488   | \$ 16.30  | -3.95% | 0      | -          | na           | 4,205  | 10.19     | -11.62% |
| 7/4/2008  | 255,973   | \$ 16.34  | 0.25%  | 0      | _          | na           | 1,630  | 10.39     | 1.96%   |
| 7/7/2008  | 639,912   | \$ 16.39  | 0.31%  | 28,400 | \$ 15.80   | na           | 538    | 10.28     | -1.06%  |
| 7/8/2008  | 981,292   | \$ 16.30  | -0.55% | 300    | \$ 15.80   | 0.00%        | 1,000  | 10.09     | -1.85%  |
| 7/9/2008  | 1,454,161 | \$ 16.30  | 0.00%  | 0      | φ 13.00    | na           | 400    | 10.17     | 0.79%   |
| 7/10/2008 | 277,822   | \$ 16.34  | 0.25%  | 2,374  | \$ 16.16   | na           | 570    | 10.17     | -0.49%  |
| 7/11/2008 | 1,184,762 | \$ 15.89  | -2.75% | 2,374  | φ 10.10    | na           | 251    | 9.91      | -2.08%  |
| 7/14/2008 | 363,875   | \$ 16.12  | 1.45%  | 2,100  | \$ 16.20   | na           | 1,354  | 10.10     | 1.92%   |
| 7/15/2008 | 378,579   | \$ 15.12  | -4.40% | 800    | \$ 15.62   | -3.56%       | 2,300  | 9.79      | -3.07%  |
| 7/16/2008 | 1,555,816 | \$ 15.41  |        | 2,300  | \$ 15.02   |              | 400    | 9.79      | -2.86%  |
|           |           |           | 0.26%  |        |            | -3.44%       |        |           |         |
| 7/17/2008 | 2,721,803 | \$ 15.05  | -2.59% | 52,850 | \$ 15.03   | -0.38%       | 150    | 9.68      | 1.79%   |
| 7/18/2008 | 2,127,881 | \$ 14.80  | -1.66% | 4,400  | \$ 14.75   | -1.82%       | 250    | 9.38      | -3.10%  |
| 7/21/2008 | 521,165   | \$ 14.50  | -2.03% | 6,000  | \$ 14.53   | -1.52%       | 0      | 9.25      | -1.39%  |
| 7/22/2008 | 654,919   | \$ 14.52  | 0.14%  | 100    | \$ 14.38   | -1.03%       | 4,566  | 9.18      | -0.76%  |
| 7/23/2008 | 535,756   | \$ 14.56  | 0.28%  | 200    | \$ 14.41   | 0.18%        | 1,100  | 9.25      | 0.76%   |
| 7/24/2008 | 581,430   | \$ 14.45  | -0.76% | 110    | \$ 14.32   | -0.60%       | 732    | 9.17      | -0.86%  |
| 7/25/2008 | 464,020   | \$ 14.55  | 0.69%  | 0      | -          | na           | 350    | 9.15      | -0.22%  |
| 7/28/2008 | 510,604   | \$ 14.56  | 0.07%  | 21,000 | \$ 14.21   | na           | 1,650  | 9.03      | -1.31%  |
| 7/29/2008 | 1,157,988 | \$ 15.17  | 4.19%  | 1,400  | \$ 14.61   | 2.82%        | 280    | 8.95      | -0.89%  |
| 7/30/2008 | 1,305,854 | \$ 15.98  | 5.34%  | 500    | \$ 15.75   | 7.82%        | 3,900  | 9.70      | 8.38%   |
| 7/31/2008 | 726,213   | \$ 16.30  | 2.00%  | 1,000  | \$ 15.43   | -2.02%       | 830    | 10.10     | 4.12%   |
| 8/1/2008  | 1,267,459 | \$ 15.84  | -2.82% | 21,000 | \$ 15.57   | 0.90%        | 1,240  | 9.96      | -1.39%  |
| 8/4/2008  | 0         | -         | na     | 0      | -          | na           | 792    | 9.75      | -2.11%  |
| 8/5/2008  | 1,121,875 | \$ 15.85  | na     | 500    | \$ 14.95   | na           | 835    | 9.80      | 0.51%   |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

|           | <u>C</u> anadia | an Exchan   | ges     | U.S.    | . Exchange   | s               | Germ   | an Exchan | ges     |
|-----------|-----------------|-------------|---------|---------|--------------|-----------------|--------|-----------|---------|
|           |                 | Closing     |         |         | Closing      |                 |        | Closing   |         |
|           |                 | Price       |         |         | Price        |                 |        | Price     |         |
| Date      | Volume          | C\$         | Return  | Volume  | US\$         | Return          | Volume | EUR       | Return  |
| [1]       | [2]             | [3]         | [4]     | [5]     | [6]          | [7]             | [8]    | [9]       | [10]    |
| 8/6/2008  | 381,544         | \$ 15.31    | -3.41%  | 0       | -            | na              | 3,360  | 9.70      | -1.02%  |
| 8/7/2008  | 619,273         | \$ 15.69    | 2.48%   | 271,100 | \$ 15.28     | na              | 253    | 9.53      | -1.75%  |
| 8/8/2008  | 162,696         | \$ 15.60    | -0.57%  | 30,100  | \$ 15.32     | 0.26%           | 1,000  | 9.90      | 3.88%   |
| 8/11/2008 | 425,702         | \$ 15.00    | -3.85%  | 4,100   | \$ 14.13     | -7.74%          | 1,600  | 9.45      | -4.55%  |
| 8/12/2008 | 1,633,520       | \$ 17.50    | 16.67%  | 20,400  | \$ 16.29     | 15.23%          | 2,896  | 10.31     | 9.10%   |
| 8/13/2008 | 824,581         | \$ 17.70    | 1.14%   | 0       | -            | na              | 1,400  | 10.92     | 5.92%   |
| 8/14/2008 | 453,476         | \$ 18.75    | 5.93%   | 12,500  | \$ 16.74     | na              | 1,679  | 11.84     | 8.42%   |
| 8/15/2008 | 363,688         | \$ 18.79    | 0.21%   | 100     | \$ 17.73     | 5.93%           | 100    | 11.80     | -0.34%  |
| 8/18/2008 | 355,280         | \$ 18.87    | 0.43%   | 54,800  | \$ 18.81     | 6.08%           | 120    | 12.18     | 3.22%   |
| 8/19/2008 | 725,221         | \$ 18.50    | -1.96%  | 1,000   | \$ 17.60     | -6.43%          | 727    | 11.77     | -3.37%  |
| 8/20/2008 | 441,199         | \$ 18.89    | 2.11%   | 20,105  | \$ 17.83     | 1.31%           | 280    | 11.82     | 0.42%   |
| 8/21/2008 | 769,000         | \$ 19.07    | 0.95%   | 0       | -            | na              | 100    | 11.90     | 0.68%   |
| 8/22/2008 | 622,020         | \$ 19.49    | 2.20%   | 366,400 | \$ 19.37     | na              | 1,600  | 12.50     | 5.04%   |
| 8/25/2008 | 640,475         | \$ 18.95    | -2.77%  | 0       | _            | na              | 3,240  | 12.31     | -1.52%  |
| 8/26/2008 | 667,397         | \$ 18.80    | -0.79%  | 201,200 | \$ 18.83     | na              | 840    | 12.35     | 0.32%   |
| 8/27/2008 | 286,856         | \$ 19.32    | 2.77%   | 0       | _            | na              | 760    | 12.30     | -0.40%  |
| 8/28/2008 | 357,205         | \$ 19.84    | 2.69%   | 0       | _            | na              | 2,000  | 12.65     | 2.85%   |
| 8/29/2008 | 307,575         | \$ 20.00    | 0.81%   | 16,680  | \$ 18.68     | na              | 850    | 12.66     | 0.08%   |
| 9/1/2008  | 0               | Ψ 20.00     | na      | 0       | Ψ 10.00<br>- | na              | 3,600  | 12.36     | -2.37%  |
| 9/2/2008  | 291,060         | \$ 19.50    | na      | 10,600  | \$ 18.24     | na              | 2,085  | 12.30     | -0.49%  |
| 9/3/2008  | 865,804         | \$ 19.69    | 0.97%   | 1,200   | \$ 18.64     | 2.19%           | 2,003  | 12.58     | 2.28%   |
| 9/4/2008  | 1,488,756       | \$ 18.82    | -4.42%  | 28,120  | \$ 17.45     | -6.39%          | 1,040  | 12.74     | 1.27%   |
| 9/5/2008  | 443,712         | \$ 17.70    | -5.95%  | 20,100  | \$ 16.38     | -6.14%          | 425    | 11.58     | -9.11%  |
| 9/8/2008  | 267,707         | \$ 17.70    | -2.20%  | 1,087   | \$ 16.40     | 0.13%           | 1,491  | 11.49     | -0.78%  |
|           |                 |             |         |         | \$ 15.72     |                 |        |           |         |
| 9/9/2008  | 459,704         | \$ 16.60    | -4.10%  | 20,200  |              | -4.12%<br>7.37% | 5,971  | 10.92     | -4.96%  |
| 9/10/2008 | 432,872         | \$ 18.00    | 8.43%   | 3,700   | \$ 16.88     |                 | 2,049  | 11.80     | 8.06%   |
| 9/11/2008 | 223,551         | \$ 17.95    | -0.28%  | 600     | \$ 16.61     | -1.61%          | 619    | 12.16     | 3.05%   |
| 9/12/2008 | 373,189         | \$ 18.50    | 3.06%   | 1,150   | \$ 17.62     | 6.09%           | 2,600  | 12.42     | 2.14%   |
| 9/15/2008 | 401,365         | \$ 18.00    | -2.70%  | 500     | \$ 16.76     | -4.86%          | 2,147  | 11.76     | -5.31%  |
| 9/16/2008 | 303,595         | \$ 17.02    | -5.44%  | 1,100   | \$ 15.86     | -5.39%          | 972    | 11.09     | -5.70%  |
| 9/17/2008 | 637,674         | \$ 15.93    | -6.40%  | 3,400   | \$ 15.24     | -3.94%          | 1,757  | 11.00     | -0.81%  |
| 9/18/2008 | 1,709,727       | \$ 16.80    | 5.46%   | 11,420  | \$ 14.27     | -6.32%          | 9,181  | 9.36      | -14.91% |
| 9/19/2008 | 1,543,918       | \$ 17.04    | 1.43%   | 2,000   | \$ 16.04     | 12.41%          | 1,446  | 11.03     | 17.84%  |
| 9/22/2008 | 274,994         | \$ 16.26    | -4.58%  | 100     | \$ 16.11     | 0.39%           | 2,964  | 10.75     | -2.54%  |
| 9/23/2008 | 1,111,512       | \$ 16.00    | -1.60%  | 250     | \$ 15.54     | -3.54%          | 150    | 10.50     | -2.33%  |
| 9/24/2008 | 619,505         | \$ 15.92    | -0.50%  | 0       | -            | na              | 995    | 10.44     | -0.57%  |
| 9/25/2008 | 877,440         | \$ 15.69    | -1.44%  | 86,300  | \$ 15.32     | na              | 380    | 10.47     | 0.29%   |
| 9/26/2008 | 2,000,550       | \$ 15.00    | -4.40%  | 7,100   | \$ 14.50     | -5.37%          | 1,939  | 10.00     | -4.49%  |
| 9/29/2008 | 2,637,119       | \$ 13.00    | -13.33% | 3,500   | \$ 12.77     | -11.96%         | 2,493  | 9.20      | -8.00%  |
| 9/30/2008 | 1,546,514       | \$ 13.41    | 3.15%   | 600     | \$ 13.12     | 2.78%           | 7,451  | 9.39      | 2.07%   |
| 10/1/2008 | 676,207         | \$ 13.05    | -2.68%  | 1,750   | \$ 12.80     | -2.41%          | 2,679  | 9.05      | -3.62%  |
| 10/2/2008 | 777,827         | \$ 12.10    | -7.28%  | 1,225   | \$ 11.30     | -11.77%         | 2,220  | 7.96      | -12.04% |
| 10/3/2008 | 1,703,301       | \$ 12.59    | 4.05%   | 0       | -            | na              | 475    | 8.44      | 6.03%   |
| 10/6/2008 | 1,876,050       | \$ 10.60    | -15.81% | 190,500 | \$ 9.43      | na              | 9,964  | 6.59      | -21.92% |
| 10/7/2008 | 1,377,887       | \$ 10.01    | -5.57%  | 118,600 | \$ 10.19     | 8.06%           | 3,750  | 6.62      | 0.46%   |
| 10/8/2008 | 1,345,459       | \$ 10.67    | 6.59%   | 119,900 | \$ 9.50      | -6.76%          | 8,035  | 6.54      | -1.219  |
| 10/9/2008 | 1,965,086       | \$ 9.97     | -6.56%  | 72,910  | \$ 8.65      | -9.01%          | 1,400  | 6.56      | 0.31%   |
| 0/10/2008 | 1,587,637       | \$ 9.10     | -8.73%  | 9,745   | \$ 7.45      | -13.85%         | 8,777  | 5.46      | -16.77% |
| 0/13/2008 | 0               | Ψ J.10<br>- | na      | 2,000   | \$ 8.65      | 16.14%          | 7,201  | 6.82      | 24.91%  |
| 0/14/2008 | 795,065         | \$ 10.08    | na      | 10,275  | \$ 8.56      | -1.03%          | 10,285 | 6.32      | -7.33%  |
| 0,17,2000 | 173,003         | ψ 10.00     | 11a     | 10,473  | Ψ 0.50       | -1.05/0         | 10,203 | 0.52      | -1.5570 |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

|            | Canadian Exchanges Closing Price |          |                  | U.S. Exchanges Closing |                    |         | German Exchanges Closing |       |         |
|------------|----------------------------------|----------|------------------|------------------------|--------------------|---------|--------------------------|-------|---------|
|            |                                  |          |                  |                        |                    |         |                          |       |         |
|            |                                  |          |                  |                        | Price              |         |                          | Price |         |
| Date       | Volume                           | C\$      | Return           | Volume                 | US\$               | Return  | Volume                   | EUR   | Return  |
| [1]        | [2]                              | [3]      | [4]              | [5]                    | [6]                | [7]     | [8]                      | [9]   | [10]    |
| 10/16/2008 | 1,523,164                        | \$ 9.56  | -0.42%           | 1,000                  | \$ 7.73            | -4.09%  | 5,226                    | 5.57  | -7.17%  |
| 10/17/2008 | 1,163,572                        | \$ 9.85  | 3.03%            | 450                    | \$ 8.16            | 5.57%   | 2,389                    | 6.15  | 10.41%  |
| 10/20/2008 | 1,439,257                        | \$ 9.75  | -1.02%           | 1,000                  | \$ 8.04            | -1.48%  | 3,458                    | 5.80  | -5.69%  |
| 10/21/2008 | 1,023,716                        | \$ 9.39  | -3.69%           | 1,000                  | \$ 7.76            | -3.48%  | 1,539                    | 5.93  | 2.24%   |
| 10/22/2008 | 1,673,550                        | \$ 9.14  | -2.66%           | 6,000                  | \$ 7.31            | -5.87%  | 2,681                    | 5.68  | -4.22%  |
| 10/23/2008 | 1,696,063                        | \$ 9.70  | 6.13%            | 10,900                 | \$ 7.70            | 5.40%   | 865                      | 5.70  | 0.35%   |
| 10/24/2008 | 1,685,586                        | \$ 9.35  | -3.61%           | 200                    | \$ 7.23            | -6.12%  | 500                      | 5.72  | 0.35%   |
| 10/27/2008 | 945,252                          | \$ 8.85  | -5.35%           | 4,000                  | \$ 6.99            | -3.24%  | 3,395                    | 5.51  | -3.67%  |
| 10/28/2008 | 1,023,039                        | \$ 9.30  | 5.08%            | 4,760                  | \$ 7.20            | 2.99%   | 2,259                    | 5.62  | 2.00%   |
| 10/29/2008 | 2,427,704                        | \$ 10.35 | 11.29%           | 8,900                  | \$ 8.58            | 19.16%  | 925                      | 6.56  | 16.73%  |
| 10/30/2008 | 1,635,710                        | \$ 11.14 | 7.63%            | 125                    | \$ 8.79            | 2.40%   | 3,153                    | 6.86  | 4.57%   |
| 10/31/2008 | 1,490,027                        | \$ 11.28 | 1.26%            | 400                    | \$ 9.55            | 8.65%   | 4,058                    | 7.48  | 9.04%   |
| 11/3/2008  | 1,463,444                        | \$ 10.65 | -5.59%           | 1,035                  | \$ 8.78            | -8.10%  | 2,917                    | 7.05  | -5.75%  |
| 11/4/2008  | 811,665                          | \$ 10.50 | -1.41%           | 1,000                  | \$ 9.36            | 6.68%   | 3,880                    | 7.15  | 1.42%   |
| 11/5/2008  | 981,118                          | \$ 10.38 | -1.14%           | 100,500                | \$ 9.14            | -2.37%  | 2,449                    | 6.81  | -4.76%  |
| 11/6/2008  | 5,095,911                        | \$ 10.20 | -1.73%           | 209,600                | \$ 8.57            | -6.23%  | 495                      | 6.46  | -5.14%  |
| 11/7/2008  | 640,919                          | \$ 9.71  | -4.80%           | 1,300                  | \$ 8.36            | -2.45%  | 1,170                    | 6.57  | 1.70%   |
| 11/10/2008 | 851,706                          | \$ 9.34  | -3.81%           | 0                      | -                  | na      | 2,801                    | 6.03  | -8.22%  |
| 11/11/2008 | 725,337                          | \$ 8.90  | -4.71%           | 400                    | \$ 7.52            | na      | 6,180                    | 5.89  | -2.32%  |
| 11/12/2008 | 3,757,156                        | \$ 7.68  | -13.71%          | 53,800                 | \$ 6.05            | -19.56% | 5,077                    | 5.13  | -12.90% |
| 11/13/2008 | 1,253,775                        | \$ 6.62  | -13.80%          | 9,200                  | \$ 5.42            | -10.33% | 15,947                   | 4.34  | -15.40% |
| 11/14/2008 | 3,100,167                        | \$ 7.08  | 6.95%            | 37,675                 | \$ 5.73            | 5.64%   | 6,296                    | 4.47  | 3.00%   |
| 11/17/2008 | 1,214,150                        | \$ 6.86  | -3.11%           | 25,600                 | \$ 5.75            | 0.40%   | 8,210                    | 4.46  | -0.22%  |
| 11/18/2008 | 2,174,091                        | \$ 6.65  | -3.06%           | 417,500                | \$ 5.33            | -7.35%  | 3,650                    | 4.31  | -3.36%  |
| 11/19/2008 | 1,285,283                        | \$ 6.55  | -1.50%           | 23,200                 | \$ 5.15            | -3.38%  | 2,950                    | 4.23  | -1.86%  |
| 11/20/2008 | 1,798,087                        | \$ 6.05  | -7.63%           | 46,600                 | \$ 4.65            | -9.73%  | 7,421                    | 3.73  | -11.82% |
| 11/20/2008 | 1,444,958                        | \$ 5.78  | -7.05%<br>-4.46% | 222,140                | \$ 4.53            | -2.62%  | 7,421                    | 3.73  | -9.12%  |
| 11/24/2008 | 1,188,455                        | \$ 5.78  | 0.52%            | 4,808                  | \$ 4.33            | 4.06%   | 14,273                   | 3.39  | 9.12%   |
|            | 1,726,050                        | \$ 5.53  |                  | 50,200                 |                    | -7.31%  |                          |       | -7.01%  |
| 11/25/2008 |                                  |          | -4.82%           |                        | \$ 4.37            |         | 10,162                   | 3.45  |         |
| 11/26/2008 | 3,710,301                        | \$ 5.62  | 1.63%            | 125,200                | \$ 4.51            | 3.34%   | 6,500                    | 3.48  | 0.87%   |
| 11/27/2008 | 602,075                          | \$ 6.27  | 11.57%           | 0                      | -<br>Ф <b>7</b> 10 | na      | 7,118                    | 3.79  | 8.91%   |
| 11/28/2008 | 834,293                          | \$ 7.24  | 15.47%           | 205,700                | \$ 5.19            | na      | 6,778                    | 4.02  | 6.07%   |
| 12/1/2008  | 1,034,662                        | \$ 6.43  | -11.19%          | 160,100                | \$ 5.13            | -1.06%  | 5,772                    | 4.01  | -0.25%  |
| 12/2/2008  | 2,493,099                        | \$ 6.90  | 7.31%            | 227,500                | \$ 5.45            | 6.19%   | 6,250                    | 4.14  | 3.24%   |
| 12/3/2008  | 1,092,342                        | \$ 6.71  | -2.75%           | 201,200                | \$ 5.26            | -3.52%  | 1,950                    | 4.06  | -1.93%  |
| 12/4/2008  | 762,715                          | \$ 6.88  | 2.53%            | 62,000                 | \$ 5.56            | 5.73%   | 1,255                    | 4.29  | 5.67%   |
| 12/5/2008  | 607,502                          | \$ 7.11  | 3.34%            | 700                    | \$ 5.36            | -3.61%  | 6,498                    | 4.12  | -3.96%  |
| 12/8/2008  | 671,168                          | \$ 8.34  | 17.30%           | 5,500                  | \$ 6.34            | 18.44%  | 10,720                   | 4.84  | 17.48%  |
| 12/9/2008  | 653,427                          | \$ 8.25  | -1.08%           | 5,150                  | \$ 6.63            | 4.59%   | 5,480                    | 5.13  | 5.99%   |
| 12/10/2008 | 1,356,179                        | \$ 9.68  | 17.33%           | 14,400                 | \$ 7.83            | 17.96%  | 7,785                    | 5.47  | 6.63%   |
| 12/11/2008 | 601,453                          | \$ 9.55  | -1.34%           | 1,500                  | \$ 7.69            | -1.70%  | 8,863                    | 6.01  | 9.87%   |
| 12/12/2008 | 570,658                          | \$ 9.40  | -1.57%           | 0                      | -                  | na      | 5,825                    | 5.56  | -7.49%  |
| 12/15/2008 | 1,005,124                        | \$ 8.92  | -5.11%           | 1,783                  | \$ 7.34            | na      | 2,750                    | 5.22  | -6.12%  |
| 12/16/2008 | 857,720                          | \$ 9.20  | 3.14%            | 1,448                  | \$ 7.42            | 1.20%   | 950                      | 5.40  | 3.45%   |
| 12/17/2008 | 15,398                           | \$ 9.05  | -1.63%           | 2,700                  | \$ 7.76            | 4.54%   | 1,520                    | 5.54  | 2.59%   |
| 12/18/2008 | 896,914                          | \$ 9.44  | 4.31%            | 0                      | -                  | na      | 4,225                    | 5.23  | -5.60%  |
| 12/19/2008 | 879,627                          | \$ 10.60 | 12.29%           | 31,990                 | \$ 8.57            | na      | 9,530                    | 5.37  | 2.68%   |
| 12/22/2008 | 419,972                          | \$ 9.30  | -12.26%          | 50,500                 | \$ 7.65            | -10.80% | 23,131                   | 5.80  | 8.01%   |
| 12/23/2008 | 493,490                          | \$ 9.35  | 0.54%            | 100                    | \$ 7.65            | -0.01%  | 33,983                   | 5.41  | -6.72%  |
| 12/24/2008 | 1,908,180                        | \$ 9.05  | -3.21%           | 6,000                  | \$ 7.57            | -0.99%  | 0                        | -     | na      |
| 12/29/2008 | 285,016                          | \$ 9.64  | 6.52%            | 4,851                  | \$ 7.91            | 4.43%   | 37,105                   | 5.59  | na      |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|            | Canadian Exchanges Closing |          |         | U.S. Exchanges<br>Closing |             |         | German Exchanges Closing |       |         |
|------------|----------------------------|----------|---------|---------------------------|-------------|---------|--------------------------|-------|---------|
|            |                            |          |         |                           |             |         |                          |       |         |
|            |                            | Price    |         |                           | Price       |         |                          | Price |         |
| Date       | Volume                     | C\$      | Return  | Volume                    | US\$        | Return  | Volume                   | EUR   | Return  |
| [1]        | [2]                        | [3]      | [4]     | [5]                       | [6]         | [7]     | [8]                      | [9]   | [10]    |
| 12/30/2008 | 577,930                    | \$ 10.07 | 4.46%   | 5,150                     | \$ 8.09     | 2.35%   | 22,989                   | 5.83  | 4.29%   |
| 12/31/2008 | 2,652,040                  | \$ 9.87  | -1.99%  | 6,000                     | \$ 7.91     | -2.23%  | 0                        | -     | na      |
| 1/2/2009   | 274,441                    | \$ 10.12 | 2.53%   | 2,174                     | \$ 8.35     | 5.56%   | 1,263                    | 5.99  | na      |
| 1/5/2009   | 298,217                    | \$ 9.95  | -1.68%  | 2,117                     | \$ 8.23     | -1.44%  | 6,571                    | 5.98  | -0.17%  |
| 1/6/2009   | 315,547                    | \$ 10.74 | 7.94%   | 750                       | \$ 8.82     | 7.17%   | 7,358                    | 6.63  | 10.87%  |
| 1/7/2009   | 820,661                    | \$ 9.93  | -7.54%  | 7,015                     | \$ 8.43     | -4.43%  | 7,607                    | 6.14  | -7.39%  |
| 1/8/2009   | 983,402                    | \$ 10.25 | 3.22%   | 2,100                     | \$ 8.39     | -0.42%  | 5,530                    | 6.13  | -0.16%  |
| 1/9/2009   | 545,252                    | \$ 10.00 | -2.44%  | 400                       | \$ 8.39     | -0.07%  | 1,670                    | 6.20  | 1.14%   |
| 1/12/2009  | 391,801                    | \$ 9.30  | -7.00%  | 700                       | \$ 7.47     | -11.01% | 4,670                    | 5.71  | -7.90%  |
| 1/13/2009  | 337,910                    | \$ 9.35  | 0.54%   | 1,200                     | \$ 7.53     | 0.89%   | 2,017                    | 5.68  | -0.53%  |
| 1/14/2009  | 175,933                    | \$ 8.98  | -3.96%  | 10,100                    | \$ 7.26     | -3.63%  | 1,905                    | 5.42  | -4.58%  |
| 1/15/2009  | 396,977                    | \$ 9.00  | 0.22%   | 18,100                    | \$ 7.28     | 0.32%   | 1,950                    | 5.39  | -0.55%  |
| 1/16/2009  | 439,716                    | \$ 9.38  | 4.22%   | 1,125                     | \$ 7.27     | -0.16%  | 1,000                    | 5.62  | 4.27%   |
| 1/19/2009  | 67,076                     | \$ 9.08  | -3.20%  | 0                         | φ γ.2γ      | na      | 5,440                    | 5.44  | -3.20%  |
| 1/20/2009  | 162,620                    | \$ 8.76  | -3.52%  | 12,000                    | \$ 7.00     | na      | 1,595                    | 5.40  | -0.74%  |
| 1/20/2009  | 298,729                    | \$ 9.00  | 2.74%   | 12,000                    | \$ 6.90     | -1.42%  | 1,200                    | 5.23  | -3.15%  |
| 1/21/2009  | 201,730                    | \$ 9.00  | 0.00%   | 3,300                     | \$ 7.28     | 5.53%   | 2,460                    | 5.44  | 4.02%   |
|            |                            |          |         |                           |             |         |                          |       | 1.10%   |
| 1/23/2009  | 172,999                    | \$ 8.80  | -2.22%  | 170                       | \$ 7.01     | -3.71%  | 2,473                    | 5.50  |         |
| 1/26/2009  | 63,558                     | \$ 8.90  | 1.14%   | 0                         | -<br>- 7.22 | na      | 2 000                    | 5.45  | -0.91%  |
| 1/27/2009  | 86,810                     | \$ 8.92  | 0.22%   | 1,032                     | \$ 7.32     | na      | 3,000                    | 5.50  | 0.92%   |
| 1/28/2009  | 137,827                    | \$ 9.01  | 1.01%   | 7,900                     | \$ 7.38     | 0.82%   | 1,270                    | 5.50  | 0.00%   |
| 1/29/2009  | 149,682                    | \$ 8.77  | -2.66%  | 7,000                     | \$ 7.28     | -1.41%  | 700                      | 5.47  | -0.55%  |
| 1/30/2009  | 665,740                    | \$ 9.20  | 4.90%   | 17,300                    | \$ 7.38     | 1.40%   | 1,625                    | 5.77  | 5.48%   |
| 2/2/2009   | 290,620                    | \$ 8.69  | -5.54%  | 12,500                    | \$ 6.87     | -6.95%  | 300                      | 5.35  | -7.28%  |
| 2/3/2009   | 238,582                    | \$ 9.13  | 5.06%   | 7,000                     | \$ 7.45     | 8.58%   | 850                      | 5.56  | 3.93%   |
| 2/4/2009   | 513,989                    | \$ 9.50  | 4.05%   | 100                       | \$ 7.74     | 3.89%   | 830                      | 6.13  | 10.25%  |
| 2/5/2009   | 186,669                    | \$ 9.82  | 3.37%   | 100                       | \$ 7.96     | 2.78%   | 90                       | 6.14  | 0.16%   |
| 2/6/2009   | 518,608                    | \$ 11.14 | 13.44%  | 1,225                     | \$ 8.79     | 10.38%  | 2,350                    | 6.82  | 11.07%  |
| 2/9/2009   | 767,444                    | \$ 10.77 | -3.32%  | 1,200                     | \$ 8.94     | 1.74%   | 4,085                    | 6.92  | 1.47%   |
| 2/10/2009  | 388,818                    | \$ 10.54 | -2.14%  | 2,200                     | \$ 8.49     | -4.97%  | 2,500                    | 6.61  | -4.48%  |
| 2/11/2009  | 439,787                    | \$ 10.68 | 1.33%   | 1,100                     | \$ 8.48     | -0.12%  | 1,505                    | 6.53  | -1.21%  |
| 2/12/2009  | 956,465                    | \$ 11.00 | 3.00%   | 112,400                   | \$ 11.00    | 29.66%  | 1,055                    | 6.75  | 3.37%   |
| 2/13/2009  | 146,946                    | \$ 10.99 | -0.09%  | 1,100                     | \$ 8.89     | -19.20% | 1,135                    | 6.80  | 0.74%   |
| 2/17/2009  | 213,022                    | \$ 11.00 | 0.09%   | 1,300                     | \$ 8.68     | -2.31%  | 4,400                    | 6.81  | 0.15%   |
| 2/18/2009  | 589,531                    | \$ 10.15 | -7.73%  | 5,000                     | \$ 8.12     | -6.48%  | 1,210                    | 6.33  | -7.05%  |
| 2/19/2009  | 120,736                    | \$ 10.14 | -0.10%  | 2,072                     | -           | na      | 1,675                    | 6.32  | -0.16%  |
| 2/20/2009  | 406,754                    | \$ 10.14 | -1.38%  | 500                       | \$ 7.85     | na      | 3,500                    | 5.84  | -7.59%  |
| 2/23/2009  | 240,905                    | \$ 9.35  | -6.50%  | 2,200                     | \$ 7.42     | -5.54%  | 2,135                    | 5.73  | -1.88%  |
|            |                            |          | -9.09%  |                           | \$ 6.88     |         |                          |       |         |
| 2/24/2009  | 1,598,074                  | \$ 8.50  |         | 42,879                    |             | -7.28%  | 4,155                    | 5.40  | -5.76%  |
| 2/25/2009  | 475,053                    | \$ 8.78  | 3.29%   | 90,500                    | \$ 7.09     | 3.19%   | 1,804                    | 5.52  | 2.22%   |
| 2/26/2009  | 346,392                    | \$ 8.60  | -2.05%  | 44,600                    | \$ 6.74     | -4.93%  | 290                      | 5.29  | -4.17%  |
| 2/27/2009  | 305,694                    | \$ 8.50  | -1.16%  | 33,200                    | \$ 6.72     | -0.43%  | 300                      | 5.20  | -1.70%  |
| 3/2/2009   | 594,150                    | \$ 7.53  | -11.41% | 73,000                    | \$ 5.85     | -12.83% | 5,450                    | 4.54  | -12.69% |
| 3/3/2009   | 640,742                    | \$ 6.99  | -7.17%  | 70,300                    | \$ 5.46     | -6.68%  | 3,755                    | 4.24  | -6.61%  |
| 3/4/2009   | 1,322,630                  | \$ 7.80  | 11.59%  | 81,000                    | \$ 6.33     | 15.84%  | 7,219                    | 4.69  | 10.61%  |
| 3/5/2009   | 1,257,410                  | \$ 8.32  | 6.67%   | 8,300                     | \$ 6.54     | 3.41%   | 3,250                    | 5.27  | 12.37%  |
| 3/6/2009   | 406,267                    | \$ 8.29  | -0.36%  | 320                       | \$ 6.47     | -1.20%  | 600                      | 5.02  | -4.74%  |
| 3/9/2009   | 486,460                    | \$ 8.20  | -1.09%  | 50,000                    | \$ 6.36     | -1.64%  | 250                      | 4.96  | -1.20%  |
| 3/10/2009  | 517,593                    | \$ 8.80  | 7.32%   | 500                       | \$ 6.93     | 8.98%   | 1,200                    | 5.36  | 8.06%   |
| 3/11/2009  | 547,145                    | \$ 8.65  | -1.70%  | 1,240                     | \$ 6.81     | -1.76%  | 700                      | 5.11  | -4.66%  |
| 3/12/2009  | 196,063                    | \$ 8.85  | 2.31%   | 8,000                     | \$ 6.52     | -4.18%  | 100                      | 5.05  | -1.17%  |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|           | Canadian Exchanges Closing |          |         | U.S. Exchanges Closing |          |        | German Exchanges Closing |        |            |
|-----------|----------------------------|----------|---------|------------------------|----------|--------|--------------------------|--------|------------|
|           |                            |          |         |                        |          |        |                          |        |            |
| _         |                            | Price    |         |                        | Price    |        |                          | Price  |            |
| Date      | Volume                     | C\$      | Return  | Volume                 | US\$     | Return | Volume                   | EUR    | Return     |
| [1]       | [2]                        | [3]      | [4]     | [5]                    | [6]      | [7]    | [8]                      | [9]    | [10]       |
| 3/13/2009 | 495,465                    | \$ 8.58  | -3.05%  | 4,300                  | \$ 6.71  | 2.90%  | 2,661                    | 5.16   | 2.18%      |
| 3/16/2009 | 313,542                    | \$ 8.02  | -6.53%  | 1,500                  | \$ 6.80  | 1.26%  | 3,877                    | 5.01   | -2.91%     |
| 3/17/2009 | 617,236                    | \$ 7.95  | -0.87%  | 2,100                  | \$ 6.30  | -7.38% | 3,575                    | 4.76   | -4.99%     |
| 3/18/2009 | 476,062                    | \$ 7.99  | 0.50%   | 2,000                  | \$ 6.04  | -4.08% | 1,955                    | 4.69   | -1.47%     |
| 3/19/2009 | 288,933                    | \$ 7.87  | -1.50%  | 41,300                 | \$ 6.41  | 6.20%  | 0                        | 4.65   | -0.85%     |
| 3/20/2009 | 387,958                    | \$ 7.47  | -5.08%  | 34,700                 | \$ 6.03  | -5.96% | 1,466                    | 4.36   | -6.24%     |
| 3/23/2009 | 587,220                    | \$ 7.98  | 6.83%   | 60,250                 | \$ 6.39  | 5.88%  | 1,564                    | 4.65   | 6.65%      |
| 3/24/2009 | 207,696                    | \$ 7.90  | -1.00%  | 257                    | \$ 6.42  | 0.53%  | 140                      | 4.69   | 0.86%      |
| 3/25/2009 | 539,084                    | \$ 7.87  | -0.38%  | 1,250                  | \$ 6.57  | 2.30%  | 0                        | 4.63   | -1.28%     |
| 3/26/2009 | 1,174,210                  | \$ 8.25  | 4.83%   | 50,200                 | \$ 6.69  | 1.79%  | 3,758                    | 4.85   | 4.75%      |
| 3/27/2009 | 607,766                    | \$ 8.29  | 0.48%   | 0                      | -        | na     | 2,239                    | 5.10   | 5.15%      |
| 3/30/2009 | 476,933                    | \$ 8.01  | -3.38%  | 0                      | -        | na     | 881                      | 4.81   | -5.69%     |
| 3/31/2009 | 1,518,494                  | \$ 8.79  | 9.74%   | 5,000                  | \$ 6.77  | na     | 3,192                    | 4.99   | 3.74%      |
| 4/1/2009  | 526,392                    | \$ 8.87  | 0.91%   | 5,900                  | \$ 6.89  | 1.71%  | 587                      | 5.14   | 3.01%      |
| 4/2/2009  | 1,649,332                  | \$ 10.15 | 14.43%  | 5,900                  | \$ 8.47  | 22.99% | 6,494                    | 6.21   | 20.82%     |
| 4/3/2009  | 607,576                    | \$ 9.46  | -6.80%  | 400                    | \$ 7.86  | -7.21% | 5,700                    | 5.77   | -7.09%     |
| 4/6/2009  | 621,875                    | \$ 9.78  | 3.38%   | 150,000                | \$ 7.65  | -2.71% | 2,780                    | 5.51   | -4.51%     |
| 4/7/2009  | 1,166,164                  | \$ 9.18  | -6.13%  | 75,000                 | \$ 7.54  | -1.45% | 2,680                    | 5.60   | 1.63%      |
| 4/8/2009  | 317,751                    | \$ 8.84  | -3.70%  | 3,100                  | \$ 7.12  | -5.54% | 2,826                    | 5.46   | -2.50%     |
| 4/9/2009  | 210,544                    | \$ 9.31  | 5.32%   | 8,500                  | \$ 7.61  | 6.89%  | 2,890                    | 5.68   | 4.03%      |
| 4/13/2009 | 230,887                    | \$ 9.55  | 2.58%   | 4,400                  | \$ 7.75  | 1.84%  | 0                        | -      | n          |
| 4/14/2009 | 505,301                    | \$ 10.20 | 6.81%   | 25,500                 | \$ 8.36  | 7.86%  | 3,410                    | 6.20   | n          |
| 4/15/2009 | 475,540                    | \$ 10.00 | -1.96%  | 25,450                 | \$ 8.29  | -0.86% | 2,128                    | 6.16   | -0.65%     |
| 4/16/2009 | 647,585                    | \$ 9.99  | -0.10%  | 27,115                 | \$ 8.28  | -0.01% | 4,395                    | 6.17   | 0.16%      |
| 4/17/2009 | 564,957                    | \$ 10.30 | 3.10%   | 1,400                  | \$ 8.35  | 0.79%  | 4,200                    | 6.30   | 2.11%      |
| 4/20/2009 | 486,568                    | \$ 9.92  | -3.69%  | 83,600                 | \$ 8.09  | -3.10% | 1,308                    | 6.06   | -3.81%     |
| 4/21/2009 | 413,224                    | \$ 9.78  | -1.41%  | 45,000                 | \$ 7.96  | -1.61% | 3,400                    | 6.12   | 0.999      |
| 4/22/2009 | 372,018                    | \$ 9.93  | 1.53%   | 41,200                 | \$ 8.13  | 2.17%  | 205                      | 6.12   | 0.009      |
| 4/23/2009 | 1,067,636                  | \$ 10.00 | 0.70%   | 35,000                 | \$ 8.17  | 0.49%  | 80                       | 6.13   | 0.169      |
| 4/24/2009 | 621,324                    | \$ 10.20 | 2.00%   | 2,700                  | \$ 8.34  | 2.07%  | 2,180                    | 6.22   | 1.479      |
| 4/27/2009 | 261,266                    | \$ 10.19 | -0.10%  | 17,900                 | \$ 8.16  | -2.18% | 599                      | 6.26   | 0.649      |
| 4/28/2009 | 261,275                    | \$ 10.50 | 3.04%   | 8,200                  | \$ 8.22  | 0.75%  | 700                      | 6.21   | -0.80%     |
| 4/29/2009 | 332,629                    | \$ 10.50 | 1.14%   | 9,700                  | \$ 8.89  | 8.10%  | 1,145                    | 6.61   | 6.449      |
| 4/30/2009 | 523,042                    | \$ 10.02 | -1.69%  | 21,948                 | \$ 9.21  | 3.63%  | 2,800                    | 6.85   | 3.639      |
| 5/1/2009  | 350,647                    | \$ 10.44 | 8.43%   | 1,550                  | \$ 9.50  | 3.15%  | 2,800                    | - 0.65 |            |
| 5/4/2009  | 455,949                    | \$ 11.32 | 1.50%   | 500                    | \$ 9.59  | 0.95%  | 5,371                    | 7.06   | n          |
| 5/5/2009  | 712,674                    | •        | 0.09%   | 8,502                  | \$ 9.39  | 2.19%  | 2,300                    | 7.00   | n<br>2.27% |
|           |                            | \$ 11.50 |         |                        |          |        |                          |        |            |
| 5/6/2009  | 1,233,485                  | \$ 12.80 | 11.30%  | 9,500                  | \$ 11.02 | 12.44% | 4,300                    | 7.86   | 8.869      |
| 5/7/2009  | 1,574,142                  | \$ 12.16 | -5.00%  | 2,700                  | \$ 9.98  | -9.40% | 8,605                    | 7.37   | -6.23%     |
| 5/8/2009  | 666,455                    | \$ 12.83 | 5.51%   | 32,604                 | \$ 11.03 | 10.46% | 2,615                    | 7.88   | 6.92%      |
| 5/11/2009 | 423,588                    | \$ 11.96 | -6.78%  | 3,600                  | \$ 10.45 | -5.27% | 5,163                    | 7.42   | -5.849     |
| 5/12/2009 | 1,578,440                  | \$ 11.95 | -0.08%  | 0                      | -        | na     | 2,484                    | 7.42   | 0.00%      |
| 5/13/2009 | 692,200                    | \$ 11.63 | -2.68%  | 31,250                 | \$ 9.63  | na     | 2,475                    | 7.17   | -3.37%     |
| 5/14/2009 | 3,292,739                  | \$ 12.27 | 5.50%   | 250                    | \$ 10.40 | 8.00%  | 6,871                    | 7.54   | 5.16%      |
| 5/15/2009 | 273,616                    | \$ 12.40 | 1.06%   | 1,300                  | \$ 10.30 | -0.93% | 1,550                    | 7.49   | -0.669     |
| 5/18/2009 | 0                          | -        | na      | 600                    | \$ 10.21 | -0.87% | 1,800                    | 7.83   | 4.549      |
| 5/19/2009 | 349,882                    | \$ 12.66 | na      | 900                    | \$ 10.75 | 5.29%  | 250                      | 7.76   | -0.899     |
| 5/20/2009 | 668,084                    | \$ 13.01 | 2.76%   | 46,935                 | \$ 11.32 | 5.30%  | 1,430                    | 8.26   | 6.449      |
| 5/21/2009 | 769,989                    | \$ 12.81 | -1.54%  | 0                      | -        | na     | 2,570                    | 7.88   | -4.60%     |
| 5/22/2009 | 3,875,449                  | \$ 11.30 | -11.79% | 59,911                 | \$ 10.07 | na     | 1,200                    | 7.18   | -8.88%     |
| 5/25/2009 | 1,371,333                  | \$ 11.49 | 1.68%   | 0                      | _        | na     | 1,440                    | 7.19   | 0.14%      |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|           | Canadia   | an Exchan | ges    | U.S.    | . Exchange   | S            | Germ   | an Exchan | iges   |
|-----------|-----------|-----------|--------|---------|--------------|--------------|--------|-----------|--------|
|           |           | Closing   |        |         | Closing      |              |        | Closing   |        |
|           |           | Price     |        |         | Price        |              |        | Price     |        |
| Date      | Volume    | C\$       | Return | Volume  | US\$         | Return       | Volume | EUR       | Return |
| [1]       | [2]       | [3]       | [4]    | [5]     | [6]          | [7]          | [8]    | [9]       | [10]   |
| 5/26/2009 | 1,735,975 | \$ 11.85  | 3.13%  | 2,000   | \$ 10.26     | na           | 190    | 7.51      | 4.45%  |
| 5/27/2009 | 1,329,021 | \$ 11.65  | -1.69% | 0       | -<br>- 10.55 | na           | 4,400  | 7.66      | 2.00%  |
| 5/28/2009 | 968,710   | \$ 12.06  | 3.52%  | 23,193  | \$ 10.75     | na           | 385    | 7.41      | -3.26% |
| 5/29/2009 | 1,625,860 | \$ 12.70  | 5.31%  | 62,200  | \$ 11.60     | 7.91%        | 405    | 7.98      | 7.69%  |
| 6/1/2009  | 669,558   | \$ 13.40  | 5.51%  | 9,868   | \$ 12.24     | 5.52%        | 100    | 8.43      | 5.64%  |
| 6/2/2009  | 1,072,139 | \$ 13.52  | 0.90%  | 90,155  | \$ 12.28     | 0.33%        | 410    | 8.51      | 0.95%  |
| 6/3/2009  | 570,733   | \$ 13.00  | -3.85% | 2,100   | \$ 11.73     | -4.47%       | 5,030  | 8.15      | -4.23% |
| 6/4/2009  | 554,141   | \$ 13.60  | 4.62%  | 8,829   | \$ 11.99     | 2.21%        | 2,700  | 8.40      | 3.07%  |
| 6/5/2009  | 2,048,109 | \$ 14.86  | 9.26%  | 400     | \$ 13.00     | 8.42%        | 2,598  | 8.95      | 6.55%  |
| 6/8/2009  | 854,323   | \$ 14.43  | -2.89% | 0       | т<br>Ф 10 с1 | na           | 2,495  | 9.18      | 2.57%  |
| 6/9/2009  | 934,807   | \$ 13.88  | -3.81% | 305     | \$ 12.61     | na<br>2.500/ | 3,236  | 9.00      | -1.96% |
| 6/10/2009 | 1,375,548 | \$ 13.41  | -3.39% | 300     | \$ 12.16     | -3.58%       | 400    | 8.56      | -4.89% |
| 6/11/2009 | 1,747,686 | \$ 14.01  | 4.47%  | 11,400  | \$ 12.36     | 1.67%        | 2,561  | 8.61      | 0.58%  |
| 6/12/2009 | 554,200   | \$ 13.80  | -1.50% | 2,500   | \$ 12.40     | 0.32%        | 0      | 8.71      | 1.16%  |
| 6/15/2009 | 813,768   | \$ 13.72  | -0.58% | 2,100   | \$ 12.22     | -1.42%       | 2,910  | 8.64      | -0.80% |
| 6/16/2009 | 1,278,207 | \$ 14.11  | 2.84%  | 150,875 | \$ 12.28     | 0.45%        | 1,225  | 8.86      | 2.55%  |
| 6/17/2009 | 765,245   | \$ 13.76  | -2.48% | 6,100   | \$ 11.85     | -3.49%       | 1,550  | 8.52      | -3.84% |
| 6/18/2009 | 733,555   | \$ 13.36  | -2.91% | 10,000  | \$ 11.87     | 0.16%        | 850    | 8.54      | 0.23%  |
| 6/19/2009 | 3,401,803 | \$ 13.76  | 2.99%  | 3,400   | \$ 12.04     | 1.41%        | 2,230  | 8.56      | 0.23%  |
| 6/22/2009 | 1,198,483 | \$ 13.23  | -3.85% | 129,200 | \$ 11.67     | -3.03%       | 420    | 8.13      | -5.02% |
| 6/23/2009 | 833,157   | \$ 12.92  | -2.34% | 725     | \$ 11.01     | -5.66%       | 1,717  | 7.94      | -2.34% |
| 6/24/2009 | 782,813   | \$ 13.10  | 1.39%  | 2,200   | \$ 11.42     | 3.68%        | 3,241  | 8.19      | 3.15%  |
| 6/25/2009 | 861,365   | \$ 13.24  | 1.07%  | 1,100   | \$ 11.48     | 0.56%        | 1,121  | 8.18      | -0.12% |
| 6/26/2009 | 472,162   | \$ 13.14  | -0.76% | 920     | \$ 11.30     | -1.56%       | 760    | 7.97      | -2.57% |
| 6/29/2009 | 425,505   | \$ 12.88  | -1.98% | 537     | \$ 11.27     | -0.31%       | 651    | 7.91      | -0.75% |
| 6/30/2009 | 899,279   | \$ 12.40  | -3.73% | 2,266   | \$ 10.62     | -5.76%       | 1,800  | 7.56      | -4.42% |
| 7/1/2009  | 0         | -         | na     | 8,200   | \$ 10.23     | -3.63%       | 2,767  | 7.80      | 3.17%  |
| 7/2/2009  | 746,968   | \$ 12.50  | na     | 4,900   | \$ 10.46     | 2.21%        | 3,710  | 7.53      | -3.46% |
| 7/3/2009  | 165,307   | \$ 12.64  | 1.12%  | 0       | -            | na           | 100    | 7.80      | 3.59%  |
| 7/6/2009  | 850,019   | \$ 12.17  | -3.72% | 1,005   | \$ 10.37     | na           | 2,606  | 7.62      | -2.31% |
| 7/7/2009  | 1,308,581 | \$ 12.16  | -0.08% | 300     | \$ 10.38     | 0.09%        | 0      | 7.33      | -3.81% |
| 7/8/2009  | 1,838,503 | \$ 11.40  | -6.25% | 184,110 | \$ 9.78      | -5.74%       | 150    | 6.98      | -4.77% |
| 7/9/2009  | 721,728   | \$ 12.10  | 6.14%  | 519     | \$ 10.36     | 5.93%        | 81     | 7.26      | 4.01%  |
| 7/10/2009 | 497,782   | \$ 12.30  | 1.65%  | 500     | \$ 10.60     | 2.27%        | 2,164  | 7.54      | 3.86%  |
| 7/13/2009 | 5,533,371 | \$ 12.58  | 2.28%  | 200     | \$ 10.57     | -0.20%       | 300    | 7.62      | 1.06%  |
| 7/14/2009 | 1,695,220 | \$ 13.25  | 5.33%  | 1,800   | \$ 11.57     | 9.45%        | 1,500  | 8.31      | 9.06%  |
| 7/15/2009 | 1,553,675 | \$ 13.56  | 2.34%  | 0       | -            | na           | 2,421  | 8.51      | 2.41%  |
| 7/16/2009 | 262,826   | \$ 13.55  | -0.07% | 5,000   | \$ 12.21     | na           | 1,135  | 8.55      | 0.47%  |
| 7/17/2009 | 956,809   | \$ 13.75  | 1.48%  | 441     | \$ 12.23     | 0.21%        | 1,850  | 8.68      | 1.52%  |
| 7/20/2009 | 472,727   | \$ 13.80  | 0.36%  | 6,700   | \$ 12.41     | 1.47%        | 1,455  | 8.69      | 0.12%  |
| 7/21/2009 | 499,377   | \$ 13.74  | -0.43% | 975     | \$ 12.25     | -1.25%       | 2,475  | 8.54      | -1.73% |
| 7/22/2009 | 328,190   | \$ 13.73  | -0.07% | 1,000   | \$ 12.44     | 1.54%        | 630    | 8.61      | 0.82%  |
| 7/23/2009 | 385,424   | \$ 13.70  | -0.22% | 27,102  | \$ 12.51     | 0.52%        | 726    | 8.82      | 2.44%  |
| 7/24/2009 | 508,882   | \$ 13.39  | -2.26% | 1,677   | \$ 12.41     | -0.76%       | 735    | 8.41      | -4.65% |
| 7/27/2009 | 1,078,272 | \$ 14.01  | 4.63%  | 4,240   | \$ 12.91     | 4.02%        | 4,051  | 9.12      | 8.44%  |
| 7/28/2009 | 416,078   | \$ 13.80  | -1.50% | 0       | -            | na           | 1,101  | 8.83      | -3.18% |
| 7/29/2009 | 405,537   | \$ 13.47  | -2.39% | 400     | \$ 12.50     | na           | 0      | 8.86      | 0.34%  |
| 7/30/2009 | 333,277   | \$ 14.05  | 4.31%  | 8,500   | \$ 12.96     | 3.67%        | 850    | 8.85      | -0.11% |
| 7/31/2009 | 646,120   | \$ 14.70  | 4.63%  | 4,400   | \$ 13.89     | 7.11%        | 7,300  | 9.51      | 7.46%  |
| 8/3/2009  | 0         | -         | na     | 4,960   | \$ 13.75     | -0.97%       | 5,120  | 9.63      | 1.26%  |
| 8/4/2009  | 876,075   | \$ 15.26  | na     | 13,167  | \$ 14.19     | 3.21%        | 4,844  | 9.91      | 2.91%  |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|            | Canadia   | an Exchan | ges         | U.S.   | . Exchange           | s           | Germ   | an Exchan | iges   |
|------------|-----------|-----------|-------------|--------|----------------------|-------------|--------|-----------|--------|
|            |           | Closing   |             |        | Closing              | ·           |        | Closing   |        |
|            |           | Price     |             |        | Price                |             |        | Price     |        |
| Date       | Volume    | C\$       | Return      | Volume | US\$                 | Return      | Volume | EUR       | Return |
| [1]        | [2]       | [3]       | [4]         | [5]    | [6]                  | [7]         | [8]    | [9]       | [10]   |
| 8/5/2009   | 664,021   | \$ 15.59  | 2.16%       | 2,050  | \$ 14.50             | 2.16%       | 1,800  | 9.99      | 0.81%  |
| 8/6/2009   | 1,453,588 | \$ 16.01  | 2.69%       | 10,540 | \$ 14.81             | 2.13%       | 1,360  | 10.35     | 3.60%  |
| 8/7/2009   | 527,999   | \$ 16.19  | 1.12%       | 9,000  | \$ 14.79             | -0.12%      | 1,719  | 10.48     | 1.26%  |
| 8/10/2009  | 371,030   | \$ 15.92  | -1.67%      | 19,790 | \$ 14.91             | 0.81%       | 2,880  | 10.44     | -0.38% |
| 8/11/2009  | 703,031   | \$ 15.42  | -3.14%      | 1,430  | \$ 14.16             | -5.02%      | 2,851  | 9.83      | -5.84% |
| 8/12/2009  | 483,661   | \$ 15.90  | 3.11%       | 1,700  | \$ 14.70             | 3.84%       | 1,360  | 10.20     | 3.76%  |
| 8/13/2009  | 840,275   | \$ 16.05  | 0.94%       | 1,200  | \$ 14.36             | -2.33%      | 2,018  | 10.07     | -1.27% |
| 8/14/2009  | 420,641   | \$ 16.16  | 0.69%       | 150    | \$ 14.34             | -0.16%      | 150    | 10.08     | 0.10%  |
| 8/17/2009  | 1,063,208 | \$ 15.37  | -4.89%      | 6,036  | \$ 13.91             | -3.00%      | 2,136  | 9.87      | -2.08% |
| 8/18/2009  | 419,623   | \$ 15.40  | 0.20%       | 6,800  | \$ 13.85             | -0.42%      | 1,260  | 9.79      | -0.81% |
| 8/19/2009  | 567,503   | \$ 15.15  | -1.62%      | 300    | \$ 13.68             | -1.22%      | 871    | 9.43      | -3.68% |
| 8/20/2009  | 633,449   | \$ 14.80  | -2.31%      | 5,313  | \$ 13.50             | -1.32%      | 550    | 9.36      | -0.74% |
| 8/21/2009  | 531,057   | \$ 15.25  | 3.04%       | 9,820  | \$ 14.01             | 3.81%       | 1,505  | 9.60      | 2.56%  |
| 8/24/2009  | 298,160   | \$ 15.00  | -1.64%      | 2,550  | \$ 14.08             | 0.50%       | 0      | 9.63      | 0.31%  |
| 8/25/2009  | 350,942   | \$ 15.24  | 1.60%       | 3,800  | \$ 13.99             | -0.67%      | 1,380  | 9.47      | -1.66% |
| 8/26/2009  | 586,471   | \$ 14.85  | -2.56%      | 700    | \$ 13.70             | -2.08%      | 930    | 9.53      | 0.63%  |
| 8/27/2009  | 398,629   | \$ 15.21  | 2.42%       | 1,450  | \$ 13.92             | 1.59%       | 4,740  | 9.45      | -0.84% |
| 8/28/2009  | 627,269   | \$ 14.70  | -3.35%      | 2,177  | \$ 13.68             | -1.69%      | 2,280  | 9.53      | 0.85%  |
| 8/31/2009  | 1,449,536 | \$ 13.60  | -7.48%      | 15,257 | \$ 12.45             | -9.01%      | 6,474  | 8.79      | -7.76% |
| 9/1/2009   | 1,355,383 | \$ 13.48  | -0.88%      | 11,880 | \$ 12.26             | -1.52%      | 2,350  | 8.47      | -3.64% |
| 9/2/2009   | 252,729   | \$ 13.69  | 1.56%       | 53,500 | \$ 12.64             | 3.10%       | 1,205  | 8.60      | 1.53%  |
| 9/3/2009   | 286,941   | \$ 14.15  | 3.36%       | 500    | \$ 12.82             | 1.42%       | 1,260  | 8.88      | 3.26%  |
| 9/4/2009   | 432,455   | \$ 14.45  | 2.12%       | 6,215  | \$ 13.17             | 2.73%       | 1,762  | 9.19      | 3.49%  |
| 9/7/2009   | 0         | Ψ 17.73   | na          | 0,213  | Ψ 13.17              | na          | 400    | 9.38      | 2.07%  |
| 9/8/2009   | 1,360,678 | \$ 15.55  |             | 1,350  | \$ 14.36             |             | 2,964  | 9.38      | 5.22%  |
| 9/9/2009   |           | \$ 15.55  | na<br>3.99% | 1,330  | \$ 14.30             | na<br>4.44% | 2,904  | 9.87      | -0.20% |
|            | 1,035,582 | \$ 16.17  |             |        | \$ 15.00<br>\$ 15.91 |             |        |           |        |
| 9/10/2009  | 977,699   |           | 6.12%       | 13,325 |                      | 6.08%       | 2,740  | 10.51     | 6.70%  |
| 9/11/2009  | 785,678   | \$ 17.38  | 1.28%       | 8,600  | \$ 15.98             | 0.43%       | 3,140  | 10.90     | 3.71%  |
| 9/14/2009  | 479,432   | \$ 17.31  | -0.40%      | 400    | \$ 15.90             | -0.50%      | 1,016  | 10.88     | -0.18% |
| 9/15/2009  | 648,864   | \$ 17.42  | 0.64%       | 14,325 | \$ 16.15             | 1.58%       | 3,400  | 10.94     | 0.55%  |
| 9/16/2009  | 867,581   | \$ 17.35  | -0.40%      | 1,900  | \$ 16.57             | 2.60%       | 1,160  | 11.07     | 1.19%  |
| 9/17/2009  | 507,498   | \$ 17.35  | 0.00%       | 6,427  | \$ 16.17             | -2.44%      | 1,375  | 10.92     | -1.36% |
| 9/18/2009  | 828,053   | \$ 18.21  | 4.96%       | 11,777 | \$ 16.99             | 5.12%       | 585    | 11.27     | 3.21%  |
| 9/21/2009  | 737,289   | \$ 17.90  | -1.70%      | 5,100  | \$ 16.66             | -1.96%      | 1,500  | 11.27     | 0.00%  |
| 9/22/2009  | 471,091   | \$ 18.41  | 2.85%       | 0      | -                    | na          | 730    | 11.49     | 1.95%  |
| 9/23/2009  | 720,921   | \$ 18.45  | 0.22%       | 1,425  | \$ 17.42             | na          | 1,731  | 11.80     | 2.70%  |
| 9/24/2009  | 598,147   | \$ 16.86  | -8.62%      | 5,595  | \$ 15.67             | -10.05%     | 2,014  | 10.70     | -9.32% |
| 9/25/2009  | 1,471,990 | \$ 16.00  | -5.10%      | 3,197  | \$ 14.46             | -7.72%      | 4,802  | 9.93      | -7.20% |
| 9/28/2009  | 607,986   | \$ 16.70  | 4.38%       | 1,000  | \$ 15.34             | 6.07%       | 930    | 10.47     | 5.44%  |
| 9/29/2009  | 1,611,893 | \$ 16.85  | 0.90%       | 9,850  | \$ 15.51             | 1.12%       | 550    | 10.60     | 1.24%  |
| 9/30/2009  | 742,189   | \$ 16.91  | 0.36%       | 1,100  | \$ 15.88             | 2.38%       | 900    | 10.86     | 2.45%  |
| 10/1/2009  | 883,094   | \$ 15.95  | -5.68%      | 9,200  | \$ 14.73             | -7.24%      | 4,580  | 10.44     | -3.87% |
| 10/2/2009  | 1,118,186 | \$ 16.49  | 3.39%       | 500    | \$ 15.29             | 3.82%       | 2,321  | 10.20     | -2.30% |
| 10/5/2009  | 339,023   | \$ 16.45  | -0.24%      | 0      | -                    | na          | 95     | 10.25     | 0.49%  |
| 10/6/2009  | 574,360   | \$ 16.35  | -0.61%      | 400    | \$ 15.82             | na          | 1,460  | 10.49     | 2.34%  |
| 10/7/2009  | 322,052   | \$ 16.95  | 3.67%       | 5,900  | \$ 15.85             | 0.17%       | 362    | 10.90     | 3.91%  |
| 10/8/2009  | 574,605   | \$ 16.59  | -2.12%      | 2,350  | \$ 15.78             | -0.44%      | 1,243  | 10.77     | -1.19% |
| 10/9/2009  | 289,976   | \$ 16.80  | 1.27%       | 1,150  | \$ 16.11             | 2.10%       | 1,790  | 10.77     | -0.93% |
| 0/12/2009  | 289,970   | ψ 10.00   |             | 1,130  | ψ 10.11              | 2.10%<br>na | 905    | 11.08     | 3.84%  |
| 0/12/2009  | 1,457,306 | \$ 16.84  | na<br>na    | 2,000  | \$ 16.21             |             | 1,150  | 10.93     | -1.35% |
|            |           |           |             |        |                      | na<br>2 30% |        |           |        |
| 10/14/2009 | 448,771   | \$ 16.92  | 0.48%       | 966    | \$ 16.60             | 2.39%       | 1,286  | 11.10     | 1.56%  |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|                          | Canadia                | an Exchan            | ges              | U.S.            | . Exchange           | S                | Germ           | an Exchan      | ges              |
|--------------------------|------------------------|----------------------|------------------|-----------------|----------------------|------------------|----------------|----------------|------------------|
|                          |                        | Closing              |                  |                 | Closing              |                  |                | Closing        |                  |
|                          |                        | Price                |                  |                 | Price                |                  |                | Price          |                  |
| Date                     | Volume                 | C\$                  | Return           | Volume          | US\$                 | Return           | Volume         | EUR            | Return           |
| [1]                      | [2]                    | [3]                  | [4]              | [5]             | [6]                  | [7]              | [8]            | [9]            | [10]             |
| 10/15/2009               | 324,337                | \$ 16.64             | -1.65%           | 20,600          | \$ 16.17             | -2.56%           | 300            | 10.98          | -1.08%           |
| 10/16/2009               | 253,136                | \$ 16.90             | 1.56%            | 63,950          | \$ 16.37             | 1.24%            | 510            | 10.93          | -0.46%           |
| 10/19/2009               | 213,742                | \$ 16.65             | -1.48%           | 10,450          | \$ 16.25             | -0.71%           | 300            | 10.88          | -0.46%           |
| 10/20/2009               | 368,007                | \$ 16.65             | 0.00%            | 3,832           | \$ 15.89             | -2.24%           | 1,650          | 10.57          | -2.85%           |
| 10/21/2009               | 1,066,779              | \$ 17.08             | 2.58%            | 400             | \$ 16.63             | 4.64%            | 2,155          | 10.72          | 1.42%            |
| 10/22/2009               | 610,305                | \$ 16.60             | -2.81%           | 2,300           | \$ 15.87             | -4.54%           | 1,654          | 10.43          | -2.71%           |
| 10/23/2009               | 525,279                | \$ 16.34             | -1.57%           | 1,950           | \$ 15.55             | -2.06%           | 985            | 10.39          | -0.38%           |
| 10/26/2009               | 441,086                | \$ 16.60             | 1.59%            | 2,300           | \$ 15.53             | -0.13%           | 59             | 10.29          | -0.96%           |
| 10/27/2009               | 458,775                | \$ 16.11             | -2.95%           | 1,300           | \$ 15.51             | -0.11%           | 36             | 10.51          | 2.14%            |
| 10/28/2009               | 718,185                | \$ 15.10             | -6.27%           | 26,830          | \$ 14.02             | -9.62%           | 5,232          | 9.52           | -9.42%           |
| 10/29/2009               | 408,565                | \$ 15.65             | 3.64%            | 14,100          | \$ 14.67             | 4.65%            | 888            | 9.88           | 3.78%            |
| 10/30/2009               | 864,355                | \$ 15.23             | -2.68%           | 13,962          | \$ 13.80             | -5.90%           | 6,101          | 9.36           | -5.26%           |
| 11/2/2009                | 666,367                | \$ 16.40             | 7.68%            | 8,320           | \$ 15.07             | 9.18%            | 7,086          | 10.49          | 12.07%           |
| 11/3/2009                | 834,014                | \$ 16.00             | -2.44%           | 1,600           | \$ 14.96             | -0.76%           | 700            | 9.90           | -5.62%           |
| 11/4/2009                | 1,074,568              | \$ 17.52             | 9.50%            | 2,300           | \$ 16.29             | 8.95%            | 700            | 10.72          | 8.28%            |
| 11/5/2009                | 496,952                | \$ 17.64             | 0.68%            | 3,300           | \$ 16.47             | 1.08%            | 654            | 10.89          | 1.59%            |
| 11/6/2009                | 333,786                | \$ 17.62             | -0.11%           | 1,100           | \$ 16.26             | -1.27%           | 660            | 10.94          | 0.46%            |
| 11/9/2009                | 666,385                | \$ 18.39             | 4.37%            | 5,350           | \$ 17.32             | 6.51%            | 2,413          | 11.32          | 3.47%            |
| 11/10/2009               | 566,644                | \$ 17.65             | -4.02%           | 0               | e 16.65              | na               | 1,185          | 11.35          | 0.27%            |
| 11/11/2009               | 386,892                | \$ 17.55             | -0.57%           | 600             | \$ 16.65             | na<br>0.460/     | 325            | 11.21          | -1.23%           |
| 11/12/2009               | 819,673                | \$ 17.71             | 0.91%            | 4,200           | \$ 16.73             | 0.46%            | 1,330          | 11.28          | 0.62%            |
| 11/13/2009               | 418,364                | \$ 18.08             | 2.09%            | 2,455           | \$ 17.27<br>\$ 17.24 | 3.25%            | 400            | 11.49          | 1.86%<br>0.52%   |
| 11/16/2009               | 878,639                | \$ 18.37             | 1.60%            | 2,200           | •                    | -0.18%           | 4,866          | 11.55          |                  |
| 11/17/2009               | 1,126,524              | \$ 19.56             | 6.48%            | 6,600           | \$ 18.58             | 7.76%            | 1,506          | 12.11          | 4.85%            |
| 11/18/2009               | 1,088,005              | \$ 18.68<br>\$ 18.78 | -4.50%<br>0.54%  | 1,750<br>1,830  | \$ 18.33<br>\$ 17.60 | -1.34%<br>-3.97% | 3,199          | 11.82          | -2.39%<br>-1.10% |
| 11/19/2009               | 621,451                |                      | -0.75%           |                 |                      | -3.97%<br>-0.68% | 1,581<br>812   | 11.69          | -1.10%<br>-0.17% |
| 11/20/2009               | 350,315                | \$ 18.64<br>\$ 18.95 |                  | 2,300           | \$ 17.48<br>\$ 17.77 | -0.68%<br>1.65%  | 660            | 11.67<br>11.86 | -0.17%<br>1.63%  |
| 11/23/2009               | 326,681                | \$ 18.93             | 1.66%            | 2,000           |                      |                  |                |                |                  |
| 11/24/2009               | 397,379                | \$ 18.69             | -1.85%<br>0.48%  | 5,403<br>700    | \$ 17.61<br>\$ 17.87 | -0.92%<br>1.49%  | 1,725<br>916   | 11.63<br>11.81 | -1.94%<br>1.55%  |
| 11/25/2009               | 677,061                |                      |                  | 0               | •                    |                  |                |                |                  |
| 11/26/2009<br>11/27/2009 | 75,734<br>329,552      | \$ 18.60<br>\$ 18.55 | -0.48%<br>-0.27% | 4,900           | \$ 17.42             | na               | 3,700<br>2,310 | 11.45<br>11.60 | -3.05%<br>1.31%  |
| 11/2//2009               | 663,625                | \$ 18.33             | -0.27%           | 118,282         | \$ 17.42             | na<br>-0.52%     | 1,113          | 11.49          | -0.95%           |
| 12/1/2009                | 1,372,027              | \$ 19.84             | -0.43%<br>7.42%  | 1,850           | \$ 17.33             | 9.35%            | 2,425          | 12.17          | 5.92%            |
| 12/1/2009                | 1,372,027              | \$ 19.04             | -4.23%           | 9,409           | \$ 18.93             | -4.43%           | 1,061          | 12.17          | -1.15%           |
| 12/3/2009                | 692,411                | \$ 18.85             | -0.79%           | 94,400          | \$ 17.95             | -0.88%           | 0              | 11.67          | -2.99%           |
| 12/4/2009                | 1,078,758              | \$ 18.83             | -0.74%           | 81,250          | \$ 17.73             | -1.23%           | 200            | 11.59          | -2.99%           |
| 12/7/2009                | 523,522                | \$ 18.42             | -1.55%           | 1,350           | \$ 17.75             | -1.02%           | 765            | 11.84          | 2.16%            |
| 12/8/2009                | 515,959                | \$ 18.42             | -2.06%           | 5,460           | \$ 17.33             | -3.59%           | 860            | 11.46          | -3.21%           |
| 12/9/2009                | 1,003,551              | \$ 17.70             | -1.88%           | 4,955           | \$ 16.52             | -1.65%           | 200            | 11.40          | -1.66%           |
| 12/10/2009               | 5,174,018              | \$ 16.80             | -5.08%           | 81,100          | \$ 15.95             | -1.05%<br>-4.14% | 1,748          | 10.44          | -7.36%           |
| 12/11/2009               | 8,019,701              | \$ 17.54             | 4.40%            | 79,240          | \$ 16.57             | 3.88%            | 4,775          | 11.27          | 7.95%            |
| 12/11/2009               | 1,913,019              | \$ 17.65             | 0.63%            | 6,450           | \$ 16.75             | 1.09%            | 1,270          | 11.27          | 0.89%            |
| 12/15/2009               | 918,405                | \$ 17.58             | -0.40%           | 79,000          | \$ 16.79             | -0.96%           | 0              | 11.24          | -1.14%           |
| 12/15/2009               | 1,316,244              | \$ 17.53             | -0.40%           | 14,000          | \$ 16.55             | -0.90%           | 175            | 11.24          | -0.18%           |
| 12/10/2009               | 2,388,635              | \$ 17.53             | -0.28%           | 27,092          | \$ 16.33             | -0.22%           | 26             | 11.22          | -0.18%           |
| 12/17/2009               | 2,388,033<br>1,598,424 | \$ 17.32<br>\$ 17.32 | -0.06%<br>-1.14% | 3,000           | \$ 16.23             | -1.83%<br>0.47%  | 0              | 11.08          | 0.81%            |
| 12/18/2009               |                        |                      |                  | 33,466          | \$ 16.33<br>\$ 16.97 | 3.91%            | 500            | 11.17          |                  |
| 12/21/2009               | 708,472<br>1 847 518   | \$ 17.92<br>\$ 18.75 | 3.46%<br>4.63%   |                 | \$ 16.97<br>\$ 17.76 | 3.91%<br>4.69%   | 1,905          | 12.31          | 5.19%<br>4.77%   |
| 12/22/2009               | 1,847,518<br>1,265,583 | \$ 18.75<br>\$ 19.30 | 4.63%<br>2.93%   | 11,200<br>6,200 | \$ 17.76             | 4.69%<br>3.48%   | 1,905<br>4,465 | 12.31          | 4.77%<br>3.25%   |
| 1///3//1119              | 1,200,000              | <b>あ 19.50</b>       | ∠. <b>∀</b> 3%   | 0.200           | J 10.38              | J.40%            | 4,403          | 14./1          | 3.23%            |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|                        | Canadia                | an Exchan            | ges              | U.S.           | . Exchange           | s                | Germ           | an Exchan      | iges             |
|------------------------|------------------------|----------------------|------------------|----------------|----------------------|------------------|----------------|----------------|------------------|
|                        |                        | Closing              |                  |                | Closing              |                  |                | Closing        |                  |
|                        |                        | Price                |                  |                | Price                |                  |                | Price          |                  |
| Date                   | Volume                 | C\$                  | Return           | Volume         | US\$                 | Return           | Volume         | EUR            | Return           |
| [1]                    | [2]                    | [3]                  | [4]              | [5]            | [6]                  | [7]              | [8]            | [9]            | [10]             |
| 12/28/2009             | 0                      | -                    | na               | 475            | \$ 18.57             | -0.16%           | 795            | 13.04          | na               |
| 12/29/2009             | 747,352                | \$ 19.65             | na               | 3,300          | \$ 18.83             | 1.39%            | 2,220          | 13.00          | -0.31%           |
| 12/30/2009             | 341,785                | \$ 19.33             | -1.63%           | 600            | \$ 18.30             | -2.81%           | 0              | 12.89          | -0.85%           |
| 12/31/2009             | 186,937                | \$ 19.38             | 0.26%            | 1,365          | \$ 18.49             | 1.02%            | 0              | 12.02          | na               |
| 1/4/2010               | 1,050,719              | \$ 19.65             | 1.39%            | 5,500          | \$ 18.94             | 2.45%            | 755            | 12.83          | na<br>5 c s o c  |
| 1/5/2010               | 1,428,106              | \$ 20.24             | 3.00%            | 440,200        | \$ 19.53             | 3.12%            | 981            | 13.56          | 5.65%            |
| 1/6/2010               | 1,385,961              | \$ 20.55             | 1.53%            | 3,400          | \$ 19.94             | 2.09%            | 1,578          | 13.75          | 1.44%            |
| 1/7/2010               | 1,638,235              | \$ 20.03             | -2.53%           | 6,620          | \$ 19.73             | -1.04%           | 3,995          | 13.50          | -1.82%           |
| 1/8/2010               | 1,203,873              | \$ 20.23             | 1.00%            | 24,814         | \$ 19.73             | 0.00%            | 975            | 13.41          | -0.67%           |
| 1/11/2010              | 1,485,005              | \$ 20.49             | 1.29%            | 33,100         | \$ 20.21             | 2.43%            | 830            | 13.60          | 1.42%            |
| 1/12/2010              | 1,401,923              | \$ 20.98             | 2.39%            | 14,680         | \$ 20.16             | -0.23%           | 300            | 13.87          | 1.95%            |
| 1/13/2010              | 1,164,723              | \$ 20.86             | -0.57%           | 19,650         | \$ 20.26             | 0.48%            | 845            | 13.80          | -0.50%           |
| 1/14/2010              | 732,625                | \$ 20.30             | -2.68%           | 2,873          | \$ 19.89             | -1.83%           | 1,868          | 13.47          | -2.39%           |
| 1/15/2010              | 918,335                | \$ 19.83             | -2.32%           | 32,750         | \$ 19.15             | -3.72%           | 2,480          | 13.10          | -2.71%           |
| 1/18/2010              | 210,843                | \$ 20.00             | 0.86%            | 1.575          | e 10.05              | na               | 440            | 13.45          | 2.67%            |
| 1/19/2010              | 720,501                | \$ 19.57             | -2.15%           | 1,575          | \$ 19.05<br>\$ 18.69 | na<br>1 2007     | 900            | 13.12<br>12.68 | -2.45%           |
| 1/20/2010              | 2,115,321              | \$ 19.61<br>\$ 19.17 | 0.20%            | 42,950         |                      | -1.89%           | 1,026          |                | -3.39%           |
| 1/21/2010              | 1,444,248<br>1,497,112 | \$ 19.17<br>\$ 19.15 | -2.24%<br>-0.10% | 6,300<br>2,700 | \$ 18.61<br>\$ 18.25 | -0.41%           | 2 141          | 13.03          | 2.80%<br>-2.19%  |
| 1/22/2010              |                        | \$ 19.13             | -0.10%<br>-1.57% | 129,300        | \$ 18.23<br>\$ 17.62 | -1.95%           | 2,141<br>1,975 | 12.75          | 0.04%            |
| 1/25/2010              | 1,243,644              | \$ 18.83             | -1.37%<br>-0.80% | 3,250          | \$ 17.62             | -3.47%<br>-0.07% | 1,973          | 12.75<br>12.49 | -2.04%           |
| 1/26/2010<br>1/27/2010 | 1,395,589<br>1,517,941 | \$ 18.70             | -0.80%<br>-2.94% | 103,300        | \$ 17.60             | -0.07%<br>-6.27% | 3,375          | 11.99          | -2.04%<br>-4.00% |
| 1/28/2010              | 1,070,741              | \$ 18.13             | 1.54%            | 9,490          | \$ 10.30             | 5.64%            | 1,459          | 12.31          | 2.63%            |
| 1/29/2010              | 1,070,741              | \$ 18.43             | 0.76%            | 10,953         | \$ 17.43             | -0.75%           | 930            | 12.31          | -0.61%           |
| 2/1/2010               | 1,613,000              | \$ 19.20             | 3.39%            | 85,900         | \$ 17.30             | 4.16%            | 780            | 12.23          | 3.19%            |
| 2/2/2010               | 800,742                | \$ 19.20             | 4.11%            | 6,000          | \$ 18.84             | 4.16%            | 3,900          | 13.26          | 5.07%            |
| 2/3/2010               | 913,464                | \$ 19.58             | -2.05%           | 5,600          | \$ 18.39             | -2.38%           | 835            | 12.96          | -2.30%           |
| 2/4/2010               | 891,971                | \$ 18.65             | -4.75%           | 2,800          | \$ 17.35             | -5.65%           | 6,063          | 12.48          | -3.71%           |
| 2/5/2010               | 946,108                | \$ 18.39             | -1.39%           | 39,730         | \$ 17.02             | -1.92%           | 345            | 12.32          | -1.24%           |
| 2/8/2010               | 913,997                | \$ 18.40             | 0.05%            | 1,350          | \$ 17.02             | 1.29%            | 440            | 12.32          | 0.73%            |
| 2/9/2010               | 800,992                | \$ 19.18             | 4.24%            | 4,779          | \$ 17.24             | 4.07%            | 0              | 12.41          | 0.7370           |
| 2/10/2010              | 799,170                | \$ 19.10             | 0.57%            | 10,594         | \$ 17.54             | 1.21%            | 840            | 12.49          | 3.96%            |
| 2/10/2010              | 479,992                | \$ 19.65             | 1.87%            | 800            | Ψ 10.10              | na               | 0              | 13.37          | 3.00%            |
| 2/12/2010              | 487,303                | \$ 19.39             | -1.32%           | 2,650          | \$ 18.29             | na               | 0              | 13.58          | 1.57%            |
| 2/15/2010              | 0                      | ψ 17.57<br>-         | na               | 0              | φ 10. <b>2</b> >     | na               | 626            | 13.62          | 0.29%            |
| 2/16/2010              | 543,794                | \$ 19.54             | na               | 7,650          | \$ 18.80             | na               | 372            | 13.32          | -2.24%           |
| 2/17/2010              | 902,003                | \$ 19.75             | 1.07%            | 200            | \$ 18.94             | 0.76%            | 1,400          | 13.68          | 2.74%            |
| 2/18/2010              | 770,680                | \$ 20.27             | 2.63%            | 39,200         | \$ 19.45             | 2.68%            | 841            | 14.07          | 2.85%            |
| 2/19/2010              | 679,995                | \$ 19.97             | -1.48%           | 3,556          | \$ 19.40             | -0.27%           | 1,200          | 14.00          | -0.50%           |
| 2/22/2010              | 231,845                | \$ 19.89             | -0.40%           | 700            | \$ 19.22             | -0.92%           | 1,077          | 13.85          | -1.11%           |
| 2/23/2010              | 368,751                | \$ 19.52             | -1.86%           | 20,654         | \$ 18.49             | -3.80%           | 1,057          | 13.62          | -1.66%           |
| 2/24/2010              | 543,856                | \$ 19.75             | 1.18%            | 21,600         | \$ 18.68             | 1.06%            | 0              | 13.62          | 0.04%            |
| 2/25/2010              | 469,083                | \$ 19.82             | 0.35%            | 54,500         | \$ 18.68             | -0.02%           | 40             | 13.54          | -0.62%           |
| 2/26/2010              | 1,090,161              | \$ 20.47             | 3.28%            | 64,900         | \$ 19.35             | 3.59%            | 600            | 13.91          | 2.77%            |
| 3/1/2010               | 611,938                | \$ 20.60             | 0.64%            | 1,770          | \$ 19.88             | 2.74%            | 2,850          | 14.82          | 6.54%            |
| 3/2/2010               | 609,493                | \$ 20.50             | -0.49%           | 2,700          | \$ 19.88             | 0.00%            | 321            | 14.78          | -0.30%           |
| 3/3/2010               | 949,530                | \$ 20.30             | 2.68%            | 34,200         | \$ 20.34             | 2.31%            | 0              | 14.60          | -1.18%           |
| 3/4/2010               | 818,891                | \$ 21.40             | 1.66%            | 137,250        | \$ 20.34             | 2.06%            | 971            | 15.06          | 3.12%            |
| 3/4/2010               | 927,100                | \$ 21.40             | 0.89%            | 4,200          | \$ 20.70             | 1.17%            | 3,045          | 15.16          | 0.70%            |
| 3/8/2010               | 283,509                | \$ 21.53             | -0.28%           | 8,500          | \$ 20.94             | -0.30%           | 2,621          | 15.10          | -0.43%           |
| 3/9/2010               | 542,386                | \$ 20.66             | -4.04%           | 13,306         | \$ 20.37             | -2.72%           | 1,109          | 14.73          | -2.45%           |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|           | Canadia   | an Exchanş | ges             | U.S.    | Exchange             | S               | Germ         | an Exchan      | ges    |
|-----------|-----------|------------|-----------------|---------|----------------------|-----------------|--------------|----------------|--------|
|           |           | Closing    |                 |         | Closing              |                 |              | Closing        |        |
|           |           | Price      |                 |         | Price                |                 |              | Price          |        |
| Date      | Volume    | C\$        | Return          | Volume  | US\$                 | Return          | Volume       | EUR            | Return |
| [1]       | [2]       | [3]        | [4]             | [5]     | [6]                  | [7]             | [8]          | [9]            | [10]   |
| 3/10/2010 | 659,398   | \$ 20.80   | 0.68%           | 900     | \$ 20.30             | -0.34%          | 1,187        | 14.76          | 0.24%  |
| 3/11/2010 | 941,275   | \$ 20.55   | -1.20%          | 90,300  | \$ 19.85             | -2.22%          | 942          | 14.38          | -2.57% |
| 3/12/2010 | 1,351,608 | \$ 21.44   | 4.33%           | 1,833   | \$ 20.67             | 4.13%           | 520          | 14.80          | 2.89%  |
| 3/15/2010 | 1,444,346 | \$ 21.31   | -0.61%          | 2,030   | \$ 20.85             | 0.87%           | 1,017        | 15.05          | 1.69%  |
| 3/16/2010 | 1,097,256 | \$ 20.68   | -2.96%          | 22,050  | \$ 20.43             | -2.00%          | 2,455        | 14.63          | -2.79% |
| 3/17/2010 | 1,726,217 | \$ 20.14   | -2.61%          | 5,427   | \$ 19.96             | -2.32%          | 1,235        | 14.52          | -0.72% |
| 3/18/2010 | 2,435,864 | \$ 20.02   | -0.60%          | 4,590   | \$ 19.68             | -1.41%          | 2,129        | 14.24          | -1.96% |
| 3/19/2010 | 2,357,271 | \$ 19.88   | -0.70%          | 1,115   | \$ 19.60             | -0.39%          | 740          | 14.23          | -0.04% |
| 3/22/2010 | 6,226,296 | \$ 20.49   | 3.07%           | 1,800   | \$ 19.99             | 2.00%           | 2,391        | 14.67          | 3.09%  |
| 3/23/2010 | 1,573,567 | \$ 20.68   | 0.93%           | 900     | \$ 20.45             | 2.29%           | 1,177        | 14.92          | 1.67%  |
| 3/24/2010 | 1,416,254 | \$ 19.91   | -3.72%          | 2,040   | \$ 19.65             | -3.91%          | 2,700        | 14.57          | -2.35% |
| 3/25/2010 | 3,176,898 | \$ 19.63   | -1.41%          | 5,100   | \$ 19.20             | -2.29%          | 920          | 14.65          | 0.58%  |
| 3/26/2010 | 1,975,747 | \$ 19.30   | -1.68%          | 30,600  | \$ 18.77             | -2.24%          | 218          | 13.87          | -5.32% |
| 3/29/2010 | 4,372,490 | \$ 19.05   | -1.30%          | 17,300  | \$ 18.65             | -0.64%          | 6,752        | 13.78          | -0.68% |
| 3/30/2010 | 1,724,882 | \$ 19.56   | 2.68%           | 5,600   | \$ 18.96             | 1.66%           | 520          | 14.02          | 1.74%  |
| 3/31/2010 | 1,885,218 | \$ 19.90   | 1.74%           | 6,200   | \$ 19.31             | 1.86%           | 500          | 14.51          | 3.50%  |
| 4/1/2010  | 1,628,100 | \$ 20.16   | 1.31%           | 1,300   | \$ 19.86             | 2.83%           | 820          | 14.55          | 0.28%  |
| 4/5/2010  | 559,062   | \$ 20.20   | 0.20%           | 4,330   | \$ 20.19             | 1.66%           | 0            | -              | na     |
| 4/6/2010  | 760,063   | \$ 20.13   | -0.35%          | 2,350   | \$ 20.10             | -0.45%          | 2,367        | 15.27          | na     |
| 4/7/2010  | 801,822   | \$ 19.84   | -1.44%          | 4,125   | \$ 19.73             | -1.84%          | 951          | 14.74          | -3.47% |
| 4/8/2010  | 708,247   | \$ 20.05   | 1.06%           | 4,350   | \$ 20.01             | 1.42%           | 58           | 14.72          | -0.14% |
| 4/9/2010  | 393,055   | \$ 20.26   | 1.05%           | 8,800   | \$ 20.09             | 0.40%           | 370          | 14.67          | -0.34% |
| 4/12/2010 | 1,543,520 | \$ 20.75   | 2.42%           | 6,900   | \$ 20.69             | 3.01%           | 1,400        | 14.97          | 2.01%  |
| 4/13/2010 | 916,617   | \$ 20.59   | -0.77%          | 4,000   | \$ 20.53             | -0.78%          | 775          | 15.13          | 1.10%  |
| 4/14/2010 | 969,914   | \$ 20.57   | -0.10%          | 3,950   | \$ 20.76             | 1.10%           | 375          | 15.21          | 0.53%  |
| 4/15/2010 | 958,062   | \$ 20.40   | -0.83%          | 15,650  | \$ 20.42             | -1.64%          | 1,860        | 15.19          | -0.16% |
| 4/16/2010 | 1,367,773 | \$ 19.80   | -2.94%          | 21,961  | \$ 19.39             | -5.05%          | 2,880        | 14.01          | -7.74% |
| 4/19/2010 | 2,729,015 | \$ 19.75   | -0.25%          | 10,470  | \$ 19.48             | 0.48%           | 373          | 14.17          | 1.14%  |
| 4/20/2010 | 1,470,477 | \$ 19.54   | -1.06%          | 51,379  | \$ 19.65             | 0.86%           | 1,714        | 14.37          | 1.38%  |
| 4/21/2010 | 1,138,551 | \$ 19.70   | 0.82%           | 10,563  | \$ 19.58             | -0.36%          | 555          | 14.40          | 0.24%  |
| 4/22/2010 | 1,038,746 | \$ 19.80   | 0.51%           | 4,550   | \$ 19.82             | 1.23%           | 1,125        | 14.68          | 1.94%  |
| 4/23/2010 | 1,314,124 | \$ 19.49   | -1.57%          | 2,900   | \$ 19.49             | -1.65%          | 280          | 14.48          | -1.36% |
| 4/26/2010 | 816,560   | \$ 19.40   | -0.46%          | 3,510   | \$ 19.37             | -0.64%          | 711          | 14.49          | 0.07%  |
| 4/27/2010 | 2,073,469 | \$ 18.62   | -4.02%          | 40,170  | \$ 18.44             | -4.82%          | 1,566        | 13.92          | -3.93% |
| 4/28/2010 | 675,689   | \$ 18.40   | -1.18%          | 7,533   | \$ 18.32             | -0.63%          | 1,701        | 13.92          | 0.00%  |
| 4/29/2010 | 2,522,762 | \$ 17.86   | -2.93%          | 6,830   | \$ 17.71             | -3.32%          | 4,367        | 13.41          | -3.66% |
| 4/30/2010 | 3,413,337 | \$ 18.06   | 1.12%           | 8,650   | \$ 17.70             | -0.06%          | 835          | 13.21          | -1.53% |
| 5/3/2010  | 1,869,922 | \$ 18.10   | 0.22%           | 9,285   | \$ 17.75             | 1.40%           | 901          | 13.69          | 3.63%  |
| 5/4/2010  | 1,160,352 | \$ 17.85   | -1.38%          | 6,000   | \$ 17.35             | -3.34%          | 2,590        | 13.38          | -2.23% |
| 5/5/2010  | 1,652,109 | \$ 18.17   | 1.79%           | 10,687  | \$ 17.06             | -1.69%          | 3,179        | 13.79          | 3.06%  |
| 5/6/2010  | 1,437,579 | \$ 17.56   | -3.36%          | 7,650   | \$ 16.58             | -2.80%          | 2,254        | 13.02          | -5.58% |
| 5/7/2010  |           |            |                 | 6,300   | \$ 16.30             |                 | 3,535        | 12.88          | -3.38% |
| 5/10/2010 | 1,373,637 | \$ 17.06   | -2.85%<br>4.40% | 13,300  | \$ 10.30             | -1.69%          | 1,130        |                | 3.69%  |
|           | 1,310,438 | \$ 17.81   | -2.30%          | 21,190  | \$ 17.30             | 6.13%<br>-1.73% | 1,130        | 13.35<br>13.31 | -0.30% |
| 5/11/2010 | 937,840   | \$ 17.40   |                 |         |                      |                 |              |                |        |
| 5/12/2010 | 1,257,743 | \$ 18.22   | 4.71%           | 6,640   | \$ 17.84<br>\$ 17.50 | 4.94%           | 740<br>1 130 | 13.89          | 4.36%  |
| 5/13/2010 | 1,480,798 | \$ 17.85   | -2.03%          | 200,200 | \$ 17.50             | -1.88%          | 1,130        | 14.45          | 4.00%  |
| 5/14/2010 | 1,005,628 | \$ 17.64   | -1.18%          | 10,900  | \$ 16.80             | -4.02%          | 450          | 13.40          | -7.23% |
| 5/17/2010 | 1,569,090 | \$ 17.62   | -0.11%          | 8,212   | \$ 16.84             | 0.21%           | 670          | 13.49          | 0.63%  |
| 5/18/2010 | 1,714,437 | \$ 17.63   | 0.06%           | 8,840   | \$ 16.90             | 0.39%           | 600          | 13.79          | 2.22%  |
| 5/19/2010 | 1,518,973 | \$ 16.91   | -4.08%          | 6,015   | \$ 16.26             | -3.80%          | 1,091        | 13.07          | -5.22% |
| 5/20/2010 | 1,670,063 | \$ 16.29   | -3.67%          | 3,050   | \$ 15.45             | -4.97%          | 7,701        | 12.32          | -5.74% |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

|           | Canadia            | an Exchan                        | ges             | U.S.           | . Exchange     | s            | Germ           | an Exchar      | iges             |
|-----------|--------------------|----------------------------------|-----------------|----------------|----------------|--------------|----------------|----------------|------------------|
| •         |                    | Closing                          |                 |                | Closing        |              |                | Closing        |                  |
|           |                    | Price                            |                 |                | Price          |              |                | Price          |                  |
| Date      | Volume             | C\$                              | Return          | Volume         | US\$           | Return       | Volume         | EUR            | Return           |
| [1]       | [2]                | [3]                              | [4]             | [5]            | [6]            | [7]          | [8]            | [9]            | [10]             |
| 5/21/2010 | 1,548,177          | \$ 16.77                         | 2.95%           | 5,428          | \$ 15.78       | 2.14%        | 3,849          | 12.63          | 2.52%            |
| 5/24/2010 | 0                  | -                                | na              | 1,200          | \$ 15.84       | 0.38%        | 750            | 12.71          | 0.67%            |
| 5/25/2010 | 2,541,218          | \$ 16.99                         | na              | 4,261          | \$ 15.32       | -3.30%       | 3,375          | 12.27          | -3.46%           |
| 5/26/2010 | 1,062,397          | \$ 17.01                         | 0.12%           | 30,076         | \$ 15.93       | 4.03%        | 3,718          | 13.05          | 6.32%            |
| 5/27/2010 | 895,821            | \$ 17.66                         | 3.82%           | 1,400          | \$ 16.82       | 5.55%        | 321            | 13.64          | 4.52%            |
| 5/28/2010 | 2,241,584          | \$ 18.04                         | 2.15%           | 2,667          | \$ 17.29       | 2.80%        | 3,106          | 13.80          | 1.21%            |
| 5/31/2010 | 193,589            | \$ 18.19                         | 0.83%           | 0              | -              | na           | 1,924          | 14.19          | 2.79%            |
| 6/1/2010  | 1,722,527          | \$ 16.95                         | -6.82%          | 9,438          | \$ 16.58       | na           | 1,610          | 13.46          | -5.15%           |
| 6/2/2010  | 1,207,251          | \$ 16.67                         | -1.65%          | 4,725          | \$ 15.75       | -4.99%       | 1,051          | 12.77          | -5.09%           |
| 6/3/2010  | 1,185,270          | \$ 16.37                         | -1.80%          | 4,084          | \$ 15.74       | -0.06%       | 496            | 12.80          | 0.23%            |
| 6/4/2010  | 980,707            | \$ 16.34                         | -0.18%          | 1,500          | \$ 15.48       | -1.69%       | 1,070          | 13.05          | 1.91%            |
| 6/7/2010  | 1,190,677          | \$ 15.99                         | -2.14%          | 3,731          | \$ 15.10       | -2.44%       | 850            | 12.98          | -0.54%           |
| 6/8/2010  | 677,453            | \$ 16.45                         | 2.88%           | 2,811          | \$ 15.44       | 2.28%        | 449            | 12.85          | -0.96%           |
| 6/9/2010  | 1,237,632          | \$ 16.57                         | 0.73%           | 3,687          | \$ 15.85       | 2.63%        | 300            | 13.20          | 2.72%            |
| 6/10/2010 | 487,663            | \$ 16.58                         | 0.06%           | 1,811          | \$ 16.03       | 1.13%        | 300            | 13.31          | 0.83%            |
| 6/11/2010 | 507,048            | \$ 16.85                         | 1.63%           | 1,121          | \$ 16.12       | 0.57%        | 100            | 13.37          | 0.45%            |
| 6/14/2010 | 551,793            | \$ 17.03                         | 1.07%           | 1,706          | \$ 16.63       | 3.14%        | 1,815          | 13.49          | 0.86%            |
| 6/15/2010 | 1,471,622          | \$ 17.10                         | 0.41%           | 2,316          | \$ 16.61       | -0.10%       | 0              | 13.67          | 1.37%            |
| 6/16/2010 | 564,654            | \$ 16.99                         | -0.64%          | 3,195          | \$ 16.59       | -0.12%       | 1,600          | 13.44          | -1.72%           |
| 6/17/2010 | 335,837            | \$ 17.06                         | 0.41%           | 1,274          | \$ 16.48       | -0.67%       | 0              | 13.34          | -0.74%           |
| 6/18/2010 | 1,076,434          | \$ 17.41                         | 2.05%           | 2,016          | \$ 16.99       | 3.10%        | 0              | 13.72          | 2.89%            |
| 6/21/2010 | 995,951            | \$ 17.80                         | 2.24%           | 6,325          | \$ 17.56       | 3.35%        | 1,110          | 14.18          | 3.32%            |
| 6/22/2010 | 704,686            | \$ 17.34                         | -2.58%          | 25,570         | \$ 17.17       | -2.22%       | 3,898          | 14.22          | 0.28%            |
| 6/23/2010 | 387,746            | \$ 17.54                         | 1.15%           | 2,135          | \$ 16.54       | -3.68%       | 800            | 13.54          | -4.78%           |
| 6/24/2010 | 1,007,524          | \$ 17.28                         | -1.48%          | 34,033         | \$ 16.76       | 1.33%        | 1,950          | 13.68          | 1.07%            |
| 6/25/2010 | 578,697            | \$ 17.28                         | -2.31%          | 2,830          | \$ 16.70       | -1.60%       | 518            | 13.31          | -2.70%           |
| 6/28/2010 | 456,168            | \$ 16.58                         | -1.78%          | 133,593        | \$ 15.93       | -3.38%       | 3,230          | 13.05          | -1.99%           |
| 6/29/2010 | 1,189,273          | \$ 15.29                         | -7.78%          | 3,751          | \$ 13.53       | -8.93%       | 1,000          | 12.14          | -6.98%           |
| 6/30/2010 | 1,301,744          | \$ 15.29                         | -1.05%          | 1,200          | \$ 14.31       | -1.74%       | 3,158          | 11.75          | -3.17%           |
| 7/1/2010  | 1,301,744          |                                  |                 | 1,525          | \$ 14.20       | -1.74%       | 5,136<br>6,574 | 11.73          | -2.43%           |
|           |                    | \$ 15.10                         | na              |                |                | 2.36%        |                |                |                  |
| 7/2/2010  | 1,493,850          |                                  | na              | 675            | \$ 14.34       |              | 450            | 11.45          | -0.13%           |
| 7/5/2010  | 359,749            | \$ 15.19                         | 0.60%           | 0              | т<br>Ф 1 4 7 О | na           | 1,135          | 11.39          | -0.57%           |
| 7/6/2010  | 1,294,424          | \$ 15.33                         | 0.92%           | 3,300          | \$ 14.50       | na           | 1,440          | 11.47          | 0.70%            |
| 7/7/2010  | 1,832,915          | \$ 15.41                         | 0.52%           | 2,800          | \$ 14.71       | 1.49%        | 1,205          | 11.62          | 1.31%            |
| 7/8/2010  | 2,010,785          | \$ 15.75                         | 2.21%           | 3,300          | \$ 15.19       | 3.24%        | 756            | 11.87          | 2.20%            |
| 7/9/2010  | 832,053            | \$ 16.15                         | 2.54%           | 3,000          | \$ 15.38       | 1.24%        | 880            | 12.22          | 2.95%            |
| 7/12/2010 | 637,176            | \$ 15.98                         | -1.05%          | 300            | \$ 15.59       | 1.37%        | 1,910          | 12.32          | 0.82%            |
| 7/13/2010 | 1,211,240          | \$ 16.30                         | 2.00%           | 78,950         | \$ 15.83       | 1.54%        | 13,120         | 12.40          | 0.65%            |
| 7/14/2010 | 659,976            | \$ 15.90                         | -2.45%          | 1,460          | \$ 15.50       | -2.08%       | 30             | 12.15          | -2.02%           |
| 7/15/2010 | 1,407,952          | \$ 15.84                         | -0.38%          | 3,200          | \$ 15.21       | -1.88%       | 2,266          | 11.71          | -3.62%           |
| 7/16/2010 | 832,104            | \$ 15.48                         | -2.27%          | 3,200          | \$ 14.65       | -3.68%       | 4,180          | 11.47          | -2.09%           |
| 7/19/2010 | 337,765            | \$ 15.63                         | 0.97%           | 7,200          | \$ 14.70       | 0.35%        | 3,250          | 11.33          | -1.18%           |
| 7/20/2010 | 1,115,824          | \$ 16.56                         | 5.95%           | 300            | \$ 14.64       | -0.41%       | 2,900          | 12.08          | 6.62%            |
| 7/21/2010 | 978,288            | \$ 16.37                         | -1.15%          | 40,150         | \$ 15.64       | 6.83%        | 2,650          | 12.42          | 2.77%            |
| 7/22/2010 | 1,604,851          | \$ 17.26                         | 5.44%           | 189,300        | \$ 16.42       | 4.99%        | 1,050          | 12.74          | 2.62%            |
| 7/23/2010 | 1,127,367          | \$ 16.86                         | -2.32%          | 6,200          | \$ 16.25       | -1.04%       | 2,841          | 12.64          | -0.82%           |
| 7/26/2010 | 519,062            | \$ 16.98                         | 0.71%           | 1,182          | \$ 16.42       | 1.05%        | 1,290          | 12.56          | -0.59%           |
| 1/20/2010 | 910,461            | \$ 16.26                         | -4.24%          | 2,500          | \$ 15.96       | -2.80%       | 1,228          | 12.03          | -4.26%           |
| 7/27/2010 | 910,401            | φ 10.20                          | 7.27/0          | 2,500          |                |              |                |                |                  |
| 7/27/2010 | *                  |                                  |                 |                |                |              |                |                |                  |
|           | 351,824<br>631,886 | \$ 16.20<br>\$ 16.09<br>\$ 16.09 | -1.05%<br>0.00% | 1,250<br>2,400 | \$ 15.52       | -2.76%<br>na | 530<br>650     | 12.02<br>11.83 | -0.04%<br>-1.62% |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|            | Canadia   | an Exchan    | ges    | U.S.    | Exchange     | s            | Germ   | an Exchan | ges    |
|------------|-----------|--------------|--------|---------|--------------|--------------|--------|-----------|--------|
|            |           | Closing      |        |         | Closing      |              |        | Closing   |        |
|            |           | Price        |        |         | Price        |              |        | Price     |        |
| Date       | Volume    | C\$          | Return | Volume  | US\$         | Return       | Volume | EUR       | Return |
| [1]        | [2]       | [3]          | [4]    | [5]     | [6]          | [7]          | [8]    | [9]       | [10]   |
| 8/2/2010   | 0         | -<br>0.16.46 | na     | 240     | \$ 15.36     | -0.50%       | 3,985  | 11.50     | -3.16% |
| 8/3/2010   | 2,334,678 | \$ 16.46     | na     | 46,900  | \$ 16.25     | 5.79%        | 3,805  | 12.49     | 8.61%  |
| 8/4/2010   | 406,715   | \$ 16.25     | -1.28% | 2,200   | \$ 16.00     | -1.54%       | 2,000  | 12.16     | -2.64% |
| 8/5/2010   | 1,043,955 | \$ 16.70     | 2.77%  | 74,500  | \$ 16.40     | 2.49%        | 148    | 12.41     | 2.06%  |
| 8/6/2010   | 1,903,186 | \$ 16.85     | 0.90%  | 79,100  | \$ 16.40     | 0.01%        | 320    | 12.36     | -0.40% |
| 8/9/2010   | 444,526   | \$ 17.15     | 1.78%  | 81,200  | -            | na           | 1,070  | 12.57     | 1.66%  |
| 8/10/2010  | 921,918   | \$ 16.93     | -1.28% | 16,100  | \$ 16.33     | na           | 600    | 12.21     | -2.83% |
| 8/11/2010  | 842,328   | \$ 16.65     | -1.65% | 2,300   | \$ 16.04     | -1.76%       | 550    | 12.44     | 1.88%  |
| 8/12/2010  | 3,581,655 | \$ 17.34     | 4.14%  | 75,000  | \$ 16.60     | 3.47%        | 5,032  | 13.02     | 4.62%  |
| 8/13/2010  | 1,308,629 | \$ 17.60     | 1.50%  | 500     | -            | na           | 6,311  | 13.28     | 2.00%  |
| 8/16/2010  | 341,203   | \$ 17.44     | -0.91% | 2,200   | \$ 16.70     | na           | 1,400  | 12.96     | -2.41% |
| 8/17/2010  | 636,612   | \$ 17.86     | 2.41%  | 2,551   | \$ 17.17     | 2.80%        | 1,270  | 13.40     | 3.43%  |
| 8/18/2010  | 864,710   | \$ 18.64     | 4.37%  | 16,500  | \$ 18.06     | 5.19%        | 270    | 13.81     | 3.02%  |
| 8/19/2010  | 1,160,533 | \$ 18.68     | 0.21%  | 9,800   | \$ 17.94     | -0.66%       | 4,080  | 13.89     | 0.58%  |
| 8/20/2010  | 481,485   | \$ 18.52     | -0.86% | 285,587 | \$ 17.62     | -1.80%       | 1,200  | 13.79     | -0.72% |
| 8/23/2010  | 252,774   | \$ 18.54     | 0.11%  | 950     | \$ 17.63     | 0.07%        | 2,786  | 13.89     | 0.73%  |
| 8/24/2010  | 743,604   | \$ 17.58     | -5.18% | 2,450   | \$ 16.80     | -4.71%       | 166    | 13.23     | -4.72% |
| 8/25/2010  | 800,032   | \$ 17.45     | -0.74% | 2,425   | \$ 16.49     | -1.85%       | 0      | 12.93     | -2.27% |
| 8/26/2010  | 692,689   | \$ 17.99     | 3.09%  | 8,140   | \$ 16.95     | 2.77%        | 0      | 13.24     | 2.40%  |
| 8/27/2010  | 348,500   | \$ 18.24     | 1.39%  | 2,000   | _            | na           | 2,334  | 13.62     | 2.83%  |
| 8/30/2010  | 689,386   | \$ 17.99     | -1.37% | 1,200   | _            | na           | 0      | 13.35     | -1.98% |
| 8/31/2010  | 819,672   | \$ 18.37     | 2.11%  | 3,796   | \$ 16.79     | na           | 0      | 13.39     | 0.34%  |
| 9/1/2010   | 940,825   | \$ 19.03     | 3.59%  | 27,250  | \$ 18.05     | 7.51%        | 2,600  | 14.11     | 5.38%  |
| 9/2/2010   | 944,776   | \$ 19.00     | -0.16% | 1,450   | \$ 18.02     | -0.17%       | 0      | 14.04     | -0.50% |
| 9/3/2010   | 675,037   | \$ 19.02     | 0.11%  | 75,800  | \$ 18.33     | 1.72%        | 1,512  | 14.21     | 1.21%  |
| 9/6/2010   | 0         | Ψ 17.02      | na     | 0       | φ 10.55<br>- | na           | 631    | 14.28     | 0.46%  |
| 9/7/2010   | 1,101,870 | \$ 18.77     | na     | 400     | \$ 18.28     | na           | 1,750  | 14.45     | 1.23%  |
| 9/8/2010   | 1,075,972 | \$ 19.00     | 1.23%  | 200     | φ 10.20      | na           | 157    | 14.39     | -0.45% |
| 9/9/2010   | 804,494   | \$ 18.31     | -3.63% | 13,600  | \$ 17.78     | na           | 2,050  | 13.98     | -2.85% |
| 9/10/2010  | 765,559   | \$ 18.20     | -0.60% | 6,800   | \$ 17.73     | -0.27%       | 2,030  | 13.85     | -0.93% |
| 9/13/2010  | 976,591   | \$ 18.20     | 1.92%  | 0,800   |              |              | 400    | 14.20     | 2.53%  |
|            |           |              | -0.38% |         | e 10.25      | na           | 930    | 13.94     | -1.83% |
| 9/14/2010  | 637,745   | \$ 18.48     |        | 391,500 | \$ 18.25     | na<br>4.710/ |        |           |        |
| 9/15/2010  | 991,119   | \$ 17.76     | -3.90% | 8,100   | \$ 17.39     | -4.71%       | 0      | 13.43     | -3.62% |
| 9/16/2010  | 1,150,632 | \$ 17.47     | -1.63% | 400     | \$ 17.05     | -1.94%       | 801    | 13.03     | -3.02% |
| 9/17/2010  | 1,570,471 | \$ 17.22     | -1.43% | 15,700  | \$ 16.70     | -2.07%       | 1,500  | 12.91     | -0.92% |
| 9/20/2010  | 1,608,649 | \$ 17.78     | 3.25%  | 1,200   | \$ 17.27     | 3.40%        | 313    | 13.13     | 1.70%  |
| 9/21/2010  | 694,893   | \$ 17.45     | -1.86% | 6,800   | \$ 16.99     | -1.63%       | 38     | 12.93     | -1.49% |
| 9/22/2010  | 884,651   | \$ 17.19     | -1.49% | 1,850   | \$ 16.68     | -1.80%       | 1,091  | 12.40     | -4.10% |
| 9/23/2010  | 1,527,560 | \$ 16.82     | -2.15% | 51,830  | \$ 16.23     | -2.69%       | 6,401  | 12.30     | -0.81% |
| 9/24/2010  | 1,006,015 | \$ 17.00     | 1.07%  | 1,600   | \$ 16.54     | 1.90%        | 1,400  | 12.31     | 0.08%  |
| 9/27/2010  | 857,683   | \$ 16.90     | -0.59% | 300     | \$ 16.61     | 0.42%        | 110    | 12.18     | -1.06% |
| 9/28/2010  | 1,879,545 | \$ 16.81     | -0.53% | 1,200   | \$ 16.23     | -2.32%       | 320    | 11.99     | -1.60% |
| 9/29/2010  | 2,015,382 | \$ 17.61     | 4.76%  | 500     | -            | na           | 1,675  | 12.56     | 4.80%  |
| 9/30/2010  | 2,002,619 | \$ 17.14     | -2.67% | 203,800 | \$ 16.60     | na           | 1,123  | 12.18     | -3.03% |
| 10/1/2010  | 1,213,835 | \$ 17.05     | -0.53% | 900     | -            | na           | 0      | 12.15     | -0.29% |
| 10/4/2010  | 1,708,292 | \$ 17.31     | 1.52%  | 2,290   | \$ 16.83     | na           | 2,002  | 12.28     | 1.07%  |
| 10/5/2010  | 1,745,442 | \$ 18.01     | 4.04%  | 202,128 | \$ 17.80     | 5.76%        | 5,321  | 12.92     | 5.21%  |
| 10/6/2010  | 838,072   | \$ 17.72     | -1.61% | 550     | \$ 17.57     | -1.27%       | 400    | 12.57     | -2.67% |
| 10/7/2010  | 1,156,877 | \$ 17.42     | -1.69% | 700     | _            | na           | 91     | 12.23     | -2.70% |
| 10/8/2010  | 3,535,919 | \$ 18.04     | 3.56%  | 2,859   | \$ 17.70     | na           | 85     | 12.70     | 3.84%  |
| 10/11/2010 | 0         |              | na     | 900     | \$ 17.76     | 0.34%        | 1,006  | 12.81     | 0.83%  |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

| Date [1] 10/12/2010 |           | Closing  |                 |         |          |                 | German Exchanges |                |        |  |
|---------------------|-----------|----------|-----------------|---------|----------|-----------------|------------------|----------------|--------|--|
| [1]                 |           | _        |                 |         | Closing  |                 |                  | Closing        |        |  |
| [1]                 |           | Price    |                 |         | Price    |                 |                  | Price          |        |  |
|                     | Volume    | C\$      | Return          | Volume  | US\$     | Return          | Volume           | EUR            | Return |  |
| 10/12/2010          | [2]       | [3]      | [4]             | [5]     | [6]      | [7]             | [8]              | [9]            | [10]   |  |
|                     | 1,751,643 | \$ 18.99 | na              | 365,250 | \$ 18.73 | 5.46%           | 1,550            | 13.49          | 5.31%  |  |
| 10/13/2010          | 5,214,108 | \$ 19.24 | 1.32%           | 201,300 | \$ 19.45 | 3.84%           | 1,060            | 13.96          | 3.52%  |  |
| 10/14/2010          | 1,377,538 | \$ 19.53 | 1.51%           | 181,355 | \$ 19.43 | -0.10%          | 250              | 13.73          | -1.65% |  |
| 10/15/2010          | 1,450,862 | \$ 19.46 | -0.36%          | 506,700 | \$ 19.31 | -0.62%          | 500              | 13.78          | 0.36%  |  |
| 10/18/2010          | 2,168,242 | \$ 20.10 | 3.29%           | 1,265   | \$ 19.61 | 1.57%           | 905              | 14.02          | 1.74%  |  |
| 10/19/2010          | 1,083,754 | \$ 19.76 | -1.69%          | 1,200   | \$ 19.14 | -2.40%          | 551              | 14.04          | 0.11%  |  |
| 10/20/2010          | 650,301   | \$ 19.90 | 0.71%           | 1,385   | \$ 19.39 | 1.30%           | 250              | 13.88          | -1.10% |  |
| 10/21/2010          | 2,395,660 | \$ 20.41 | 2.56%           | 900     | \$ 19.84 | 2.32%           | 1,201            | 14.43          | 3.93%  |  |
| 10/22/2010          | 1,834,277 | \$ 21.17 | 3.72%           | 19,100  | \$ 20.61 | 3.88%           | 18,444           | 14.82          | 2.70%  |  |
| 10/25/2010          | 1,610,446 | \$ 21.32 | 0.71%           | 143,450 | \$ 21.12 | 2.49%           | 1,400            | 15.09          | 1.86%  |  |
| 10/26/2010          | 1,221,112 | \$ 20.51 | -3.80%          | 5,299   | \$ 19.94 | -5.60%          | 1,801            | 14.51          | -3.84% |  |
| 10/27/2010          | 1,385,995 | \$ 20.11 | -1.95%          | 7,800   | \$ 19.39 | -2.76%          | 339              | 14.12          | -2.69% |  |
| 10/28/2010          | 327,435   | \$ 19.93 | -0.90%          | 7,310   | \$ 19.48 | 0.49%           | 0                | 14.07          | -0.39% |  |
| 10/29/2010          | 774,093   | \$ 20.16 | 1.15%           | 1,200   | \$ 19.82 | 1.72%           | 385              | 14.34          | 1.92%  |  |
| 11/1/2010           | 833,376   | \$ 20.60 | 2.18%           | 59,638  | \$ 20.34 | 2.63%           | 0                | 14.59          | 1.74%  |  |
| 11/2/2010           | 917,180   | \$ 20.42 | -0.87%          | 73,050  | \$ 20.24 | -0.52%          | 2,200            | 14.49          | -0.69% |  |
| 11/3/2010           | 850,741   | \$ 20.82 | 1.96%           | 148,966 | \$ 20.51 | 1.35%           | 3,500            | 14.60          | 0.76%  |  |
| 11/4/2010           | 1,217,465 | \$ 21.03 | 1.01%           | 6,985   | \$ 20.91 | 1.95%           | 366              | 14.74          | 0.99%  |  |
| 11/5/2010           | 4,929,997 | \$ 21.24 | 1.00%           | 6,640   | \$ 21.33 | 2.01%           | 500              | 15.26          | 3.49%  |  |
| 11/8/2010           | 1,330,997 | \$ 22.39 | 5.41%           | 22,642  | \$ 22.23 | 4.22%           | 4,673            | 15.72          | 3.02%  |  |
| 11/9/2010           | 1,153,761 | \$ 21.24 | -5.14%          | 84,580  | \$ 21.00 | -5.53%          | 1,290            | 15.65          | -0.41% |  |
| 11/10/2010          | 2,187,169 | \$ 21.83 | 2.78%           | 14,640  | \$ 21.77 | 3.67%           | 1,605            | 15.89          | 1.50%  |  |
| 11/11/2010          | 1,578,055 | \$ 22.59 | 3.48%           | 2,910   | \$ 22.22 | 2.07%           | 50               | 16.27          | 2.42%  |  |
| 11/12/2010          | 3,162,838 | \$ 21.55 | -4.60%          | 11,890  | \$ 21.55 | -3.02%          | 130              | 15.66          | -3.75% |  |
| 11/15/2010          | 655,167   | \$ 21.53 | 0.56%           | 850     | \$ 21.62 | 0.32%           | 2,925            | 15.00          | 1.79%  |  |
| 11/16/2010          | 861,508   | \$ 21.07 | 1.15%           | 10,250  | \$ 21.02 | -1.88%          | 1,754            | 15.87          | -0.47% |  |
|                     |           | \$ 21.50 |                 | 6,080   | \$ 21.21 |                 | 561              |                | -0.47% |  |
| 11/17/2010          | 542,669   | \$ 21.30 | -1.92%<br>3.53% |         | \$ 21.13 | -0.40%<br>3.20% | 780              | 15.66<br>16.04 | 2.46%  |  |
| 11/18/2010          | 793,573   |          |                 | 3,200   |          |                 |                  |                |        |  |
| 11/19/2010          | 813,119   | \$ 22.46 | 0.90%           | 2,700   | \$ 22.04 | 1.08%           | 1,836            | 16.15          | 0.69%  |  |
| 11/22/2010          | 957,618   | \$ 22.55 | 0.40%           | 5,200   | \$ 22.22 | 0.82%           | 44               | 16.19          | 0.25%  |  |
| 11/23/2010          | 2,830,849 | \$ 22.34 | -0.93%          | 15,809  | \$ 21.87 | -1.58%          | 0                | 16.26          | 0.43%  |  |
| 11/24/2010          | 1,603,985 | \$ 22.51 | 0.76%           | 700     | \$ 22.23 | 1.65%           | 1,050            | 16.59          | 2.00%  |  |
| 11/25/2010          | 88,444    | \$ 22.50 | -0.04%          | 0       | -        | na              | 1,374            | 16.64          | 0.33%  |  |
| 11/26/2010          | 563,472   | \$ 22.42 | -0.36%          | 2,400   | \$ 22.03 | na              | 150              | 16.51          | -0.78% |  |
| 11/29/2010          | 564,024   | \$ 22.12 | -1.34%          | 1,300   | \$ 21.74 | -1.28%          | 546              | 16.55          | 0.21%  |  |
| 11/30/2010          | 584,488   | \$ 22.24 | 0.54%           | 5,968   | \$ 21.80 | 0.26%           | 1,614            | 16.70          | 0.91%  |  |
| 12/1/2010           | 1,131,134 | \$ 22.65 | 1.84%           | 2,117   | \$ 22.14 | 1.56%           | 1,574            | 16.89          | 1.14%  |  |
| 12/2/2010           | 1,608,992 | \$ 23.69 | 4.59%           | 3,570   | \$ 23.62 | 6.68%           | 1,500            | 17.83          | 5.60%  |  |
| 12/3/2010           | 843,317   | \$ 23.32 | -1.56%          | 4,280   | \$ 23.24 | -1.60%          | 400              | 17.36          | -2.64% |  |
| 12/6/2010           | 617,713   | \$ 23.46 | 0.60%           | 1,030   | \$ 23.29 | 0.21%           | 3,343            | 17.44          | 0.43%  |  |
| 12/7/2010           | 1,554,901 | \$ 23.40 | -0.26%          | 1,561   | \$ 22.92 | -1.60%          | 1,110            | 17.40          | -0.20% |  |
| 12/8/2010           | 1,317,273 | \$ 23.39 | -0.04%          | 5,300   | \$ 23.12 | 0.89%           | 535              | 17.52          | 0.66%  |  |
| 12/9/2010           | 629,463   | \$ 23.46 | 0.30%           | 2,450   | \$ 23.28 | 0.69%           | 1,895            | 17.52          | 0.00%  |  |
| 12/10/2010          | 752,111   | \$ 23.58 | 0.51%           | 6,500   | \$ 23.54 | 1.13%           | 975              | 17.69          | 0.97%  |  |
| 12/13/2010          | 1,016,703 | \$ 24.02 | 1.87%           | 3,250   | \$ 23.98 | 1.86%           | 750              | 17.65          | -0.20% |  |
| 12/14/2010          | 717,229   | \$ 24.43 | 1.71%           | 3,500   | \$ 24.25 | 1.13%           | 2,822            | 18.09          | 2.49%  |  |
| 12/15/2010          | 1,228,474 | \$ 23.88 | -2.25%          | 2,850   | \$ 23.74 | -2.10%          | 1,065            | 17.70          | -2.18% |  |
| 12/16/2010          | 387,550   | \$ 23.83 | -0.21%          | 9,700   | \$ 23.31 | -1.81%          | 836              | 17.70          | 0.06%  |  |
| 12/17/2010          | 1,544,377 | \$ 23.61 | -0.21%          | 2,500   | \$ 23.28 | -0.13%          | 1,842            | 17.71          | -0.11% |  |
| 12/20/2010          | 916,306   | \$ 23.32 | -0.92%          | 6,700   | \$ 23.26 | -0.13%          | 990              | 17.56          | -0.11% |  |
| 12/20/2010          | 916,306   | \$ 23.65 | 1.42%           | 23,375  | \$ 22.96 | 1.39%           | 375              | 17.36          | 1.28%  |  |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

|            | Canadia   | an Exchanş | ges    | U.S.    | Exchange     | s      | Germ   | an Exchan | ges    |
|------------|-----------|------------|--------|---------|--------------|--------|--------|-----------|--------|
|            |           | Closing    |        |         | Closing      |        |        | Closing   |        |
|            |           | Price      |        |         | Price        |        |        | Price     |        |
| Date       | Volume    | C\$        | Return | Volume  | US\$         | Return | Volume | EUR       | Return |
| [1]        | [2]       | [3]        | [4]    | [5]     | [6]          | [7]    | [8]    | [9]       | [10]   |
| 12/22/2010 | 619,063   | \$ 23.42   | -0.97% | 2,630   | \$ 23.00     | -1.22% | 0      | 17.63     | -0.87% |
| 12/23/2010 | 315,111   | \$ 23.29   | -0.56% | 3,910   | \$ 23.21     | 0.93%  | 62     | 17.63     | -0.03% |
| 12/24/2010 | 30,783    | \$ 23.10   | -0.82% | 0       | -            | na     | 0      | -         | na     |
| 12/27/2010 | 0         | -          | na     | 2,050   | \$ 23.31     | na     | 1,335  | 17.54     | na     |
| 12/28/2010 | 0         | -          | na     | 385     | \$ 23.56     | 1.07%  | 860    | 17.76     | 1.25%  |
| 12/29/2010 | 680,922   | \$ 23.29   | na     | 3,414   | \$ 23.28     | -1.19% | 950    | 17.67     | -0.48% |
| 12/30/2010 | 284,505   | \$ 23.26   | -0.13% | 2,000   | \$ 23.35     | 0.30%  | 278    | 17.48     | -1.08% |
| 12/31/2010 | 475,192   | \$ 23.29   | 0.13%  | 4,100   | \$ 23.44     | 0.39%  | 0      | -         | n      |
| 1/3/2011   | 0         | _          | na     | 223,450 | \$ 24.32     | 3.75%  | 122    | 18.11     | n      |
| 1/4/2011   | 2,114,564 | \$ 23.50   | na     | 193,650 | \$ 23.61     | -2.92% | 1,576  | 17.65     | -2.57% |
| 1/5/2011   | 5,757,157 | \$ 23.65   | 0.64%  | 43,710  | \$ 23.68     | 0.30%  | 580    | 17.89     | 1.36%  |
| 1/6/2011   | 794,588   | \$ 23.32   | -1.40% | 103,895 | \$ 23.36     | -1.35% | 100    | 18.05     | 0.89%  |
| 1/7/2011   | 516,908   | \$ 23.00   | -1.37% | 2,550   | \$ 23.04     | -1.38% | 905    | 17.83     | -1.22% |
| 1/10/2011  | 1,712,300 | \$ 22.44   | -2.43% | 4,650   | \$ 22.52     | -2.24% | 1,575  | 17.28     | -3.06% |
| 1/10/2011  | 827,516   | \$ 22.58   | 0.62%  | 20,248  | \$ 22.52     | 0.34%  | 248    | 17.28     | 0.81%  |
| 1/11/2011  | 1,007,823 | \$ 22.36   | 1.24%  | 2,800   | \$ 22.00     | 2.76%  | 1,890  | 17.42     | 1.78%  |
|            |           |            |        |         |              |        |        |           |        |
| 1/13/2011  | 1,118,064 | \$ 22.89   | 0.13%  | 16,552  | \$ 23.22     | 0.00%  | 100    | 17.43     | -1.69% |
| 1/14/2011  | 1,049,587 | \$ 22.62   | -1.18% | 108,498 | \$ 22.97     | -1.08% | 686    | 17.04     | -2.249 |
| 1/17/2011  | 169,155   | \$ 22.64   | 0.09%  | 0       | -<br>+ 22 50 | na     | 250    | 17.25     | 1.239  |
| 1/18/2011  | 781,402   | \$ 22.37   | -1.19% | 8,550   | \$ 22.58     | na     | 112    | 16.89     | -2.12% |
| 1/19/2011  | 645,891   | \$ 22.00   | -1.65% | 15,700  | \$ 22.05     | -2.35% | 1,017  | 16.37     | -3.089 |
| 1/20/2011  | 2,618,838 | \$ 21.50   | -2.27% | 9,773   | \$ 21.54     | -2.31% | 2,386  | 15.80     | -3.45% |
| 1/21/2011  | 2,108,528 | \$ 21.10   | -1.86% | 10,705  | \$ 21.23     | -1.44% | 912    | 15.77     | -0.19% |
| 1/24/2011  | 1,277,338 | \$ 21.48   | 1.80%  | 22,940  | \$ 21.78     | 2.59%  | 2,835  | 15.96     | 1.20%  |
| 1/25/2011  | 1,122,335 | \$ 21.08   | -1.86% | 5,123   | \$ 21.14     | -2.94% | 1,950  | 15.42     | -3.389 |
| 1/26/2011  | 1,604,143 | \$ 21.49   | 1.94%  | 207,775 | \$ 21.64     | 2.36%  | 262    | 15.80     | 2.469  |
| 1/27/2011  | 1,755,894 | \$ 21.84   | 1.63%  | 8,317   | \$ 21.78     | 0.66%  | 31     | 15.83     | 0.19%  |
| 1/28/2011  | 1,470,841 | \$ 21.80   | -0.18% | 229,250 | \$ 21.82     | 0.17%  | 300    | 16.02     | 1.179  |
| 1/31/2011  | 846,725   | \$ 21.78   | -0.09% | 178,900 | \$ 21.80     | -0.08% | 0      | 15.93     | -0.569 |
| 2/1/2011   | 2,946,082 | \$ 22.59   | 3.72%  | 4,500   | \$ 22.65     | 3.89%  | 1,025  | 16.36     | 2.70%  |
| 2/2/2011   | 1,078,406 | \$ 22.85   | 1.15%  | 18,035  | \$ 23.20     | 2.43%  | 1,117  | 16.66     | 1.86%  |
| 2/3/2011   | 734,511   | \$ 22.74   | -0.48% | 5,320   | \$ 22.96     | -1.03% | 0      | 16.83     | 0.99%  |
| 2/4/2011   | 1,232,960 | \$ 23.41   | 2.95%  | 106,500 | \$ 23.61     | 2.83%  | 842    | 17.44     | 3.66%  |
| 2/7/2011   | 4,635,710 | \$ 24.20   | 3.37%  | 5,800   | \$ 24.43     | 3.47%  | 1,450  | 17.70     | 1.49%  |
| 2/8/2011   | 1,817,173 | \$ 24.10   | -0.41% | 12,600  | \$ 24.25     | -0.74% | 2,176  | 17.96     | 1.449  |
| 2/9/2011   | 1,019,026 | \$ 23.03   | -4.44% | 4,450   | \$ 23.18     | -4.41% | 850    | 16.95     | -5.60% |
| 2/10/2011  | 2,061,042 | \$ 22.59   | -1.91% | 4,950   | \$ 22.67     | -2.20% | 2,880  | 16.61     | -2.019 |
| 2/10/2011  | 2,183,282 | \$ 22.85   | 1.15%  | 7,980   | \$ 23.12     | 1.99%  | 30     | 17.03     | 2.539  |
| 2/11/2011  | 886,619   | \$ 22.83   | -0.39% | 11,975  | \$ 23.12     | -0.13% | 1,451  | 17.03     | 0.85%  |
|            | ,         |            |        |         |              |        |        |           |        |
| 2/15/2011  | 499,167   | \$ 22.72   | -0.18% | 8,800   | \$ 22.93     | -0.69% | 240    | 16.96     | -1.28% |
| 2/16/2011  | 1,026,532 | \$ 22.56   | -0.70% | 1,550   | \$ 22.86     | -0.31% | 120    | 16.83     | -0.749 |
| 2/17/2011  | 1,092,615 | \$ 22.57   | 0.04%  | 8,740   | \$ 22.89     | 0.12%  | 2,725  | 16.76     | -0.429 |
| 2/18/2011  | 3,388,224 | \$ 22.23   | -1.51% | 7,205   | \$ 22.55     | -1.48% | 700    | 16.64     | -0.75% |
| 2/21/2011  | 0         | -          | na     | 0       | -            | na     | 1,250  | 16.56     | -0.489 |
| 2/22/2011  | 1,626,107 | \$ 21.26   | na     | 10,250  | \$ 21.36     | na     | 2,250  | 15.75     | -4.89% |
| 2/23/2011  | 2,218,901 | \$ 21.28   | 0.09%  | 32,850  | \$ 21.49     | 0.61%  | 4,531  | 15.48     | -1.719 |
| 2/24/2011  | 687,108   | \$ 21.15   | -0.61% | 11,650  | \$ 21.59     | 0.47%  | 6,310  | 15.62     | 0.90%  |
| 2/25/2011  | 1,569,946 | \$ 21.51   | 1.70%  | 10,150  | \$ 21.98     | 1.81%  | 70     | 15.94     | 2.089  |
| 2/28/2011  | 1,342,760 | \$ 21.71   | 0.93%  | 4,508   | \$ 22.45     | 2.14%  | 662    | 16.26     | 1.98%  |
| 3/1/2011   | 3,480,154 | \$ 22.31   | 2.76%  | 2,608   | \$ 22.95     | 2.23%  | 500    | 16.57     | 1.91%  |
| 3/2/2011   | 1,221,966 | \$ 22.00   | -1.39% | 3,454   | \$ 22.69     | -1.13% | 1,400  | 16.32     | -1.51% |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|           | Canadia   | an Exchan | ges    | U.S.    | Exchange | S      | Germ   | an Exchan | iges   |
|-----------|-----------|-----------|--------|---------|----------|--------|--------|-----------|--------|
|           |           | Closing   |        |         | Closing  |        |        | Closing   |        |
|           |           | Price     |        |         | Price    |        |        | Price     |        |
| Date      | Volume    | C\$       | Return | Volume  | US\$     | Return | Volume | EUR       | Return |
| [1]       | [2]       | [3]       | [4]    | [5]     | [6]      | [7]    | [8]    | [9]       | [10]   |
| 3/3/2011  | 1,747,398 | \$ 22.29  | 1.32%  | 6,364   | \$ 22.91 | 0.97%  | 1,150  | 16.77     | 2.76%  |
| 3/4/2011  | 1,323,852 | \$ 21.73  | -2.51% | 2,890   | \$ 22.33 | -2.53% | 2,342  | 16.01     | -4.53% |
| 3/7/2011  | 665,620   | \$ 21.40  | -1.52% | 139,710 | \$ 21.91 | -1.88% | 180    | 15.77     | -1.50% |
| 3/8/2011  | 949,186   | \$ 21.25  | -0.70% | 1,905   | \$ 21.91 | 0.00%  | 1,470  | 15.69     | -0.51% |
| 3/9/2011  | 1,708,804 | \$ 21.05  | -0.94% | 79,500  | \$ 21.80 | -0.51% | 50     | 15.68     | -0.06% |
| 3/10/2011 | 1,135,227 | \$ 20.49  | -2.66% | 3,600   | \$ 21.08 | -3.29% | 1,310  | 15.33     | -2.20% |
| 3/11/2011 | 904,733   | \$ 20.78  | 1.42%  | 70,146  | \$ 21.41 | 1.55%  | 2,100  | 15.42     | 0.55%  |
| 3/14/2011 | 1,424,634 | \$ 21.32  | 2.60%  | 12,950  | \$ 22.22 | 3.78%  | 270    | 15.75     | 2.14%  |
| 3/15/2011 | 3,120,094 | \$ 21.77  | 2.11%  | 72,544  | \$ 22.08 | -0.61% | 1,401  | 15.85     | 0.67%  |
| 3/16/2011 | 1,373,282 | \$ 21.67  | -0.46% | 101,650 | \$ 22.00 | -0.38% | 680    | 15.75     | -0.66% |
| 3/17/2011 | 2,128,939 | \$ 23.21  | 7.11%  | 10,761  | \$ 23.50 | 6.82%  | 1,675  | 16.74     | 6.29%  |
| 3/18/2011 | 1,957,016 | \$ 23.28  | 0.30%  | 22,100  | \$ 23.62 | 0.51%  | 730    | 16.60     | -0.81% |
| 3/21/2011 | 1,271,272 | \$ 22.84  | -1.89% | 16,400  | \$ 23.28 | -1.44% | 950    | 16.41     | -1.17% |
| 3/22/2011 | 1,256,962 | \$ 22.75  | -0.39% | 135,375 | \$ 23.21 | -0.30% | 0      | 16.09     | -1.95% |
| 3/23/2011 | 1,963,014 | \$ 22.77  | 0.09%  | 6,071   | \$ 23.35 | 0.60%  | 500    | 16.44     | 2.18%  |
| 3/24/2011 | 970,107   | \$ 22.95  | 0.79%  | 750     | \$ 23.61 | 1.11%  | 150    | 16.65     | 1.28%  |
| 3/25/2011 | 1,306,573 | \$ 23.25  | 1.31%  | 12,215  | \$ 23.78 | 0.72%  | 20     | 16.95     | 1.83%  |
| 3/28/2011 | 938,969   | \$ 23.52  | 1.16%  | 6,750   | \$ 24.06 | 1.18%  | 1,190  | 16.99     | 0.24%  |
| 3/29/2011 | 1,170,627 | \$ 24.17  | 2.76%  | 2,259   | \$ 24.89 | 3.45%  | 1,050  | 17.50     | 2.97%  |
| 3/30/2011 | 2,167,564 | \$ 25.01  | 3.48%  | 9,207   | \$ 25.77 | 3.54%  | 2,815  | 18.27     | 4.40%  |
| 3/31/2011 | 1,848,580 | \$ 25.30  | 1.16%  | 136,615 | \$ 26.08 | 1.20%  | 2,800  | 18.50     | 1.29%  |
| 4/1/2011  | 1,660,075 | \$ 24.99  | -1.23% | 2,800   | \$ 25.82 | -1.00% | 1,857  | 18.19     | -1.70% |
| 4/4/2011  | 679,952   | \$ 25.00  | 0.04%  | 2,370   | \$ 26.02 | 0.77%  | 3,030  | 18.24     | 0.30%  |
| 4/5/2011  | 674,926   | \$ 24.75  | -1.00% | 3,810   | \$ 25.75 | -1.04% | 217    | 18.26     | 0.08%  |
| 4/6/2011  | 1,645,617 | \$ 24.70  | -0.20% | 2,477   | \$ 25.81 | 0.23%  | 408    | 18.09     | -0.93% |
| 4/7/2011  | 1,229,229 | \$ 23.97  | -2.96% | 3,200   | \$ 25.00 | -3.14% | 1,051  | 17.59     | -2.76% |
| 4/8/2011  | 913,828   | \$ 23.99  | 0.08%  | 92,700  | \$ 25.06 | 0.24%  | 150    | 17.46     | -0.71% |
| 4/11/2011 | 386,293   | \$ 24.04  | 0.21%  | 2,100   | \$ 25.20 | 0.56%  | 1,081  | 17.47     | 0.03%  |
| 4/12/2011 | 1,055,099 | \$ 23.91  | -0.54% | 3,600   | \$ 24.91 | -1.15% | 750    | 16.90     | -3.24% |
| 4/13/2011 | 4,269,345 | \$ 24.04  | 0.54%  | 228,389 | \$ 24.74 | -0.68% | 0      | 17.09     | 1.09%  |
| 4/14/2011 | 2,868,527 | \$ 24.30  | 1.08%  | 104,300 | \$ 25.34 | 2.43%  | 15     | 17.32     | 1.38%  |
| 4/15/2011 | 1,187,366 | \$ 23.84  | -1.89% | 8,450   | \$ 24.82 | -2.05% | 160    | 17.18     | -0.84% |
| 4/18/2011 | 842,058   | \$ 23.46  | -1.59% | 11,550  | \$ 24.40 | -1.70% | 125    | 17.11     | -0.41% |
| 4/19/2011 | 775,315   | \$ 24.21  | 3.20%  | 607,675 | \$ 25.14 | 3.04%  | 600    | 17.47     | 2.10%  |
| 4/20/2011 | 1,126,449 | \$ 24.50  | 1.20%  | 826,800 | \$ 25.63 | 1.95%  | 100    | 17.51     | 0.26%  |
| 4/21/2011 | 548,917   | \$ 24.28  | -0.90% | 172,490 | \$ 25.44 | -0.75% | 1,050  | 17.57     | 0.34%  |
| 4/25/2011 | 543,307   | \$ 23.94  | -1.40% | 3,950   | \$ 25.16 | -1.09% | 0      | -         | na     |
| 4/26/2011 | 487,218   | \$ 24.00  | 0.25%  | 12,570  | \$ 25.23 | 0.28%  | 165    | 17.19     | na     |
| 4/27/2011 | 723,786   | \$ 23.79  | -0.88% | 2,272   | \$ 25.12 | -0.44% | 650    | 16.81     | -2.18% |
| 4/28/2011 | 1,164,725 | \$ 23.91  | 0.50%  | 2,250   | \$ 25.25 | 0.52%  | 0      | 17.00     | 1.10%  |
| 4/29/2011 | 849,037   | \$ 23.51  | -1.67% | 3,750   | \$ 24.94 | -1.23% | 940    | 16.84     | -0.94% |
| 5/2/2011  | 1,216,136 | \$ 23.21  | -1.28% | 1,302   | \$ 24.49 | -1.80% | 1,455  | 16.45     | -2.32% |
| 5/3/2011  | 1,676,690 | \$ 22.28  | -4.01% | 433,949 | \$ 23.20 | -5.27% | 632    | 15.81     | -3.86% |
| 5/4/2011  | 1,931,972 | \$ 21.58  | -3.14% | 4,400   | \$ 22.51 | -2.97% | 3,433  | 15.03     | -4.97% |
| 5/5/2011  | 3,227,054 | \$ 20.88  | -3.24% | 315,900 | \$ 21.34 | -5.20% | 3,329  | 14.96     | -0.47% |
| 5/6/2011  | 2,766,738 | \$ 21.11  | 1.10%  | 88,716  | \$ 21.77 | 2.03%  | 1,597  | 15.35     | 2.64%  |
| 5/9/2011  | 1,434,668 | \$ 21.75  | 3.03%  | 127,850 | \$ 22.62 | 3.89%  | 3,589  | 15.72     | 2.41%  |
| 5/10/2011 | 1,167,073 | \$ 21.49  | -1.20% | 207,300 | \$ 22.52 | -0.44% | 5,651  | 15.65     | -0.48% |
| 5/11/2011 | 1,559,331 | \$ 21.47  | -0.09% | 74,181  | \$ 22.17 | -1.55% | 3,760  | 15.57     | -0.51% |
| 5/12/2011 | 2,506,664 | \$ 20.50  | -4.52% | 103,835 | \$ 21.46 | -3.20% | 2,371  | 15.30     | -1.73% |
|           |           |           |        |         |          |        |        |           |        |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price from March 19, 2007 to August 26, 2011

|           | Canadia    | an Exchang   | ges          | U.S.       | . Exchange | S            | Germ      | an Exchan | iges    |
|-----------|------------|--------------|--------------|------------|------------|--------------|-----------|-----------|---------|
|           |            | Closing      |              |            | Closing    |              |           | Closing   |         |
|           |            | Price        |              |            | Price      |              |           | Price     |         |
| Date      | Volume     | C\$          | Return       | Volume     | US\$       | Return       | Volume    | EUR       | Return  |
| [1]       | [2]        | [3]          | [4]          | [5]        | [6]        | [7]          | [8]       | [9]       | [10]    |
| 5/16/2011 | 5,555,981  | \$ 20.27     | 5.57%        | 146,300    | \$ 20.87   | 5.40%        | 3,756     | 14.59     | 0.52%   |
| 5/17/2011 | 2,156,437  | \$ 20.83     | 2.76%        | 236,911    | \$ 21.60   | 3.50%        | 1,957     | 15.00     | 2.81%   |
| 5/18/2011 | 1,842,481  | \$ 20.80     | -0.14%       | 1,554,537  | \$ 21.46   | -0.65%       | 530       | 15.04     | 0.30%   |
| 5/19/2011 | 3,241,319  | \$ 21.25     | 2.16%        | 1,032,490  | \$ 22.06   | 2.80%        | 1,178     | 15.20     | 1.03%   |
| 5/20/2011 | 4,143,814  | \$ 20.33     | -4.33%       | 1,142,640  | \$ 20.99   | -4.85%       | 695       | 14.85     | -2.30%  |
| 5/23/2011 | 0          | -<br># 10.00 | na           | 24,580     | \$ 20.65   | -1.62%       | 0         | 14.83     | -0.10%  |
| 5/24/2011 | 4,918,017  | \$ 18.88     | na<br>1 270/ | 225,227    | \$ 19.55   | -5.33%       | 1,661     | 13.78     | -7.11%  |
| 5/25/2011 | 5,789,878  | \$ 18.64     | -1.27%       | 387,661    | \$ 19.10   | -2.29%       | 2,310     | 13.93     | 1.13%   |
| 5/26/2011 | 11,105,962 | \$ 18.14     | -2.68%       | 274,521    | \$ 18.56   | -2.84%       | 5,022     | 12.84     | -7.82%  |
| 5/27/2011 | 6,277,024  | \$ 18.39     | 1.38%        | 21,539     | \$ 18.77   | 1.13%        | 2,255     | 12.95     | 0.82%   |
| 5/30/2011 | 2,214,983  | \$ 18.87     | 2.61%        | 05.210     | e 10.00    | na           | 1,300     | 13.51     | 4.33%   |
| 5/31/2011 | 4,715,786  | \$ 19.27     | 2.12%        | 95,310     | \$ 19.99   | na<br>6.750/ | 6,260     | 13.82     | 2.30%   |
| 6/1/2011  | 5,408,739  | \$ 18.21     | -5.50%       | 267,909    | \$ 18.64   | -6.75%       | 2,000     | 13.00     | -5.94%  |
| 6/2/2011  | 14,068,831 | \$ 14.46     | -20.59%      | 12,588,900 | \$ 7.33    | -60.68%      | 2,608     | 10.90     | -16.12% |
| 6/3/2011  | 57,680,805 | \$ 5.23      | -63.83%      | 20,003,394 | \$ 5.41    | -26.19%      | 17,733    | 3.81      | -65.01% |
| 6/6/2011  | 42,846,422 | \$ 6.16      | 17.78%       | 4,482,599  | \$ 6.05    | 11.83%       | 87,096    | 4.97      | 30.26%  |
| 6/7/2011  | 47,205,615 | \$ 4.05      | -34.25%      | 4,342,423  | \$ 4.15    | -31.40%      | 89,896    | 3.07      | -38.31% |
| 6/8/2011  | 51,311,442 | \$ 4.92      | 21.48%       | 3,407,500  | \$ 5.03    | 21.20%       | 110,930   | 3.75      | 22.22%  |
| 6/9/2011  | 28,578,472 | \$ 5.15      | 4.67%        | 1,433,467  | \$ 5.31    | 5.57%        | 137,037   | 3.71      | -0.93%  |
| 6/10/2011 | 31,206,159 | \$ 4.50      | -12.62%      | 2,111,904  | \$ 4.60    | -13.37%      | 103,436   | 3.44      | -7.28%  |
| 6/13/2011 | 13,444,716 | \$ 4.98      | 10.67%       | 990,669    | \$ 5.13    | 11.52%       | 36,140    | 3.53      | 2.70%   |
| 6/14/2011 | 27,101,352 | \$ 3.36      | -32.53%      | 1,919,436  | \$ 3.50    | -31.78%      | 252,590   | 3.03      | -14.40% |
| 6/15/2011 | 51,744,172 | \$ 3.22      | -4.17%       | 2,102,405  | \$ 3.25    | -7.14%       | 130,804   | 2.45      | -19.01% |
| 6/16/2011 | 12,670,196 | \$ 3.34      | 3.73%        | 687,318    | \$ 3.41    | 4.92%        | 52,066    | 2.41      | -1.55%  |
| 6/17/2011 | 20,901,404 | \$ 3.19      | -4.49%       | 767,798    | \$ 3.40    | -0.33%       | 37,831    | 2.32      | -4.02%  |
| 6/20/2011 | 28,934,954 | \$ 2.73      | -14.42%      | 1,644,528  | \$ 2.77    | -18.50%      | 93,115    | 1.84      | -20.35% |
| 6/21/2011 | 92,367,253 | \$ 1.99      | -27.11%      | 6,326,778  | \$ 1.97    | -28.88%      | 536,408   | 1.22      | -34.06% |
| 6/22/2011 | 36,914,490 | \$ 3.00      | 50.75%       | 3,494,376  | \$ 3.06    | 55.33%       | 1,091,715 | 1.69      | 39.31%  |
| 6/23/2011 | 21,902,912 | \$ 2.91      | -3.00%       | 2,008,411  | \$ 2.96    | -3.27%       | 539,912   | 2.07      | 22.02%  |
| 6/24/2011 | 12,463,053 | \$ 2.60      | -10.65%      | 727,099    | \$ 2.69    | -9.12%       | 304,583   | 1.88      | -9.19%  |
| 6/27/2011 | 10,374,234 | \$ 2.30      | -11.54%      | 679,985    | \$ 2.29    | -14.83%      | 164,619   | 1.90      | 1.23%   |
| 6/28/2011 | 9,898,445  | \$ 2.60      | 13.04%       | 935,536    | \$ 2.60    | 13.48%       | 152,005   | 1.84      | -3.21%  |
| 6/29/2011 | 9,316,486  | \$ 2.67      | 2.69%        | 803,955    | \$ 2.75    | 5.77%        | 96,286    | 1.87      | 1.58%   |
| 6/30/2011 | 13,676,205 | \$ 3.20      | 19.85%       | 1,107,581  | \$ 3.22    | 17.09%       | 75,035    | 1.89      | 0.91%   |
| 7/1/2011  | 0          | -            | na           | 541,946    | \$ 3.12    | -3.11%       | 367,009   | 2.12      | 12.47%  |
| 7/4/2011  | 45,497,222 | \$ 4.15      | na           | 0          | -          | na           | 584,223   | 3.53      | 66.51%  |
| 7/5/2011  | 50,980,712 | \$ 5.29      | 27.47%       | 4,322,057  | \$ 5.45    | na           | 614,034   | 3.68      | 4.31%   |
| 7/6/2011  | 52,772,417 | \$ 4.75      | -10.21%      | 2,102,825  | \$ 4.95    | -9.17%       | 879,090   | 3.66      | -0.65%  |
| 7/7/2011  | 16,034,741 | \$ 4.75      | 0.00%        | 1,085,995  | \$ 4.95    | 0.00%        | 213,820   | 3.50      | -4.37%  |
| 7/8/2011  | 6,033,473  | \$ 4.71      | -0.84%       | 556,454    | \$ 4.97    | 0.40%        | 93,282    | 3.46      | -1.09%  |
| 7/11/2011 | 7,382,742  | \$ 4.31      | -8.49%       | 505,497    | \$ 4.48    | -9.86%       | 138,740   | 3.22      | -6.94%  |
| 7/12/2011 | 9,385,301  | \$ 4.28      | -0.70%       | 447,143    | \$ 4.43    | -1.12%       | 191,717   | 3.11      | -3.42%  |
| 7/13/2011 | 4,886,471  | \$ 4.27      | -0.23%       | 282,475    | \$ 4.45    | 0.45%        | 81,531    | 3.31      | 6.50%   |
| 7/14/2011 | 4,097,032  | \$ 4.13      | -3.28%       | 206,022    | \$ 4.29    | -3.60%       | 67,687    | 3.06      | -7.61%  |
| 7/15/2011 | 2,488,834  | \$ 4.08      | -1.21%       | 117,771    | \$ 4.28    | -0.23%       | 54,188    | 3.09      | 1.01%   |
| 7/18/2011 | 7,522,647  | \$ 3.53      | -13.48%      | 377,960    | \$ 3.67    | -14.25%      | 128,183   | 2.93      | -5.21%  |
| 7/19/2011 | 15,757,034 | \$ 4.28      | 21.25%       | 697,212    | \$ 4.46    | 21.52%       | 152,709   | 2.89      | -1.37%  |
| 7/20/2011 | 17,469,502 | \$ 4.59      | 7.24%        | 1,219,198  | \$ 4.88    | 9.42%        | 270,456   | 3.18      | 10.00%  |
| 7/21/2011 | 9,225,872  | \$ 4.68      | 1.96%        | 669,157    | \$ 4.94    | 1.23%        | 83,483    | 3.56      | 11.83%  |
| 7/22/2011 | 15,604,903 | \$ 5.19      | 10.90%       | 761,296    | \$ 5.48    | 10.93%       | 149,255   | 3.38      | -4.98%  |
| 7/25/2011 | 25,034,304 | \$ 6.36      | 22.54%       | 1,684,673  | \$ 6.78    | 23.72%       | 246,214   | 4.29      | 27.00%  |

Exhibit B
Sino-Forest Common Stock Reported Daily Volume and Closing Price
from March 19, 2007 to August 26, 2011

|           | Canadia    | an Exchan | ges     | U.S.       | . Exchange | es      | Germ    | an Exchan | ges     |
|-----------|------------|-----------|---------|------------|------------|---------|---------|-----------|---------|
|           |            | Closing   |         |            | Closing    |         |         | Closing   |         |
|           |            | Price     |         |            | Price      |         |         | Price     |         |
| Date      | Volume     | C\$       | Return  | Volume     | US\$       | Return  | Volume  | EUR       | Return  |
| [1]       | [2]        | [3]       | [4]     | [5]        | [6]        | [7]     | [8]     | [9]       | [10]    |
| 7/26/2011 | 31,461,356 | \$ 7.12   | 11.95%  | 1,822,016  | \$ 7.59    | 11.95%  | 359,794 | 4.80      | 11.89%  |
| 7/27/2011 | 23,162,534 | \$ 7.69   | 8.01%   | 1,001,550  | \$ 8.10    | 6.72%   | 251,756 | 5.51      | 14.79%  |
| 7/28/2011 | 19,179,825 | \$ 7.43   | -3.38%  | 878,475    | \$ 7.83    | -3.33%  | 363,467 | 5.50      | -0.20%  |
| 7/29/2011 | 16,564,325 | \$ 7.30   | -1.75%  | 896,726    | \$ 7.65    | -2.30%  | 273,282 | 5.48      | -0.29%  |
| 8/1/2011  | 0          | -         | na      | 180,364    | \$ 7.75    | 1.31%   | 130,230 | 5.22      | -4.76%  |
| 8/2/2011  | 14,414,674 | \$ 6.83   | na      | 507,374    | \$ 7.17    | -7.48%  | 89,905  | 5.28      | 1.11%   |
| 8/3/2011  | 11,827,192 | \$ 6.30   | -7.76%  | 564,322    | \$ 6.50    | -9.34%  | 250,314 | 4.56      | -13.64% |
| 8/4/2011  | 12,926,548 | \$ 6.00   | -4.76%  | 774,431    | \$ 6.05    | -6.92%  | 172,488 | 4.64      | 1.75%   |
| 8/5/2011  | 8,559,931  | \$ 5.97   | -0.50%  | 458,868    | \$ 6.08    | 0.50%   | 219,766 | 4.05      | -12.80% |
| 8/8/2011  | 7,228,671  | \$ 5.42   | -9.21%  | 391,970    | \$ 5.43    | -10.69% | 109,901 | 3.69      | -8.87%  |
| 8/9/2011  | 14,218,738 | \$ 6.83   | 26.01%  | 486,478    | \$ 6.89    | 26.89%  | 184,554 | 4.57      | 23.95%  |
| 8/10/2011 | 8,349,252  | \$ 6.38   | -6.59%  | 563,615    | \$ 6.45    | -6.39%  | 136,304 | 5.01      | 9.72%   |
| 8/11/2011 | 8,547,379  | \$ 6.58   | 3.13%   | 160,926    | \$ 6.65    | 3.10%   | 63,992  | 4.50      | -10.25% |
| 8/12/2011 | 4,091,153  | \$ 6.65   | 1.06%   | 120,025    | \$ 6.73    | 1.26%   | 42,674  | 4.73      | 5.11%   |
| 8/15/2011 | 10,993,103 | \$ 6.09   | -8.42%  | 513,397    | \$ 6.20    | -7.93%  | 79,883  | 4.79      | 1.21%   |
| 8/16/2011 | 11,397,309 | \$ 5.34   | -12.32% | 849,763    | \$ 5.47    | -11.77% | 161,273 | 4.19      | -12.47% |
| 8/17/2011 | 4,448,426  | \$ 5.36   | 0.37%   | 224,651    | \$ 5.49    | 0.37%   | 27,924  | 3.80      | -9.31%  |
| 8/18/2011 | 5,530,265  | \$ 5.12   | -4.48%  | 233,750    | \$ 5.19    | -5.46%  | 65,773  | 3.70      | -2.66%  |
| 8/19/2011 | 3,009,129  | \$ 5.29   | 3.32%   | 212,484    | \$ 5.33    | 2.70%   | 61,027  | 3.63      | -1.87%  |
| 8/22/2011 | 3,704,670  | \$ 5.01   | -5.29%  | 109,760    | \$ 5.09    | -4.50%  | 38,666  | 3.65      | 0.47%   |
| 8/23/2011 | 9,019,106  | \$ 4.53   | -9.58%  | 529,045    | \$ 4.64    | -8.84%  | 65,576  | 3.49      | -4.41%  |
| 8/24/2011 | 9,818,976  | \$ 5.10   | 12.58%  | 265,789    | \$ 5.20    | 12.07%  | 51,737  | 3.08      | -11.53% |
| 8/25/2011 | 5,340,744  | \$ 4.81   | -5.69%  | 208,156    | \$ 4.86    | -6.54%  | 61,900  | 3.56      | 15.47%  |
| 8/26/2011 | 0          | -         | na      | 15,722,605 | \$ 1.38    | -71.71% | 518,631 | 1.07      | -69.95% |

## **Notes:**

- [1] Days when Sino-Forest common stock traded in either Canada, U.S. or Germany. Source: Bloomberg.
- [2] Reported trading volume in Canada (Bloomberg ticker: TRE CN). Source: Bloomberg.
- [3] Reported closing price (C\$) in Canada (Bloomberg ticker: TRE CN). Source: Bloomberg.
- $[4] = \{ [3] / \text{previous day } [3] \} 1.$  On days the shares did not trade and the next day, equals "na."
- [5] Reported trading volume in the U.S. (Bloomberg ticker: SNOFF US). Source: Bloomberg.
- [6] Reported closing price (US\$) in the U.S. (Bloomberg ticker: SNOFF US). Source: Bloomberg.
- $[7] = \{ [6] / \text{previous day } [6] \} 1. \text{ On days the shares did not trade and the next day, equals "na." }$
- [8] Reported trading volume in Germany (Bloomberg ticker: SNJ GR). Source: Bloomberg.
- [9] Reported closing price (EUR) in Germany (Bloomberg ticker: SNJ GR). Source: Bloomberg.
- [10] = { [9] / previous day [9] } 1. On days the shares did not trade and the next day, equals "na."

This is Exhibit "C"

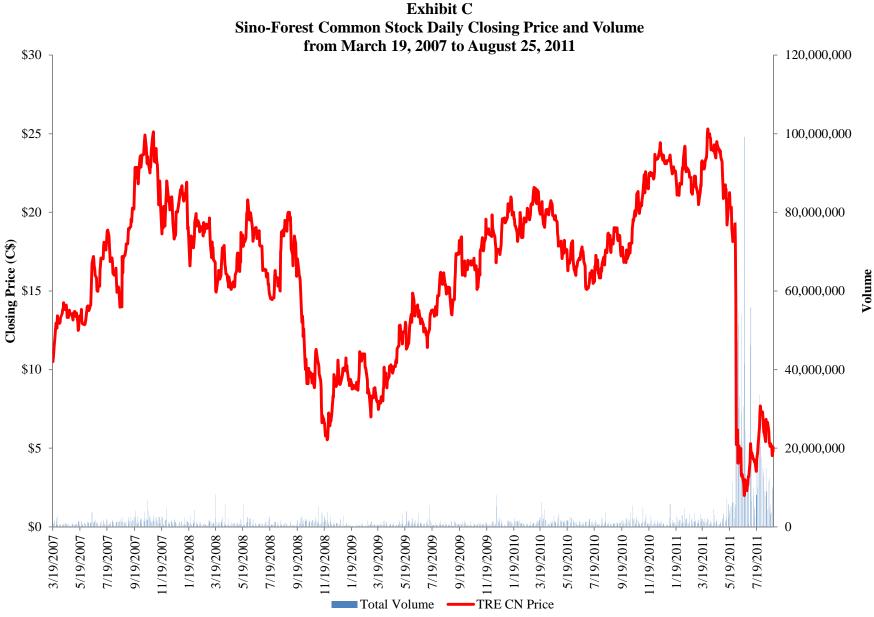
to the Affidavit of Frank C. Torchio

Sworn Before Me,

this Linday of January, 2013

A Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948
Commission Expires June 22, 2013



Note: Reported total volume in Canada, U.S. and Germany. Source: Bloomberg. Reported closing price (C\$) in Canada (Bloomberg ticker: TRE CN). On days when the markets in Canada were closed, the closing price equals the prior day closing price. Source: Bloomberg.

This is Exhibit "D"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this Way of January, 2013

A Notary Public

DEREK B. LAVARNWAY Notary Public, State of New York Qualified in Wyoming County No. 01LA6207948 Commission Expires June 22, 2013

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                      | Reported         | Volume           |                        | Shares     | Spec         | ialist Adj     | ustment      |                      |                  | Specialis        | t-Adjusted     | Volume       |              |                      | Insider Tr | ansactions | Investor             | Volume               | Intra-Day          |
|------------------------|----------------------|------------------|------------------|------------------------|------------|--------------|----------------|--------------|----------------------|------------------|------------------|----------------|--------------|--------------|----------------------|------------|------------|----------------------|----------------------|--------------------|
| Date                   | Canada               | U.S.             | Germany          | Total                  | Offered    | Canada       |                | Germany      | Canada               | U.S.             |                  | Canada %       |              | Germany %    | Total                | Purchases  | Sales      | Purchases            | Sales                | Volume             |
| [1]                    | [2]                  | [3]              | [4]              | [5]                    | [6]        | [7]          | [8]            | [9]          | [10]                 | [11]             | [12]             | [13]           | [14]         | [15]         | [16]                 | [17]       | [18]       | [19]                 | [20]                 | [21]               |
| 3/19/2007              | 579,842              | 15,250           | 4,510            | 599,602                | 0          | 3.3%         | 27.4%          | 3.3%         | 560,707              | 11,072           | 4,361            | 97.3%          | 1.9%         | 0.8%         | 576,140              | 0          | 0          | 576,140              | 576,140              | 89,940             |
| 3/20/2007              | 894,993              | 9,100            | 10,240           | 914,333                | 0          | 3.3%         | 27.4%          | 3.3%         | 865,458              | 6,607            | 9,902            | 98.1%          | 0.7%         | 1.1%         | 881,967              | 0          | 0          | 881,967              | 881,967              | 137,150            |
| 3/21/2007<br>3/22/2007 | 713,649<br>1,101,991 | 20,610<br>36,350 | 12,120<br>15,110 | 746,379<br>1,153,451   | 0          | 3.3%         | 27.4%<br>27.4% | 3.3%<br>3.3% | 690,099<br>1,065,625 | 14,963<br>26,390 | 11,720<br>14,611 | 96.3%<br>96.3% | 2.1%<br>2.4% | 1.6%<br>1.3% | 716,781<br>1,106,627 | 0          | 0          | 716,781<br>1,106,627 | 716,781<br>1,106,627 | 111,957<br>173,018 |
| 3/23/2007              | 1,563,127            | 10,400           | 16,545           | 1,590,072              | 0          | 3.3%         | 27.4%          | 3.3%         | 1,511,544            | 7,550            | 15,999           | 98.5%          | 0.5%         | 1.0%         | 1,535,093            | 0          | 0          | 1,535,093            | 1,535,093            | 238,511            |
| 3/26/2007              | 1,436,951            | 43,900           | 10,582           | 1,491,433              | 0          | 3.3%         | 27.4%          | 3.3%         | 1,389,532            | 31,871           | 10,233           | 97.1%          | 2.2%         | 0.7%         | 1,431,636            | 0          | 0          | 1,431,636            | 1,431,636            | 223,715            |
| 3/27/2007              | 538,656              | 4,550            | 7,626            | 550,832                | 0          | 3.3%         | 27.4%          | 3.3%         | 520,880              | 3,303            | 7,374            | 98.0%          | 0.6%         | 1.4%         | 531,558              | 0          | 0          | 531,558              | 531,558              | 82,625             |
| 3/28/2007              | 2,181,373            | 92,800           | 4,654            | 2,278,827              | 0          | 3.3%         | 27.4%          | 3.3%         | 2,109,388            | 67,373           | 4,500            | 96.7%          | 3.1%         | 0.2%         | 2,181,261            | 0          | 0          | 2,181,261            | 2,181,261            | 341,824            |
| 3/29/2007              | 2,791,740            | 11,540           | 13,125           | 2,816,405              | 0          | 3.3%         | 27.4%          | 3.3%         | 2,699,613            | 8,378            | 12,692           | 99.2%          | 0.3%         | 0.5%         | 2,720,682            | 0          | 0          | 2,720,682            | 2,720,682            | 422,461            |
| 3/30/2007              | 484,814              | 8,801            | 6,280            | 499,895                | 0          | 3.3%         | 27.4%          | 3.3%         | 468,815              | 6,390            | 6,073            | 97.4%          | 1.3%         | 1.3%         | 481,277              | 0          | 0          | 481,277              | 481,277              | 74,984             |
| 4/2/2007               | 346,328              | 27,130           | 2,900            | 376,358                | 0          | 3.3%         | 27.4%          | 3.3%         | 334,899              | 19,696           | 2,804            | 93.7%          | 5.5%         | 0.8%         | 357,400              | 0          | 0          | 357,400              | 357,400              | 56,454             |
| 4/3/2007               | 602,846              | 52,620<br>0      | 2,720<br>1,495   | 658,186                | 0          | 3.3%         | 27.4%<br>27.4% | 3.3%<br>3.3% | 582,952              | 38,202<br>0      | 2,630            | 93.5%<br>99.7% | 6.1%<br>0.0% | 0.4%<br>0.3% | 623,784              | 0          | 0          | 623,784              | 623,784              | 98,728             |
| 4/4/2007<br>4/5/2007   | 536,125<br>876,510   | 5,235            | 809              | 537,620<br>882,554     | 0          | 3.3%         | 27.4%          | 3.3%         | 518,433<br>847,585   | 3,801            | 1,446<br>782     | 99.7%          | 0.0%         | 0.5%         | 519,879<br>852,168   | 0          | 0          | 519,879<br>852,168   | 519,879<br>852,168   | 80,643<br>132,383  |
| 4/9/2007               | 294,242              | 2,100            | 0                | 296,342                | 0          | 3.3%         | 27.4%          | 3.3%         | 284,532              | 1,525            | 0                | 99.5%          | 0.5%         | 0.0%         | 286,057              | 0          | 0          | 286,057              | 286,057              | 44,451             |
| 4/10/2007              | 513,029              | 1,400            | 6,095            | 520,524                | 0          | 3.3%         | 27.4%          | 3.3%         | 496,099              | 1,016            | 5,894            | 98.6%          | 0.2%         | 1.2%         | 503,009              | 0          | 0          | 503,009              | 503,009              | 78,079             |
| 4/11/2007              | 543,962              | 14,650           | 7,919            | 566,531                | 0          | 3.3%         | 27.4%          | 3.3%         | 526,011              | 10,636           | 7,658            | 96.6%          | 2.0%         | 1.4%         | 544,305              | 0          | 0          | 544,305              | 544,305              | 84,980             |
| 4/12/2007              | 864,791              | 650              | 1,268            | 866,709                | 0          | 3.3%         | 27.4%          | 3.3%         | 836,253              | 472              | 1,226            | 99.8%          | 0.1%         | 0.1%         | 837,951              | 0          | 0          | 837,951              | 837,951              | 130,006            |
| 4/13/2007              | 677,870              | 9,700            | 5,671            | 693,241                | 0          | 3.3%         | 27.4%          | 3.3%         | 655,500              | 7,042            | 5,484            | 98.1%          | 1.1%         | 0.8%         | 668,026              | 0          | 0          | 668,026              | 668,026              | 103,986            |
| 4/16/2007              | 899,665              | 3,000            | 15,608           | 918,273                | 0          | 3.3%         | 27.4%          | 3.3%         | 869,976              | 2,178            | 15,093           | 98.1%          | 0.2%         | 1.7%         | 887,247              | 0          | 0          | 887,247              | 887,247              | 137,741            |
| 4/17/2007              | 941,873              | 20,100           | 4,902            | 966,875                | 0          | 3.3%         | 27.4%<br>27.4% | 3.3%<br>3.3% | 910,791              | 14,593           | 4,740            | 97.9%<br>97.0% | 1.6%<br>2.4% | 0.5%<br>0.5% | 930,124              | 0          | 0          | 930,124              | 930,124              | 145,031            |
| 4/18/2007<br>4/19/2007 | 743,935<br>468,392   | 25,000<br>3,200  | 4,050<br>4,330   | 772,985<br>475,922     | 0          | 3.3%         | 27.4%          | 3.3%         | 719,385<br>452,935   | 18,150<br>2,323  | 3,916<br>4,187   | 98.6%          | 0.5%         | 0.5%         | 741,451<br>459,445   | 0          | 0          | 741,451<br>459,445   | 741,451<br>459,445   | 115,948<br>71,388  |
| 4/20/2007              | 724,382              | 2,857            | 4,612            | 731,851                | 0          | 3.3%         | 27.4%          | 3.3%         | 700,477              | 2,074            | 4,460            | 99.1%          | 0.3%         | 0.6%         | 707,011              | 0          | 0          | 707,011              | 707,011              | 109,778            |
| 4/23/2007              | 621,928              | 78,830           | 6,843            | 707,601                | 0          | 3.3%         | 27.4%          | 3.3%         | 601,404              | 57,231           | 6,617            | 90.4%          | 8.6%         | 1.0%         | 665,252              | 0          | 0          | 665,252              | 665,252              | 106,140            |
| 4/24/2007              | 245,231              | 390              | 1,985            | 247,606                | 0          | 3.3%         | 27.4%          | 3.3%         | 237,138              | 283              | 1,919            | 99.1%          | 0.1%         | 0.8%         | 239,341              | 0          | 0          | 239,341              | 239,341              | 37,141             |
| 4/25/2007              | 389,057              | 5,800            | 1,762            | 396,619                | 0          | 3.3%         | 27.4%          | 3.3%         | 376,218              | 4,211            | 1,704            | 98.5%          | 1.1%         | 0.4%         | 382,133              | 0          | 0          | 382,133              | 382,133              | 59,493             |
| 4/26/2007              | 86,022               | 5,400            | 712              | 92,134                 | 0          | 3.3%         | 27.4%          | 3.3%         | 83,183               | 3,920            | 689              | 94.8%          | 4.5%         | 0.8%         | 87,792               | 0          | 0          | 87,792               | 87,792               | 13,820             |
| 4/27/2007              | 294,277              | 1,600            | 631              | 296,508                | 0          | 3.3%         | 27.4%          | 3.3%         | 284,566              | 1,162            | 610              | 99.4%          | 0.4%         | 0.2%         | 286,338              | 0          | 0          | 286,338              | 286,338              | 44,476             |
| 4/30/2007              | 346,531              | 5,689<br>2,900   | 6,117<br>0       | 358,337                | 0          | 3.3%         | 27.4%<br>27.4% | 3.3%<br>3.2% | 335,095              | 4,130            | 5,915<br>0       | 97.1%<br>99.8% | 1.2%<br>0.2% | 1.7%<br>0.0% | 345,141              | 0          | 0          | 345,141              | 345,141              | 53,751             |
| 5/1/2007<br>5/2/2007   | 1,092,030<br>602,561 | 2,400            | 1,770            | 1,094,930<br>606,731   | 0          | 3.2%         | 27.4%          | 3.2%         | 1,057,085<br>583,279 | 2,105<br>1,742   | 1,713            | 99.8%          | 0.2%         | 0.0%         | 1,059,190<br>586,735 | 0          | 0          | 1,059,190<br>586,735 | 1,059,190<br>586,735 | 164,240<br>91,010  |
| 5/3/2007               | 635,947              | 3,900            | 3,350            | 643,197                | 0          | 3.2%         | 27.4%          | 3.2%         | 615,597              | 2,831            | 3,243            | 99.0%          | 0.5%         | 0.5%         | 621,671              | 0          | 0          | 621,671              | 621,671              | 96,480             |
| 5/4/2007               | 656,738              | 3,200            | 1,592            | 661,530                | 0          | 3.2%         | 27.4%          | 3.2%         | 635,722              | 2,323            | 1,541            | 99.4%          | 0.4%         | 0.2%         | 639,587              | 0          | 0          | 639,587              | 639,587              | 99,230             |
| 5/7/2007               | 427,974              | 1,200            | 290              | 429,464                | 0          | 3.2%         | 27.4%          | 3.2%         | 414,279              | 871              | 281              | 99.7%          | 0.2%         | 0.1%         | 415,431              | 0          | 0          | 415,431              | 415,431              | 64,420             |
| 5/8/2007               | 697,775              | 1,800            | 1,316            | 700,891                | 0          | 3.2%         | 27.4%          | 3.2%         | 675,446              | 1,307            | 1,274            | 99.6%          | 0.2%         | 0.2%         | 678,027              | 0          | 0          | 678,027              | 678,027              | 105,134            |
| 5/9/2007               | 631,071              | 2,600            | 11,388           | 645,059                | 0          | 3.2%         | 27.4%          | 3.2%         | 610,877              | 1,888            | 11,024           | 97.9%          | 0.3%         | 1.8%         | 623,788              | 0          | 0          | 623,788              | 623,788              | 96,759             |
| 5/10/2007              | 929,141              | 1,400            | 1,350            | 931,891                | 0          | 3.2%         | 27.4%          | 3.2%         | 899,408              | 1,016            | 1,307            | 99.7%          | 0.1%         | 0.1%         | 901,732              | 0          | 0          | 901,732              | 901,732              | 139,784            |
| 5/11/2007<br>5/14/2007 | 753,705<br>503,810   | 8,100<br>8,870   | 3,244<br>2,180   | 765,049<br>514,860     | 0          | 3.2%<br>3.2% | 27.4%<br>27.4% | 3.2%<br>3.2% | 729,586<br>487,688   | 5,881<br>6,440   | 3,140<br>2,110   | 98.8%<br>98.3% | 0.8%<br>1.3% | 0.4%<br>0.4% | 738,607<br>496,238   | 0          | 0          | 738,607<br>496,238   | 738,607<br>496,238   | 114,757<br>77,229  |
| 5/15/2007              | 1,450,770            | 59,625           | 7,130            | 1,517,525              | 0          | 3.2%         | 27.4%          | 3.2%         | 1,404,345            | 43,288           | 6,902            | 96.5%          | 3.0%         | 0.4%         | 1,454,535            | 0          | 0          | 1,454,535            | 1,454,535            | 227,629            |
| 5/16/2007              | 1,354,234            | 76,885           | 7,050            | 1,438,169              | 0          | 3.2%         | 27.4%          | 3.2%         | 1,310,899            | 55,819           | 6,824            | 95.4%          | 4.1%         | 0.5%         | 1,373,541            | 0          | 0          | 1,373,541            | 1,373,541            | 215,725            |
| 5/17/2007              | 1,266,072            | 2,550            | 1,410            | 1,270,032              | 0          | 3.2%         | 27.4%          | 3.2%         | 1,225,558            | 1,851            | 1,365            | 99.7%          | 0.2%         | 0.1%         | 1,228,774            | 0          | 0          | 1,228,774            | 1,228,774            | 190,505            |
| 5/18/2007              | 546,280              | 2,600            | 3,352            | 552,232                | 0          | 3.2%         | 27.4%          | 3.2%         | 528,799              | 1,888            | 3,245            | 99.0%          | 0.4%         | 0.6%         | 533,931              | 0          | 0          | 533,931              | 533,931              | 82,835             |
| 5/21/2007              | 0                    | 4,000            | 2,085            | 6,085                  | 0          | 3.2%         | 27.4%          | 3.2%         | 0                    | 2,904            | 2,018            | 0.0%           | 59.0%        | 41.0%        | 4,922                | 0          | 0          | 4,922                | 4,922                | 913                |
| 5/22/2007              | 1,179,246            | 500              | 3,610            | 1,183,356              | 0          | 3.2%         | 27.4%          | 3.2%         | 1,141,510            | 363              | 3,494            | 99.7%          | 0.0%         | 0.3%         | 1,145,368            | 0          | 0          | 1,145,368            | 1,145,368            | 177,503            |
| 5/23/2007              | 1,402,115            | 4,600            | 2,442            | 1,409,157              | 0          | 3.2%         | 27.4%          | 3.2%         | 1,357,247            | 3,340            | 2,364            | 99.6%          | 0.2%         | 0.2%         | 1,362,951            | 0          | 0          | 1,362,951            | 1,362,951            | 211,374            |
| 5/24/2007<br>5/25/2007 | 757,324<br>430,691   | 9,000<br>27,330  | 1,357<br>3,771   | 767,681<br>461,792     | 0          | 3.2%<br>3.2% | 27.4%<br>27.4% | 3.2%<br>3.2% | 733,090<br>416,909   | 6,534<br>19,842  | 1,314<br>3,650   | 98.9%<br>94.7% | 0.9%<br>4.5% | 0.2%<br>0.8% | 740,937<br>440,401   | 20,000     | 0          | 740,937<br>420,401   | 740,937<br>440,401   | 115,152<br>69,269  |
| 5/28/2007              | 82,020               | 27,550           | 0                | 82,020                 | 0          | 3.2%         | 27.4%          | 3.2%         | 79,395               | 0                | 0,050            | 100.0%         | 0.0%         | 0.0%         | 79,395               | 20,000     | 0          | 79,395               | 79,395               | 12,303             |
| 5/29/2007              | 925,356              | 1,500            | 1,696            | 928,552                | 0          | 3.2%         | 27.4%          | 3.2%         | 895,745              | 1,089            | 1,642            | 99.7%          | 0.1%         | 0.2%         | 898,475              | 0          | 0          | 898,475              | 898,475              | 139,283            |
| 5/30/2007              | 869,727              | 10,000           | 2,500            | 882,227                | 0          | 3.2%         | 27.4%          | 3.2%         | 841,896              | 7,260            | 2,420            | 98.9%          | 0.9%         | 0.3%         | 851,576              | 0          | 0          | 851,576              | 851,576              | 132,334            |
| 5/31/2007              | 688,622              | 22,764           | 690              | 712,076                | 0          | 3.2%         | 27.4%          | 3.2%         | 666,586              | 16,527           | 668              | 97.5%          | 2.4%         | 0.1%         | 683,781              | 0          | 0          | 683,781              | 683,781              | 106,811            |
| 6/1/2007               | 724,888              | 4,350            | 1,550            | 730,788                | 0          | 3.0%         | 27.4%          | 3.0%         | 703,141              | 3,158            | 1,504            | 99.3%          | 0.4%         | 0.2%         | 707,803              | 0          | 0          | 707,803              | 707,803              | 109,618            |
| 6/4/2007               | 1,063,644            | 8,770            | 4,600            | 1,077,014              | 0          | 3.0%         | 27.4%          | 3.0%         | 1,031,735            | 6,367            | 4,462            | 99.0%          | 0.6%         | 0.4%         | 1,042,564            | 0          | 0          | 1,042,564            | 1,042,564            | 161,552            |
| 6/5/2007               | 1,234,165            | 31,400           | 4,614            | 1,270,179              | 0          | 3.0%         | 27.4%          | 3.0%         | 1,197,140            | 22,796           | 4,476            | 97.8%          | 1.9%         | 0.4%         | 1,224,412            | 0          | 0          | 1,224,412            | 1,224,412            | 190,527            |
| 6/6/2007               | 899,577              | 1,350            | 4,880            | 905,807                | 0          | 3.0%         | 27.4%          | 3.0%         | 872,590              | 980              | 4,734            | 99.3%          | 0.1%         | 0.5%         | 878,303              | 0          | 0          | 878,303              | 878,303              | 135,871            |
| 6/7/2007<br>6/8/2007   | 998,556<br>1,246,966 | 7,900<br>1,500   | 1,800<br>5,095   | 1,008,256<br>1,253,561 | 0          | 3.0%         | 27.4%<br>27.4% | 3.0%<br>3.0% | 968,599<br>1,209,557 | 5,735<br>1,089   | 1,746<br>4,942   | 99.2%<br>99.5% | 0.6%<br>0.1% | 0.2%<br>0.4% | 976,081<br>1,215,588 | 0          | 0          | 976,081<br>1,215,588 | 976,081<br>1,215,588 | 151,238<br>188,034 |
| 6/11/2007              | 847,158              | 4,100            | 3,093<br>896     | 852,154                | 0          | 3.0%         | 27.4%          | 3.0%         | 821,743              | 2,977            | 4,942<br>869     | 99.5%          | 0.1%         | 0.4%         | 825,589              | 0          | 0          | 825,589              | 825,589              | 127,823            |
| 6/12/2007              | 1,037,238            | 43,650           | 410              | 1,081,298              | 15,900,000 | 3.0%         | 27.4%          | 3.0%         | 1,006,121            | 31,690           | 398              | 96.9%          | 3.1%         | 0.1%         | 1,038,208            | 0          | 0          | 16,938,208           | 1,038,208            | 162,195            |
| 6/13/2007              | 1,108,829            | 19,000           | 1,560            | 1,129,389              | 0          | 3.0%         | 27.4%          | 3.0%         | 1,075,564            | 13,794           | 1,513            | 98.6%          | 1.3%         | 0.1%         | 1,090,871            | 0          | 0          | 1,090,871            | 1,090,871            | 169,408            |
| 6/14/2007              | 3,609,985            | 17,250           | 1,944            | 3,629,179              | 0          | 3.0%         | 27.4%          | 3.0%         | 3,501,685            | 12,524           | 1,886            | 99.6%          | 0.4%         | 0.1%         | 3,516,095            | 0          | 0          | 3,516,095            | 3,516,095            | 544,377            |
| 6/15/2007              | 3,751,545            | 78,308           | 7,907            | 3,837,760              | 0          | 3.0%         | 27.4%          | 3.0%         | 3,638,999            | 56,852           | 7,670            | 98.3%          | 1.5%         | 0.2%         | 3,703,520            | 0          | 0          | 3,703,520            | 3,703,520            | 575,664            |
| 6/18/2007              | 938,008              | 72,750           | 12,531           | 1,023,289              | 0          | 3.0%         | 27.4%          | 3.0%         | 909,868              | 52,817           | 12,155           | 93.3%          | 5.4%         | 1.2%         | 974,839              | 0          | 0          | 974,839              | 974,839              | 153,493            |
| 6/19/2007              | 1,141,471            | 54,600           | 5,936            | 1,202,007              | 0          | 3.0%         | 27.4%          | 3.0%         | 1,107,227            | 39,640           | 5,758            | 96.1%          | 3.4%         | 0.5%         | 1,152,624            | 0          | 0          | 1,152,624            | 1,152,624            | 180,301            |
| 6/20/2007              | 1,204,876            | 500              | 7,025            | 1,212,401              | 0          | 3.0%         | 27.4%          | 3.0%         | 1,168,730            | 363              | 6,814            | 99.4%          | 0.0%         | 0.6%         | 1,175,907            | 0          | 0          | 1,175,907            | 1,175,907            | 181,860            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                        | Reported        | Volume          |                        | Shares  | Snec         | ialist Adj     | ustment        |                        |                 | Speciali        | st-Adjusted    | Volume       |              |                        | Insider Tr | ansactions       | Investor               | Volume                 | Intra-Day          |
|------------------------|------------------------|-----------------|-----------------|------------------------|---------|--------------|----------------|----------------|------------------------|-----------------|-----------------|----------------|--------------|--------------|------------------------|------------|------------------|------------------------|------------------------|--------------------|
| Date                   | Canada                 | U.S.            | Germany         | Total                  | Offered | Canada       |                | Germany        | Canada                 | U.S.            | Germany         | Canada %       |              | Germany %    | Total                  | Purchases  | Sales            | Purchases              | Sales                  | Volume             |
| [1]                    | [2]                    | [3]             | [4]             | [5]                    | [6]     | [7]          | [8]            | [9]            | [10]                   | [11]            | [12]            | [13]           | [14]         | [15]         | [16]                   | [17]       | [18]             | [19]                   | [20]                   | [21]               |
| 6/21/2007              | 1,348,439              | 8,400           | 2,700           | 1,359,539              | 0       | 3.0%         | 27.4%          | 3.0%           | 1,307,986              | 6,098           | 2,619           | 99.3%          | 0.5%         | 0.2%         | 1,316,703              | 0          | 0                | 1,316,703              | 1,316,703              | 203,931            |
| 6/22/2007              | 1,831,889              | 5,000           | 4,151           | 1,841,040              | 0       | 3.0%         | 27.4%          | 3.0%           | 1,776,932              | 3,630           | 4,026           | 99.6%          | 0.2%         | 0.2%         | 1,784,589              | 0          | 0                | 1,784,589              | 1,784,589              | 276,156            |
| 6/25/2007              | 839,554                | 6,000           | 2,175           | 847,729                | 0       | 3.0%         | 27.4%          | 3.0%           | 814,367                | 4,356           | 2,110           | 99.2%          | 0.5%         | 0.3%         | 820,833                | 0          | 0                | 820,833                | 820,833                | 127,159            |
| 6/26/2007              | 1,187,631              | 7,600           | 2,686           | 1,197,917              | 0       | 3.0%         | 27.4%          | 3.0%           | 1,152,002              | 5,518           | 2,605           | 99.3%          | 0.5%         | 0.2%         | 1,160,125              | 0          | 0                | 1,160,125              | 1,160,125              | 179,688            |
| 6/27/2007<br>6/28/2007 | 935,235<br>850,725     | 14,180<br>600   | 16,867<br>1,093 | 966,282<br>852,418     | 0       | 3.0%         | 27.4%<br>27.4% | 3.0%<br>3.0%   | 907,178<br>825,203     | 10,295<br>436   | 16,361<br>1,060 | 97.1%<br>99.8% | 1.1%<br>0.1% | 1.8%<br>0.1% | 933,834<br>826,699     | 0          | 0                | 933,834<br>826,699     | 933,834<br>826,699     | 144,942<br>127,863 |
| 6/29/2007              | 451,357                | 300             | 740             | 452,397                | 0       | 3.0%         | 27.4%          | 3.0%           | 437,816                | 218             | 718             | 99.8%          | 0.1%         | 0.1%         | 438,752                | 0          | 0                | 438,752                | 438,752                | 67,860             |
| 7/2/2007               | 431,337                | 0               | 6,936           | 6,936                  | 0       | 3.1%         | 27.4%          | 3.1%           | 437,810                | 0               | 6,721           | 0.0%           | 0.0%         | 100.0%       | 6,721                  | 0          | 0                | 6,721                  | 6,721                  | 1,040              |
| 7/3/2007               | 1,088,634              | 6,700           | 4,117           | 1,099,451              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,054,886              | 4,864           | 3,989           | 99.2%          | 0.5%         | 0.4%         | 1,063,740              | 0          | 0                | 1,063,740              | 1,063,740              | 164,918            |
| 7/4/2007               | 351,462                | 0,700           | 5,035           | 356,497                | 0       | 3.1%         | 27.4%          | 3.1%           | 340,567                | 0               | 4,879           | 98.6%          | 0.0%         | 1.4%         | 345,446                | 0          | 0                | 345,446                | 345,446                | 53,475             |
| 7/5/2007               | 991,440                | 24,600          | 1,353           | 1,017,393              | 0       | 3.1%         | 27.4%          | 3.1%           | 960,705                | 17,860          | 1,311           | 98.0%          | 1.8%         | 0.1%         | 979,876                | 0          | 0                | 979,876                | 979,876                | 152,609            |
| 7/6/2007               | 1,420,136              | 2,100           | 1,498           | 1,423,734              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,376,112              | 1,525           | 1,452           | 99.8%          | 0.1%         | 0.1%         | 1,379,088              | 0          | 0                | 1,379,088              | 1,379,088              | 213,560            |
| 7/9/2007               | 653,479                | 2,600           | 3,685           | 659,764                | 0       | 3.1%         | 27.4%          | 3.1%           | 633,221                | 1,888           | 3,571           | 99.1%          | 0.3%         | 0.6%         | 638,680                | 0          | 0                | 638,680                | 638,680                | 98,965             |
| 7/10/2007              | 1,881,542              | 300             | 3,357           | 1,885,199              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,823,214              | 218             | 3,253           | 99.8%          | 0.0%         | 0.2%         | 1,826,685              | 0          | 0                | 1,826,685              | 1,826,685              | 282,780            |
| 7/11/2007              | 1,302,972              | 5,000           | 5,450           | 1,313,422              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,262,580              | 3,630           | 5,281           | 99.3%          | 0.3%         | 0.4%         | 1,271,491              | 0          | 0                | 1,271,491              | 1,271,491              | 197,013            |
| 7/12/2007              | 886,347                | 5,050           | 5,200           | 896,597                | 0       | 3.1%         | 27.4%          | 3.1%           | 858,870                | 3,666           | 5,039           | 99.0%          | 0.4%         | 0.6%         | 867,575                | 0          | 0                | 867,575                | 867,575                | 134,490            |
| 7/13/2007              | 574,535                | 64,600          | 691             | 639,826                | 0       | 3.1%         | 27.4%          | 3.1%           | 556,724                | 46,900          | 670             | 92.1%          | 7.8%         | 0.1%         | 604,294                | 0          | 0                | 604,294                | 604,294                | 95,974             |
| 7/16/2007              | 575,490                | 78,345          | 1,914           | 655,749                | 0       | 3.1%         | 27.4%          | 3.1%           | 557,650                | 56,878          | 1,855           | 90.5%          | 9.2%         | 0.3%         | 616,383                | 0          | 0                | 616,383                | 616,383                | 98,362             |
| 7/17/2007              | 1,963,010              | 10,400          | 1,350           | 1,974,760              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,902,157              | 7,550           | 1,308           | 99.5%          | 0.4%         | 0.1%         | 1,911,015              | 0          | 0                | 1,911,015              | 1,911,015              | 296,214            |
| 7/18/2007              | 1,819,439              | 8,700           | 964             | 1,829,103              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,763,036              | 6,316           | 934             | 99.6%          | 0.4%         | 0.1%         | 1,770,287              | 0          | 0                | 1,770,287              | 1,770,287              | 274,365            |
| 7/19/2007              | 389,668                | 2,700           | 5,894           | 398,262                | 0       | 3.1%         | 27.4%          | 3.1%           | 377,588                | 1,960           | 5,711           | 98.0%          | 0.5%         | 1.5%         | 385,260                | 0          | 0                | 385,260                | 385,260                | 59,739             |
| 7/20/2007              | 1,528,170              | 6,090           | 3,570           | 1,537,830              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,480,797              | 4,421           | 3,459           | 99.5%          | 0.3%         | 0.2%         | 1,488,677              | 0          | 0                | 1,488,677              | 1,488,677              | 230,675            |
| 7/23/2007              | 577,205                | 1,650           | 18,607          | 597,462                | 0       | 3.1%         | 27.4%<br>27.4% | 3.1%<br>3.1%   | 559,312                | 1,198           | 18,030          | 96.7%<br>99.1% | 0.2%<br>0.0% | 3.1%<br>0.9% | 578,540                | 0          | 0                | 578,540                | 578,540                | 89,619             |
| 7/24/2007<br>7/25/2007 | 409,523<br>733,604     | 100<br>400      | 3,824<br>6,538  | 413,447<br>740,542     | 0       | 3.1%         | 27.4%          | 3.1%           | 396,828<br>710,862     | 73<br>290       | 3,705<br>6,335  | 99.1%          | 0.0%         | 0.9%         | 400,606<br>717,488     | 0          | 0                | 400,606<br>717,488     | 400,606<br>717,488     | 62,017<br>111,081  |
| 7/26/2007              | 1,071,588              | 65,800          | 7,426           | 1,144,814              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,038,369              | 47,771          | 7,196           | 95.0%          | 4.4%         | 0.7%         | 1,093,335              | 0          | 0                | 1,093,335              | 1,093,335              | 171,722            |
| 7/27/2007              | 1,035,097              | 5,100           | 17,577          | 1,057,774              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,003,009              | 3,703           | 17,032          | 98.0%          | 0.4%         | 1.7%         | 1,023,744              | 0          | 0                | 1,023,744              | 1,023,744              | 158,666            |
| 7/30/2007              | 1,836,386              | 1,100           | 8,866           | 1,846,352              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,779,458              | 799             | 8,591           | 99.5%          | 0.0%         | 0.5%         | 1,788,848              | 0          | 0                | 1,788,848              | 1,788,848              | 276,953            |
| 7/31/2007              | 1,440,454              | 1,800           | 9,935           | 1,452,189              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,395,800              | 1,307           | 9,627           | 99.2%          | 0.1%         | 0.7%         | 1,406,734              | 0          | 0                | 1,406,734              | 1,406,734              | 217,828            |
| 8/1/2007               | 1,143,209              | 45,200          | 2,602           | 1,191,011              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,107,770              | 32,815          | 2,521           | 96.9%          | 2.9%         | 0.2%         | 1,143,106              | 0          | 0                | 1,143,106              | 1,143,106              | 178,652            |
| 8/2/2007               | 755,852                | 5,300           | 4,025           | 765,177                | 0       | 3.1%         | 27.4%          | 3.1%           | 732,421                | 3,848           | 3,900           | 99.0%          | 0.5%         | 0.5%         | 740,169                | 0          | 0                | 740,169                | 740,169                | 114,777            |
| 8/3/2007               | 353,638                | 3,900           | 1,584           | 359,122                | 0       | 3.1%         | 27.4%          | 3.1%           | 342,675                | 2,831           | 1,535           | 98.7%          | 0.8%         | 0.4%         | 347,042                | 0          | 0                | 347,042                | 347,042                | 53,868             |
| 8/6/2007               | 0                      | 2,500           | 4,875           | 7,375                  | 0       | 3.1%         | 27.4%          | 3.1%           | 0                      | 1,815           | 4,724           | 0.0%           | 27.8%        | 72.2%        | 6,539                  | 0          | 0                | 6,539                  | 6,539                  | 1,106              |
| 8/7/2007               | 753,435                | 3,800           | 2,967           | 760,202                | 0       | 3.1%         | 27.4%          | 3.1%           | 730,079                | 2,759           | 2,875           | 99.2%          | 0.4%         | 0.4%         | 735,712                | 0          | 0                | 735,712                | 735,712                | 114,030            |
| 8/8/2007               | 1,285,834              | 6,300           | 6,522           | 1,298,656              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,245,973              | 4,574           | 6,320           | 99.1%          | 0.4%         | 0.5%         | 1,256,867              | 0          | 0                | 1,256,867              | 1,256,867              | 194,798            |
| 8/9/2007               | 998,882                | 74,600          | 2,850           | 1,076,332              | 0       | 3.1%         | 27.4%          | 3.1%           | 967,917                | 54,160          | 2,762           | 94.4%          | 5.3%         | 0.3%         | 1,024,838              | 0          | 0                | 1,024,838              | 1,024,838              | 161,450            |
| 8/10/2007              | 1,253,247              | 4,500           | 19,066          | 1,276,813              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,214,396              | 3,267           | 18,475          | 98.2%          | 0.3%         | 1.5%         | 1,236,138              | 0          | 0                | 1,236,138              | 1,236,138              | 191,522            |
| 8/13/2007              | 1,239,129              | 118,200         | 8,715           | 1,366,044              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,200,716              | 85,813          | 8,445           | 92.7%          | 6.6%         | 0.7%         | 1,294,974              | 0          | 0                | 1,294,974              | 1,294,974              | 204,907            |
| 8/14/2007              | 1,175,049              | 19,000          | 5,042           | 1,199,091              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,138,622              | 13,794          | 4,886           | 98.4%          | 1.2%         | 0.4%         | 1,157,302              | 0          | 0                | 1,157,302              | 1,157,302              | 179,864            |
| 8/15/2007              | 1,165,029              | 1,100           | 3,276           | 1,169,405              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,128,913              | 799             | 3,174           | 99.6%          | 0.1%         | 0.3%         | 1,132,886              | 0          | 70,000           | 1,132,886              | 1,132,886              | 175,411            |
| 8/16/2007              | 1,499,760              | 3,050           | 24,998          | 1,527,808              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,453,267              | 2,214           | 24,223          | 98.2%          | 0.1%         | 1.6%         | 1,479,705              | 0          | 70,000           | 1,479,705              | 1,409,705              | 229,171            |
| 8/17/2007<br>8/20/2007 | 2,087,019<br>1,438,139 | 5,950<br>2,900  | 11,394<br>5,755 | 2,104,363<br>1,446,794 | 0       | 3.1%<br>3.1% | 27.4%<br>27.4% | 3.1%<br>3.1%   | 2,022,321<br>1,393,557 | 4,320<br>2,105  | 11,041<br>5,577 | 99.2%<br>99.5% | 0.2%<br>0.2% | 0.5%<br>0.4% | 2,037,682<br>1,401,239 | 300,000    | 79,500<br>37,500 | 2,037,682<br>1,101,239 | 1,958,182<br>1,363,739 | 315,654<br>217,019 |
| 8/21/2007              | 1,155,283              | 3,100           | 1,140           | 1,159,523              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,119,469              | 2,251           | 1,105           | 99.7%          | 0.2%         | 0.1%         | 1,122,824              | 0          | 20,000           | 1,122,824              | 1,102,824              | 173,928            |
| 8/22/2007              | 2,474,474              | 3,200           | 4,273           | 2,481,947              | 0       | 3.1%         | 27.4%          | 3.1%           | 2,397,765              | 2,323           | 4,141           | 99.7%          | 0.1%         | 0.2%         | 2,404,229              | 0          | 31,400           | 2,404,229              | 2,372,829              | 372,292            |
| 8/23/2007              | 1,347,493              | 2,125           | 6,396           | 1,356,014              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,305,721              | 1,543           | 6,198           | 99.4%          | 0.1%         | 0.5%         | 1,313,461              | 0          | 110,000          | 1,313,461              | 1,203,461              | 203,402            |
| 8/24/2007              | 1,032,846              | 2,600           | 2,730           | 1,038,176              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,000,828              | 1,888           | 2,645           | 99.5%          | 0.2%         | 0.3%         | 1,005,361              | 0          | 59,000           | 1,005,361              | 946,361                | 155,726            |
| 8/27/2007              | 583,680                | 1,200           | 3,800           | 588,680                | 0       | 3.1%         | 27.4%          | 3.1%           | 565,586                | 871             | 3,682           | 99.2%          | 0.2%         | 0.6%         | 570,139                | 0          | 35,000           | 570,139                | 535,139                | 88,302             |
| 8/28/2007              | 1,282,354              | 1,000           | 808             | 1,284,162              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,242,601              | 726             | 783             | 99.9%          | 0.1%         | 0.1%         | 1,244,110              | 0          | 23,600           | 1,244,110              | 1,220,510              | 192,624            |
| 8/29/2007              | 927,473                | 0               | 7,051           | 934,524                | 0       | 3.1%         | 27.4%          | 3.1%           | 898,721                | 0               | 6,832           | 99.2%          | 0.0%         | 0.8%         | 905,554                | 0          | 0                | 905,554                | 905,554                | 140,179            |
| 8/30/2007              | 357,580                | 900             | 1,085           | 359,565                | 0       | 3.1%         | 27.4%          | 3.1%           | 346,495                | 653             | 1,051           | 99.5%          | 0.2%         | 0.3%         | 348,200                | 0          | 21,100           | 348,200                | 327,100                | 53,935             |
| 8/31/2007              | 1,180,243              | 843             | 1,855           | 1,182,941              | 0       | 3.1%         | 27.4%          | 3.1%           | 1,143,655              | 612             | 1,797           | 99.8%          | 0.1%         | 0.2%         | 1,146,065              | 0          | 42,000           | 1,146,065              | 1,104,065              | 177,441            |
| 9/3/2007               | 0                      | 0               | 1,075           | 1,075                  | 0       | 2.9%         | 27.4%          | 2.9%           | 0                      | 0               | 1,044           | 0.0%           | 0.0%         | 100.0%       | 1,044                  | 0          | 0                | 1,044                  | 1,044                  | 161                |
| 9/4/2007               | 634,300                | 3,900           | 1,633           | 639,833                | 0       | 2.9%         | 27.4%          | 2.9%           | 615,905                | 2,831           | 1,586           | 99.3%          | 0.5%         | 0.3%         | 620,322                | 0          | 14,300           | 620,322                | 606,022                | 95,975             |
| 9/5/2007               | 2,465,761              | 2,100           | 2,370           | 2,470,231              | 0       | 2.9%         | 27.4%          | 2.9%           | 2,394,254              | 1,525           | 2,301           | 99.8%          | 0.1%         | 0.1%         | 2,398,080              | 0          | 160,000          | 2,398,080              | 2,238,080              | 370,535            |
| 9/6/2007               | 1,533,645              | 86,500          | 9,034           | 1,629,179              | 0       | 2.9%         | 27.4%          | 2.9%           | 1,489,169              | 62,799          | 8,772           | 95.4%          | 4.0%         | 0.6%         | 1,560,740              | 0          | 5,000            | 1,560,740              | 1,555,740              | 244,377            |
| 9/7/2007               | 1,206,794              | 29,600          | 4,915           | 1,241,309              | 0       | 2.9%         | 27.4%          | 2.9%           | 1,171,797              | 21,490          | 4,772           | 97.8%          | 1.8%         | 0.4%         | 1,198,059              | 0          | 15,000           | 1,198,059              | 1,183,059              | 186,196            |
| 9/10/2007              | 2,528,689              | 9,650           | 1,550           | 2,539,889              | 0       | 2.9%         | 27.4%          | 2.9%           | 2,455,357              | 7,006           | 1,505           | 99.7%          | 0.3%         | 0.1%         | 2,463,868              | 0          | 27,500           | 2,463,868              | 2,436,368              | 380,983            |
| 9/11/2007              | 1,475,147              | 5,700           | 560             | 1,481,407              | 0       | 2.9%         | 27.4%          | 2.9%           | 1,432,368              | 4,138           | 544             | 99.7%          | 0.3%         | 0.0%         | 1,437,050              | 0          | 45,222           | 1,437,050              | 1,391,828              | 222,211            |
| 9/12/2007              | 1,077,179              | 3,208           | 3,950           | 1,084,337              | 0       | 2.9%         | 27.4%          | 2.9%           | 1,045,941              | 2,329           | 3,835           | 99.4%          | 0.2%         | 0.4%         | 1,052,105              | 0          | 0                | 1,052,105              | 1,052,105              | 162,651            |
| 9/13/2007              | 1,714,753              | 1,420           | 2,605           | 1,718,778              | 0       | 2.9%         | 27.4%          | 2.9%           | 1,665,025              | 1,031           | 2,529           | 99.8%          | 0.1%         | 0.2%         | 1,668,586              | 0          | 25,700           | 1,668,586              | 1,642,886              | 257,817            |
| 9/14/2007              | 1,525,080              | 3,500           | 4,852           | 1,533,432              | 0       | 2.9%         | 27.4%          | 2.9%           | 1,480,853              | 2,541           | 4,711<br>6.759  | 99.5%          | 0.2%         | 0.3%         | 1,488,105              | 0          | 69,300           | 1,488,105              | 1,418,805              | 230,015            |
| 9/17/2007              | 1,920,248              | 79,200          | 6,960           | 2,006,408              | 0       | 2.9%         | 27.4%<br>27.4% | 2.9%           | 1,864,561              | 57,499<br>6.716 | 6,758           | 96.7%          | 3.0%         | 0.4%         | 1,928,818              | 0          | 0                | 1,928,818              | 1,928,818              | 300,961            |
| 9/18/2007<br>9/19/2007 | 2,669,671              | 9,250           | 3,260           | 2,682,181              | 0       | 2.9%<br>2.9% | 27.4%          | 2.9%<br>2.9%   | 2,592,251              | 6,716           | 3,165           | 99.6%<br>98.5% | 0.3%<br>0.7% | 0.1%<br>0.8% | 2,602,132              | 0          | 0                | 2,602,132              | 2,602,132              | 402,327            |
| 9/19/2007              | 1,641,660<br>2,458,999 | 16,350<br>4,800 | 13,371<br>9,126 | 1,671,381<br>2,472,925 | 0       | 2.9%         | 27.4%          | 2.9%           | 1,594,052<br>2,387,688 | 11,870<br>3,485 | 12,983<br>8,861 | 98.5%<br>99.5% | 0.7%         | 0.8%         | 1,618,905<br>2,400,034 | 0          | 0                | 1,618,905<br>2,400,034 | 1,618,905<br>2,400,034 | 250,707<br>370,939 |
| 9/20/2007              | 4,031,455              | 2,750           | 9,126           | 4,044,036              | 0       | 2.9%         | 27.4%          | 2.9%           | 3,914,543              | 1,997           | 9,546           | 99.3%          | 0.1%         | 0.4%         | 3,926,085              | 0          | 0                | 3,926,085              | 3,926,085              | 606,605            |
| 2/41/4007              | 4,031,433              | 4,730           | 2,031           | 4,044,030              | U       | 2.9%         | 47.470         | ∠. <b>9</b> 70 | 3,714,343              | 1,99/           | 7,340           | 77.170         | 0.170        | 0.270        | 3,720,083              | U          | U                | 3,720,083              | 3,720,083              | 000,003            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                          |                        | Reported        | Volume          |                        | Shares  | Spec         | ialist Adj     | ustment      |                        |                 | Specialis       | t-Adjusted     | Volume       |              |                        | Insider Tr | ansactions | Investor               | Volume                 | Intra-Day          |
|--------------------------|------------------------|-----------------|-----------------|------------------------|---------|--------------|----------------|--------------|------------------------|-----------------|-----------------|----------------|--------------|--------------|------------------------|------------|------------|------------------------|------------------------|--------------------|
| Date                     | Canada                 | U.S.            | Germany         | Total                  | Offered | Canada       |                | Germany      | Canada                 | U.S.            |                 | Canada %       |              | Germany %    | Total                  | Purchases  | Sales      | Purchases              | Sales                  | Volume             |
| [1]                      | [2]                    | [3]             | [4]             | [5]                    | [6]     | [7]          | [8]            | [9]          | [10]                   | [11]            | [12]            | [13]           | [14]         | [15]         | [16]                   | [17]       | [18]       | [19]                   | [20]                   | [21]               |
| 9/24/2007                | 1,135,176              | 6,600           | 5,281           | 1,147,057              | 0       | 2.9%         | 27.4%          | 2.9%         | 1,102,256              | 4,792           | 5,128           | 99.1%          | 0.4%         | 0.5%         | 1,112,175              | 0          | 0          | 1,112,175              | 1,112,175              | 172,059            |
| 9/25/2007                | 2,731,147              | 900             | 10,694          | 2,742,741              | 0       | 2.9%         | 27.4%          | 2.9%         | 2,651,944              | 653             | 10,384          | 99.6%          | 0.0%         | 0.4%         | 2,662,981              | 0          | 0          | 2,662,981              | 2,662,981              | 411,411            |
| 9/26/2007                | 663,318                | 0               | 2,818           | 666,136                | 0       | 2.9%         | 27.4%          | 2.9%         | 644,082                | 0               | 2,736           | 99.6%          | 0.0%         | 0.4%         | 646,818                | 0          | 0          | 646,818                | 646,818                | 99,920             |
| 9/27/2007                | 1,351,098              | 5,140           | 9,840           | 1,366,078              | 0       | 2.9%         | 27.4%          | 2.9%         | 1,311,916              | 3,732           | 9,555           | 99.0%          | 0.3%         | 0.7%         | 1,325,202              | 0          | 0          | 1,325,202              | 1,325,202              | 204,912            |
| 9/28/2007                | 1,174,679              | 600             | 3,219           | 1,178,498              | 0       | 2.9%         | 27.4%          | 2.9%         | 1,140,613              | 436             | 3,126           | 99.7%          | 0.0%         | 0.3%         | 1,144,175              | 0          | 0          | 1,144,175              | 1,144,175              | 176,775            |
| 10/1/2007                | 1,319,624              | 1,000           | 4,886           | 1,325,510              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,278,716              | 726             | 4,735           | 99.6%          | 0.1%         | 0.4%         | 1,284,176              | 0          | 0          | 1,284,176              | 1,284,176              | 198,827            |
| 10/2/2007<br>10/3/2007   | 1,927,209              | 3,400<br>500    | 5,849<br>3,160  | 1,936,458<br>1,855,279 | 0       | 3.1%         | 27.4%<br>27.4% | 3.1%<br>3.1% | 1,867,466<br>1,794,219 | 2,468<br>363    | 5,668<br>3,062  | 99.6%<br>99.8% | 0.1%<br>0.0% | 0.3%<br>0.2% | 1,875,602              | 0          | 0          | 1,875,602<br>1,797,644 | 1,875,602              | 290,469<br>278,292 |
| 10/3/2007                | 1,851,619<br>2,304,464 | 4,500           | 1,114           | 2,310,078              | 0       | 3.1%         | 27.4%          | 3.1%         | 2,233,026              | 3,267           | 1,079           | 99.8%          | 0.0%         | 0.2%         | 1,797,644<br>2,237,372 | 0          | 0          | 2,237,372              | 1,797,644<br>2,237,372 | 346,512            |
| 10/5/2007                | 698,383                | 2,900           | 2,756           | 704,039                | 0       | 3.1%         | 27.4%          | 3.1%         | 676,733                | 2,105           | 2,671           | 99.3%          | 0.1%         | 0.4%         | 681,509                | 0          | 0          | 681,509                | 681,509                | 105,606            |
| 10/8/2007                | 0,363                  | 1,400           | 8,606           | 10,006                 | 0       | 3.1%         | 27.4%          | 3.1%         | 070,733                | 1,016           | 8,339           | 0.0%           | 10.9%        | 89.1%        | 9,356                  | 0          | 0          | 9,356                  | 9,356                  | 1,501              |
| 10/9/2007                | 1,580,204              | 3,400           | 7,952           | 1,591,556              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,531,218              | 2,468           | 7,705           | 99.3%          | 0.2%         | 0.5%         | 1,541,392              | 0          | 0          | 1,541,392              | 1,541,392              | 238,733            |
| 10/10/2007               | 2,063,826              | 10,928          | 3,780           | 2,078,534              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,999,847              | 7,934           | 3,663           | 99.4%          | 0.4%         | 0.2%         | 2,011,444              | 0          | 0          | 2,011,444              | 2,011,444              | 311,780            |
| 10/11/2007               | 3,862,540              | 17,735          | 14,915          | 3,895,190              | 0       | 3.1%         | 27.4%          | 3.1%         | 3,742,801              | 12,876          | 14,453          | 99.3%          | 0.3%         | 0.4%         | 3,770,130              | 0          | 0          | 3,770,130              | 3,770,130              | 584,279            |
| 10/12/2007               | 1,349,601              | 12,700          | 16,665          | 1,378,966              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,307,763              | 9,220           | 16,148          | 98.1%          | 0.7%         | 1.2%         | 1,333,132              | 0          | 0          | 1,333,132              | 1,333,132              | 206,845            |
| 10/15/2007               | 1,646,181              | 9,000           | 8,763           | 1,663,944              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,595,149              | 6,534           | 8,491           | 99.1%          | 0.4%         | 0.5%         | 1,610,175              | 0          | 0          | 1,610,175              | 1,610,175              | 249,592            |
| 10/16/2007               | 2,214,620              | 21,950          | 9,042           | 2,245,612              | 0       | 3.1%         | 27.4%          | 3.1%         | 2,145,967              | 15,936          | 8,762           | 98.9%          | 0.7%         | 0.4%         | 2,170,664              | 0          | 0          | 2,170,664              | 2,170,664              | 336,842            |
| 10/17/2007               | 1,567,650              | 151,100         | 5,586           | 1,724,336              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,519,053              | 109,699         | 5,413           | 93.0%          | 6.7%         | 0.3%         | 1,634,164              | 0          | 0          | 1,634,164              | 1,634,164              | 258,650            |
| 10/18/2007               | 6,689,343              | 20,200          | 8,747           | 6,718,290              | 0       | 3.1%         | 27.4%          | 3.1%         | 6,481,973              | 14,665          | 8,476           | 99.6%          | 0.2%         | 0.1%         | 6,505,114              | 0          | 0          | 6,505,114              | 6,505,114              | 1,007,744          |
| 10/19/2007               | 4,038,101              | 107,000         | 7,060           | 4,152,161              | 0       | 3.1%         | 27.4%          | 3.1%         | 3,912,920              | 77,682          | 6,841           | 97.9%          | 1.9%         | 0.2%         | 3,997,443              | 0          | 0          | 3,997,443              | 3,997,443              | 622,824            |
| 10/22/2007               | 2,173,863              | 9,188           | 5,517           | 2,188,568              | 0       | 3.1%         | 27.4%          | 3.1%         | 2,106,473              | 6,670           | 5,346           | 99.4%          | 0.3%         | 0.3%         | 2,118,490              | 0          | 0          | 2,118,490              | 2,118,490              | 328,285            |
| 10/23/2007               | 2,775,683              | 600             | 12,408          | 2,788,691              | 0       | 3.1%         | 27.4%          | 3.1%         | 2,689,637              | 436             | 12,023          | 99.5%          | 0.0%         | 0.4%         | 2,702,096              | 0          | 0          | 2,702,096              | 2,702,096              | 418,304            |
| 10/24/2007               | 1,606,434              | 750             | 22,357          | 1,629,541              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,556,635              | 545             | 21,664          | 98.6%          | 0.0%         | 1.4%         | 1,578,843              | 0          | 0          | 1,578,843              | 1,578,843              | 244,431            |
| 10/25/2007               | 2,411,844              | 6,700           | 4,191           | 2,422,735              | 0       | 3.1%         | 27.4%          | 3.1%         | 2,337,077              | 4,864           | 4,061           | 99.6%          | 0.2%         | 0.2%         | 2,346,002              | 0          | 0          | 2,346,002              | 2,346,002              | 363,410            |
| 10/26/2007               | 1,019,039              | 101,200         | 4,382           | 1,124,621              | 0       | 3.1%         | 27.4%          | 3.1%         | 987,449                | 73,471          | 4,246           | 92.7%          | 6.9%         | 0.4%         | 1,065,166              | 0          | 0          | 1,065,166              | 1,065,166              | 168,693            |
| 10/29/2007               | 1,183,662              | 146,290         | 14,707          | 1,344,659              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,146,968              | 106,207         | 14,251          | 90.5%          | 8.4%         | 1.1%         | 1,267,426              | 0          | 0          | 1,267,426              | 1,267,426              | 201,699            |
| 10/30/2007<br>10/31/2007 | 1,550,968<br>2,165,685 | 7,050<br>55,093 | 19,549<br>7,422 | 1,577,567<br>2,228,200 | 0       | 3.1%         | 27.4%<br>27.4% | 3.1%<br>3.1% | 1,502,888<br>2,098,549 | 5,118<br>39,998 | 18,943<br>7,192 | 98.4%<br>97.8% | 0.3%<br>1.9% | 1.2%<br>0.3% | 1,526,949<br>2,145,738 | 0          | 0          | 1,526,949<br>2,145,738 | 1,526,949<br>2,145,738 | 236,635<br>334,230 |
| 11/1/2007                | 3,008,124              | 4,500           | 7,688           | 3,020,312              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,923,897              | 3,267           | 7,473           | 99.6%          | 0.1%         | 0.3%         | 2,934,636              | 0          | 0          | 2,934,636              | 2,934,636              | 453,047            |
| 11/2/2007                | 1,360,223              | 91,400          | 2,180           | 1,453,803              | 0       | 2.8%         | 27.4%          | 2.8%         | 1,322,137              | 66,356          | 2,119           | 95.1%          | 4.8%         | 0.2%         | 1,390,612              | 0          | 0          | 1,390,612              | 1,390,612              | 218,070            |
| 11/5/2007                | 2,458,418              | 31,950          | 4,647           | 2,495,015              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,389,582              | 23,196          | 4,517           | 98.9%          | 1.0%         | 0.2%         | 2,417,295              | 0          | 0          | 2,417,295              | 2,417,295              | 374,252            |
| 11/6/2007                | 2,456,578              | 6,700           | 5,422           | 2,468,700              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,387,794              | 4,864           | 5,270           | 99.6%          | 0.2%         | 0.2%         | 2,397,928              | 0          | 0          | 2,397,928              | 2,397,928              | 370,305            |
| 11/7/2007                | 1,434,393              | 23,700          | 3,981           | 1,462,074              | 0       | 2.8%         | 27.4%          | 2.8%         | 1,394,230              | 17,206          | 3,870           | 98.5%          | 1.2%         | 0.3%         | 1,415,306              | 0          | 0          | 1,415,306              | 1,415,306              | 219,311            |
| 11/8/2007                | 1,700,874              | 322             | 6,358           | 1,707,554              | 0       | 2.8%         | 27.4%          | 2.8%         | 1,653,250              | 234             | 6,180           | 99.6%          | 0.0%         | 0.4%         | 1,659,663              | 0          | 0          | 1,659,663              | 1,659,663              | 256,133            |
| 11/9/2007                | 968,658                | 2,000           | 5,208           | 975,866                | 0       | 2.8%         | 27.4%          | 2.8%         | 941,536                | 1,452           | 5,062           | 99.3%          | 0.2%         | 0.5%         | 948,050                | 0          | 0          | 948,050                | 948,050                | 146,380            |
| 11/12/2007               | 2,529,395              | 75,100          | 25,297          | 2,629,792              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,458,572              | 54,523          | 24,589          | 96.9%          | 2.1%         | 1.0%         | 2,537,683              | 0          | 0          | 2,537,683              | 2,537,683              | 394,469            |
| 11/13/2007               | 2,397,276              | 1,100           | 18,511          | 2,416,887              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,330,152              | 799             | 17,993          | 99.2%          | 0.0%         | 0.8%         | 2,348,944              | 0          | 0          | 2,348,944              | 2,348,944              | 362,533            |
| 11/14/2007               | 1,009,978              | 5,600           | 4,023           | 1,019,601              | 0       | 2.8%         | 27.4%          | 2.8%         | 981,699                | 4,066           | 3,910           | 99.2%          | 0.4%         | 0.4%         | 989,675                | 0          | 0          | 989,675                | 989,675                | 152,940            |
| 11/15/2007               | 762,810                | 32,400          | 6,085           | 801,295                | 0       | 2.8%         | 27.4%          | 2.8%         | 741,451                | 23,522          | 5,915           | 96.2%          | 3.1%         | 0.8%         | 770,888                | 0          | 0          | 770,888                | 770,888                | 120,194            |
| 11/16/2007               | 1,730,387              | 2,450           | 3,363           | 1,736,200              | 0       | 2.8%         | 27.4%          | 2.8%         | 1,681,936              | 1,779           | 3,269           | 99.7%          | 0.1%         | 0.2%         | 1,686,984              | 0          | 0          | 1,686,984              | 1,686,984              | 260,430            |
| 11/19/2007               | 2,705,904              | 11,800          | 13,508          | 2,731,212              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,630,139              | 8,567           | 13,130          | 99.2%          | 0.3%         | 0.5%         | 2,651,835              | 0          | 221,000    | 2,651,835              | 2,430,835              | 409,682            |
| 11/20/2007               | 2,138,149              | 2,330           | 6,454           | 2,146,933              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,078,281              | 1,692           | 6,273           | 99.6%          | 0.1%         | 0.3%         | 2,086,246              | 0          | 0          | 2,086,246              | 2,086,246              | 322,040            |
| 11/21/2007               | 2,505,251              | 26,050          | 10,097          | 2,541,398              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,435,104              | 18,912          | 9,814           | 98.8%          | 0.8%         | 0.4%         | 2,463,831              | 0          | 0          | 2,463,831              | 2,463,831              | 381,210            |
| 11/22/2007<br>11/23/2007 | 479,097<br>883,421     | 0<br>1,600      | 6,439<br>1,570  | 485,536<br>886,591     | 0       | 2.8%<br>2.8% | 27.4%<br>27.4% | 2.8%<br>2.8% | 465,682<br>858,685     | 0<br>1,162      | 6,259<br>1,526  | 98.7%<br>99.7% | 0.0%<br>0.1% | 1.3%<br>0.2% | 471,941<br>861,373     | 0          | 5,000      | 471,941<br>861,373     | 471,941<br>856,373     | 72,830<br>132,989  |
| 11/26/2007               | 1,548,586              | 6,800           | 9,096           | 1,564,482              | 0       | 2.8%         | 27.4%          | 2.8%         | 1,505,226              | 4,937           | 8,841           | 99.1%          | 0.1%         | 0.6%         | 1,519,004              | 0          | 5,000      | 1,519,004              | 1,519,004              | 234,672            |
| 11/20/2007               | 1,742,012              | 18,900          | 7,282           | 1,768,194              | 0       | 2.8%         | 27.4%          | 2.8%         | 1,693,236              | 13,721          | 7,078           | 98.8%          | 0.8%         | 0.4%         | 1,714,035              | 0          | 0          | 1,714,035              | 1,714,035              | 265,229            |
| 11/28/2007               | 1,892,748              | 3,100           | 2,505           | 1,898,353              | 0       | 2.8%         | 27.4%          | 2.8%         | 1,839,751              | 2,251           | 2,435           | 99.7%          | 0.1%         | 0.1%         | 1,844,437              | 0          | 20,000     | 1,844,437              | 1,824,437              | 284,753            |
| 11/29/2007               | 1,749,873              | 100             | 2,341           | 1,752,314              | 0       | 2.8%         | 27.4%          | 2.8%         | 1,700,877              | 73              | 2,275           | 99.9%          | 0.0%         | 0.1%         | 1,703,225              | 0          | 20,000     | 1,703,225              | 1,703,225              | 262,847            |
| 11/30/2007               | 4,705,844              | 20,084          | 6,473           | 4,732,401              | 0       | 2.8%         | 27.4%          | 2.8%         | 4,574,080              | 14,581          | 6,292           | 99.5%          | 0.3%         | 0.1%         | 4,594,953              | 0          | 17,500     | 4,594,953              | 4,577,453              | 709,860            |
| 12/3/2007                | 1,021,675              | 2,900           | 4,744           | 1,029,319              | 0       | 2.5%         | 27.4%          | 2.5%         | 996,133                | 2,105           | 4,625           | 99.3%          | 0.2%         | 0.5%         | 1,002,864              | 0          | 0          | 1,002,864              | 1,002,864              | 154,398            |
| 12/4/2007                | 885,950                | 0               | 2,490           | 888,440                | 0       | 2.5%         | 27.4%          | 2.5%         | 863,801                | 0               | 2,428           | 99.7%          | 0.0%         | 0.3%         | 866,229                | 0          | 0          | 866,229                | 866,229                | 133,266            |
| 12/5/2007                | 1,310,064              | 4,800           | 1,155           | 1,316,019              | 0       | 2.5%         | 27.4%          | 2.5%         | 1,277,312              | 3,485           | 1,126           | 99.6%          | 0.3%         | 0.1%         | 1,281,923              | 0          | 0          | 1,281,923              | 1,281,923              | 197,403            |
| 12/6/2007                | 805,733                | 2,900           | 1,975           | 810,608                | 0       | 2.5%         | 27.4%          | 2.5%         | 785,590                | 2,105           | 1,926           | 99.5%          | 0.3%         | 0.2%         | 789,621                | 0          | 0          | 789,621                | 789,621                | 121,591            |
| 12/7/2007                | 698,496                | 6,400           | 370             | 705,266                | 0       | 2.5%         | 27.4%          | 2.5%         | 681,034                | 4,646           | 361             | 99.3%          | 0.7%         | 0.1%         | 686,041                | 0          | 0          | 686,041                | 686,041                | 105,790            |
| 12/10/2007               | 1,313,170              | 37,800          | 4,020           | 1,354,990              | 0       | 2.5%         | 27.4%          | 2.5%         | 1,280,341              | 27,443          | 3,920           | 97.6%          | 2.1%         | 0.3%         | 1,311,703              | 0          | 0          | 1,311,703              | 1,311,703              | 203,249            |
| 12/11/2007               | 1,631,898              | 500             | 6,865           | 1,639,263              | 0       | 2.5%         | 27.4%          | 2.5%         | 1,591,101              | 363             | 6,693           | 99.6%          | 0.0%         | 0.4%         | 1,598,157              | 0          | 0          | 1,598,157              | 1,598,157              | 245,889            |
| 12/12/2007               | 642,900                | 9,100           | 2,815           | 654,815                | 0       | 2.5%         | 27.4%          | 2.5%         | 626,828                | 6,607           | 2,745           | 98.5%          | 1.0%         | 0.4%         | 636,179                | 0          | 0          | 636,179                | 636,179                | 98,222             |
| 12/13/2007               | 772,805                | 1,420           | 2,920           | 777,145                | 0       | 2.5%         | 27.4%          | 2.5%         | 753,485                | 1,031           | 2,847           | 99.5%          | 0.1%         | 0.4%         | 757,363                | 0          | 10,000     | 757,363                | 747,363                | 116,572            |
| 12/14/2007               | 1,146,949              | 1,676           | 545             | 1,149,170              | 0       | 2.5%         | 27.4%          | 2.5%         | 1,118,275              | 1,217           | 531             | 99.8%          | 0.1%         | 0.0%         | 1,120,023              | 0          | 77,000     | 1,120,023              | 1,043,023              | 172,376            |
| 12/17/2007               | 1,739,613              | 1,500           | 2,549           | 1,743,662              | 0       | 2.5%         | 27.4%          | 2.5%         | 1,696,123              | 1,089           | 2,485           | 99.8%          | 0.1%         | 0.1%         | 1,699,697              | 0          | 0          | 1,699,697              | 1,699,697              | 261,549            |
| 12/18/2007               | 1,990,718              | 1,813           | 4,775           | 1,997,306              | 0       | 2.5%         | 27.4%          | 2.5%         | 1,940,950              | 1,316           | 4,656           | 99.7%          | 0.1%         | 0.2%         | 1,946,922              | 0          | 0          | 1,946,922              | 1,946,922              | 299,596            |
| 12/19/2007               | 1,183,859              | 6,620           | 16,270          | 1,206,749              | 0       | 2.5%         | 27.4%          | 2.5%         | 1,154,263              | 4,806           | 15,863          | 98.2%          | 0.4%         | 1.4%         | 1,174,932              | 0          | 0          | 1,174,932              | 1,174,932              | 181,012            |
| 12/20/2007               | 1,123,120              | 0               | 410             | 1,123,530              | 0       | 2.5%         | 27.4%          | 2.5%         | 1,095,042              | 0               | 400             | 100.0%         | 0.0%         | 0.0%         | 1,095,442              | 0          | 0          | 1,095,442              | 1,095,442              | 168,530            |
| 12/21/2007               | 917,884                | 8,000           | 1,520           | 927,404                | 0       | 2.5%         | 27.4%          | 2.5%         | 894,937                | 5,808           | 1,482           | 99.2%          | 0.6%         | 0.2%         | 902,227                | 0          | 0          | 902,227                | 902,227                | 139,111            |
| 12/24/2007               | 232,483                | 1,942           | 2 200           | 234,425                | 0       | 2.5%         | 27.4%          | 2.5%         | 226,671                | 1,410           | 2 927           | 99.4%          | 0.6%         | 0.0%         | 228,081                | 0          | 0          | 228,081                | 228,081                | 35,164             |
| 12/27/2007               | 646,664                | 50,400          | 2,899           | 699,963                | 0       | 2.5%         | 27.4%          | 2.5%         | 630,497                | 36,590          | 2,827           | 94.1%          | 5.5%         | 0.4%         | 669,914                | 0          | 0          | 669,914                | 669,914                | 104,994            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                      | Reported        | Volume       |                      | Shares  | Spec         | ialist Adj     | ustment      |                      |                | Specialis      | t-Adjusted      | Volume       |              |                      | Insider Tr | ansactions | Investor '           | Volume               | Intra-Day          |
|------------------------|----------------------|-----------------|--------------|----------------------|---------|--------------|----------------|--------------|----------------------|----------------|----------------|-----------------|--------------|--------------|----------------------|------------|------------|----------------------|----------------------|--------------------|
| Date                   | Canada               | U.S.            | Germany      | Total                | Offered | Canada       |                | Germany      | Canada               | U.S.           |                | Canada %        |              | Germany %    | Total                | Purchases  | Sales      | Purchases            | Sales                | Volume             |
| [1]                    | [2]                  | [3]             | [4]          | [5]                  | [6]     | [7]          | [8]            | [9]          | [10]                 | [11]           | [12]           | [13]            | [14]         | [15]         | [16]                 | [17]       | [18]       | [19]                 | [20]                 | [21]               |
| 12/28/2007             | 1,203,141            | 45,750          | 205          | 1,249,096            | 0       | 2.5%         | 27.4%          | 2.5%         | 1,173,062            | 33,215         | 200            | 97.2%           | 2.8%         | 0.0%         | 1,206,477            | 0          | 0          | 1,206,477            | 1,206,477            | 187,364            |
| 12/31/2007             | 582,114              | 4,690           | 0            | 586,804              | 0       | 2.5%         | 27.4%          | 2.5%         | 567,561              | 3,405          | 0              | 99.4%           | 0.6%         | 0.0%         | 570,966              | 0          | 0          | 570,966              | 570,966              | 88,021             |
| 1/2/2008               | 1,378,331            | 24,156          | 1,970        | 1,404,457            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,342,494            | 17,537         | 1,919          | 98.6%           | 1.3%         | 0.1%         | 1,361,950            | 0          | 0          | 1,361,950            | 1,361,950            | 210,669            |
| 1/3/2008               | 1,395,886            | 3,144           | 592          | 1,399,622            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,359,593            | 2,283          | 577            | 99.8%           | 0.2%         | 0.0%         | 1,362,452            | 0          | 0          | 1,362,452            | 1,362,452            | 209,943            |
| 1/4/2008               | 519,516              | 3,700<br>49,120 | 400<br>1,877 | 523,616              | 0       | 2.6%         | 27.4%<br>27.4% | 2.6%<br>2.6% | 506,009              | 2,686          | 390            | 99.4%<br>94.2%  | 0.5%<br>5.5% | 0.1%<br>0.3% | 509,084              | 0          | 0          | 509,084              | 509,084              | 78,542             |
| 1/7/2008<br>1/8/2008   | 630,199<br>844,339   | 49,120          | 2,195        | 681,196<br>846,934   | 0       | 2.6%         | 27.4%          | 2.6%         | 613,814<br>822,386   | 35,661<br>290  | 1,828<br>2,138 | 94.2%           | 0.0%         | 0.3%         | 651,303<br>824,815   | 0          | 0          | 651,303<br>824,815   | 651,303<br>824,815   | 102,179<br>127,040 |
| 1/9/2008               | 2,382,017            | 13,700          | 1,235        | 2,396,952            | 0       | 2.6%         | 27.4%          | 2.6%         | 2,320,085            | 9,946          | 1,203          | 99.5%           | 0.4%         | 0.1%         | 2,331,234            | 0          | 0          | 2,331,234            | 2,331,234            | 359,543            |
| 1/10/2008              | 587,719              | 6,400           | 2,960        | 597,079              | 0       | 2.6%         | 27.4%          | 2.6%         | 572,438              | 4,646          | 2,883          | 98.7%           | 0.8%         | 0.5%         | 579,968              | 0          | 0          | 579,968              | 579,968              | 89,562             |
| 1/11/2008              | 564,007              | 2,500           | 2,255        | 568,762              | 0       | 2.6%         | 27.4%          | 2.6%         | 549,343              | 1,815          | 2,196          | 99.3%           | 0.3%         | 0.4%         | 553,354              | 0          | 0          | 553,354              | 553,354              | 85,314             |
| 1/14/2008              | 1,352,813            | 217,900         | 855          | 1,571,568            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,317,640            | 158,195        | 833            | 89.2%           | 10.7%        | 0.1%         | 1,476,668            | 0          | 0          | 1,476,668            | 1,476,668            | 235,735            |
| 1/15/2008              | 1,223,308            | 27,600          | 2,808        | 1,253,716            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,191,502            | 20,038         | 2,735          | 98.1%           | 1.7%         | 0.2%         | 1,214,275            | 0          | 0          | 1,214,275            | 1,214,275            | 188,057            |
| 1/16/2008              | 1,438,365            | 37,000          | 9,439        | 1,484,804            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,400,968            | 26,862         | 9,194          | 97.5%           | 1.9%         | 0.6%         | 1,437,023            | 0          | 0          | 1,437,023            | 1,437,023            | 222,721            |
| 1/17/2008              | 888,385              | 20,635          | 3,055        | 912,075              | 0       | 2.6%         | 27.4%          | 2.6%         | 865,287              | 14,981         | 2,976          | 98.0%           | 1.7%         | 0.3%         | 883,244              | 0          | 0          | 883,244              | 883,244              | 136,811            |
| 1/18/2008              | 1,025,437            | 13,200          | 3,365        | 1,042,002            | 0       | 2.6%         | 27.4%          | 2.6%         | 998,776              | 9,583          | 3,278          | 98.7%           | 0.9%         | 0.3%         | 1,011,636            | 0          | 0          | 1,011,636            | 1,011,636            | 156,300            |
| 1/21/2008              | 593,822              | 0               | 33,476       | 627,298              | 0       | 2.6%         | 27.4%          | 2.6%         | 578,383              | 0              | 32,606         | 94.7%           | 0.0%         | 5.3%         | 610,988              | 0          | 0          | 610,988              | 610,988              | 94,095             |
| 1/22/2008              | 2,827,529            | 27,490          | 21,690       | 2,876,709            | 0       | 2.6%         | 27.4%          | 2.6%         | 2,754,013            | 19,958         | 21,126         | 98.5%           | 0.7%         | 0.8%         | 2,795,097            | 0          | 0          | 2,795,097            | 2,795,097            | 431,506            |
| 1/23/2008              | 1,010,280            | 7,283           | 4,887        | 1,022,450            | 0       | 2.6%         | 27.4%          | 2.6%         | 984,013              | 5,287          | 4,760          | 99.0%           | 0.5%         | 0.5%         | 994,060              | 0          | 0          | 994,060              | 994,060              | 153,368            |
| 1/24/2008              | 587,952              | 800             | 5,140        | 593,892              | 0       | 2.6%         | 27.4%          | 2.6%         | 572,665              | 581            | 5,006          | 99.0%           | 0.1%         | 0.9%         | 578,252              | 0          | 0          | 578,252              | 578,252              | 89,084             |
| 1/25/2008              | 506,321              | 1,500           | 3,895        | 511,716              | 0       | 2.6%         | 27.4%          | 2.6%         | 493,157              | 1,089          | 3,794          | 99.0%           | 0.2%         | 0.8%         | 498,039              | 0          | 0          | 498,039              | 498,039              | 76,757             |
| 1/28/2008              | 675,000              | 2,200           | 1,581        | 678,781              | 0       | 2.6%         | 27.4%          | 2.6%         | 657,450              | 1,597          | 1,540          | 99.5%           | 0.2%         | 0.2%         | 660,587              | 0          | 0          | 660,587              | 660,587              | 101,817            |
| 1/29/2008              | 1,073,173            | 1,600           | 400          | 1,075,173            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,045,271            | 1,162          | 390            | 99.9%           | 0.1%         | 0.0%         | 1,046,822            | 0          | 0          | 1,046,822            | 1,046,822            | 161,276            |
| 1/30/2008<br>1/31/2008 | 1,768,418<br>915,198 | 3,200<br>3,200  | 0<br>1,525   | 1,771,618<br>919,923 | 0       | 2.6%<br>2.6% | 27.4%<br>27.4% | 2.6%<br>2.6% | 1,722,439<br>891,403 | 2,323<br>2,323 | 0<br>1,485     | 99.9%<br>99.6%  | 0.1%<br>0.3% | 0.0%<br>0.2% | 1,724,762<br>895,211 | 0          | 0          | 1,724,762<br>895,211 | 1,724,762<br>895,211 | 265,743<br>137,988 |
| 2/1/2008               | 4,241,986            | 1,400           | 1,970        | 4,245,356            | 0       | 2.6%         | 27.4%          | 2.6%         | 4,131,694            | 1,016          | 1,919          | 99.9%           | 0.0%         | 0.2%         | 4,134,630            | 0          | 0          | 4,134,630            | 4,134,630            | 636,803            |
| 2/4/2008               | 960,820              | 10,685          | 5,755        | 977,260              | 0       | 2.6%         | 27.4%          | 2.6%         | 935,839              | 7,757          | 5,605          | 98.6%           | 0.8%         | 0.6%         | 949,201              | 0          | 0          | 949,201              | 949,201              | 146,589            |
| 2/5/2008               | 1,405,151            | 12,250          | 1,650        | 1,419,051            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,368,617            | 8,894          | 1,607          | 99.2%           | 0.6%         | 0.1%         | 1,379,118            | 0          | 0          | 1,379,118            | 1,379,118            | 212,858            |
| 2/6/2008               | 527,936              | 4,000           | 1,679        | 533,615              | 0       | 2.6%         | 27.4%          | 2.6%         | 514,210              | 2,904          | 1,635          | 99.1%           | 0.6%         | 0.3%         | 518,749              | 0          | 0          | 518,749              | 518,749              | 80,042             |
| 2/7/2008               | 619,193              | 56,400          | 350          | 675,943              | 0       | 2.6%         | 27.4%          | 2.6%         | 603,094              | 40,946         | 341            | 93.6%           | 6.4%         | 0.1%         | 644,381              | 0          | 0          | 644,381              | 644,381              | 101,391            |
| 2/8/2008               | 333,339              | 1,000           | 1,775        | 336,114              | 0       | 2.6%         | 27.4%          | 2.6%         | 324,672              | 726            | 1,729          | 99.2%           | 0.2%         | 0.5%         | 327,127              | 0          | 0          | 327,127              | 327,127              | 50,417             |
| 2/11/2008              | 411,435              | 11,800          | 1,660        | 424,895              | 0       | 2.6%         | 27.4%          | 2.6%         | 400,738              | 8,567          | 1,617          | 97.5%           | 2.1%         | 0.4%         | 410,921              | 0          | 0          | 410,921              | 410,921              | 63,734             |
| 2/12/2008              | 1,154,120            | 0               | 4,300        | 1,158,420            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,124,113            | 0              | 4,188          | 99.6%           | 0.0%         | 0.4%         | 1,128,301            | 0          | 0          | 1,128,301            | 1,128,301            | 173,763            |
| 2/13/2008              | 740,328              | 0               | 1,275        | 741,603              | 0       | 2.6%         | 27.4%          | 2.6%         | 721,079              | 0              | 1,242          | 99.8%           | 0.0%         | 0.2%         | 722,321              | 0          | 0          | 722,321              | 722,321              | 111,240            |
| 2/14/2008              | 1,106,931            | 38,345          | 500          | 1,145,776            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,078,151            | 27,838         | 487            | 97.4%           | 2.5%         | 0.0%         | 1,106,476            | 0          | 0          | 1,106,476            | 1,106,476            | 171,866            |
| 2/15/2008              | 463,816              | 29,500          | 868          | 494,184              | 0       | 2.6%         | 27.4%          | 2.6%         | 451,757              | 21,417         | 845            | 95.3%           | 4.5%         | 0.2%         | 474,019              | 0          | 0          | 474,019              | 474,019              | 74,128             |
| 2/18/2008              | 0                    | 0               | 552          | 552                  | 0       | 2.6%         | 27.4%          | 2.6%         | 0                    | 0              | 538            | 0.0%            | 0.0%         | 100.0%       | 538                  | 0          | 0          | 538                  | 538                  | 83                 |
| 2/19/2008              | 571,789              | 11,000          | 3,215        | 586,004              | 0       | 2.6%         | 27.4%          | 2.6%         | 556,922              | 7,986          | 3,131          | 98.0%           | 1.4%         | 0.6%         | 568,040              | 0          | 0          | 568,040              | 568,040              | 87,901             |
| 2/20/2008              | 722,284              | 3,700           | 2,000        | 727,984              | 0       | 2.6%         | 27.4%          | 2.6%         | 703,505              | 2,686          | 1,948          | 99.3%           | 0.4%         | 0.3%         | 708,139              | 0          | 0          | 708,139              | 708,139              | 109,198            |
| 2/21/2008              | 574,316              | 1,760           | 3,600        | 579,676              | 0       | 2.6%         | 27.4%          | 2.6%         | 559,384              | 1,278          | 3,506          | 99.2%           | 0.2%         | 0.6%         | 564,168              | 0          | 0          | 564,168              | 564,168              | 86,951             |
| 2/22/2008<br>2/25/2008 | 1,063,397<br>429,244 | 4,500<br>9,250  | 175<br>325   | 1,068,072<br>438,819 | 0       | 2.6%<br>2.6% | 27.4%<br>27.4% | 2.6%<br>2.6% | 1,035,749            | 3,267<br>6,716 | 170<br>317     | 99.7%<br>98.3%  | 0.3%<br>1.6% | 0.0%<br>0.1% | 1,039,186<br>425,116 | 0          | 0          | 1,039,186<br>425,116 | 1,039,186<br>425,116 | 160,211<br>65,823  |
| 2/25/2008              | 558,207              | 23,000          | 323<br>475   | 581,682              | 0       | 2.6%         | 27.4%          | 2.6%         | 418,084<br>543,694   | 16,698         | 463            | 96.9%           | 3.0%         | 0.1%         | 560,854              | 0          | 0          | 560,854              | 560,854              | 87,252             |
| 2/27/2008              | 351,624              | 800             | 260          | 352,684              | 0       | 2.6%         | 27.4%          | 2.6%         | 342,482              | 581            | 253            | 99.8%           | 0.2%         | 0.1%         | 343,316              | 0          | 0          | 343,316              | 343,316              | 52,903             |
| 2/28/2008              | 277,886              | 12,650          | 0            | 290,536              | 0       | 2.6%         | 27.4%          | 2.6%         | 270,661              | 9,184          | 0              | 96.7%           | 3.3%         | 0.0%         | 279,845              | 0          | 0          | 279,845              | 279,845              | 43,580             |
| 2/29/2008              | 409,839              | 15,240          | 500          | 425,579              | 0       | 2.6%         | 27.4%          | 2.6%         | 399,183              | 11,064         | 487            | 97.2%           | 2.7%         | 0.1%         | 410,734              | 0          | 0          | 410,734              | 410,734              | 63,837             |
| 3/3/2008               | 1,790,468            | 1,500           | 1,600        | 1,793,568            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,743,916            | 1,089          | 1,558          | 99.8%           | 0.1%         | 0.1%         | 1,746,563            | 0          | 0          | 1,746,563            | 1,746,563            | 269,035            |
| 3/4/2008               | 1,031,041            | 14,800          | 775          | 1,046,616            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,004,234            | 10,745         | 755            | 98.9%           | 1.1%         | 0.1%         | 1,015,734            | 0          | 0          | 1,015,734            | 1,015,734            | 156,992            |
| 3/5/2008               | 1,505,733            | 1,600           | 1,320        | 1,508,653            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,466,584            | 1,162          | 1,286          | 99.8%           | 0.1%         | 0.1%         | 1,469,031            | 0          | 0          | 1,469,031            | 1,469,031            | 226,298            |
| 3/6/2008               | 1,029,339            | 3,800           | 1,090        | 1,034,229            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,002,576            | 2,759          | 1,062          | 99.6%           | 0.3%         | 0.1%         | 1,006,397            | 0          | 0          | 1,006,397            | 1,006,397            | 155,134            |
| 3/7/2008               | 1,551,609            | 3,112           | 2,047        | 1,556,768            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,511,267            | 2,259          | 1,994          | 99.7%           | 0.1%         | 0.1%         | 1,515,520            | 0          | 0          | 1,515,520            | 1,515,520            | 233,515            |
| 3/10/2008              | 1,050,933            | 7,100           | 3,551        | 1,061,584            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,023,609            | 5,155          | 3,459          | 99.2%           | 0.5%         | 0.3%         | 1,032,222            | 0          | 0          | 1,032,222            | 1,032,222            | 159,238            |
| 3/11/2008              | 722,458              | 600             | 180          | 723,238              | 0       | 2.6%         | 27.4%          | 2.6%         | 703,674              | 436            | 175            | 99.9%           | 0.1%         | 0.0%         | 704,285              | 0          | 0          | 704,285              | 704,285              | 108,486            |
| 3/12/2008              | 457,411              | 550             | 980          | 458,941              | 0       | 2.6%         | 27.4%          | 2.6%         | 445,518              | 399            | 955            | 99.7%           | 0.1%         | 0.2%         | 446,872              | 0          | 0          | 446,872              | 446,872              | 68,841             |
| 3/13/2008              | 1,301,300            | 8,400           | 360          | 1,310,060            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,267,466            | 6,098          | 351            | 99.5%           | 0.5%         | 0.0%         | 1,273,915            | 0          | 0          | 1,273,915            | 1,273,915            | 196,509            |
| 3/14/2008              | 912,668              | 0               | 100          | 912,768              | 0       | 2.6%         | 27.4%          | 2.6%         | 888,939              | 0              | 97             | 100.0%          | 0.0%         | 0.0%         | 889,036              | 0          | 0          | 889,036              | 889,036              | 136,915            |
| 3/17/2008              | 711,970              | 500             | 10,339       | 722,809              | 0       | 2.6%         | 27.4%          | 2.6%         | 693,459              | 363            | 10,070         | 98.5%           | 0.1%         | 1.4%         | 703,892              | 0          | 0          | 703,892              | 703,892              | 108,421            |
| 3/18/2008              | 2,097,833            | 3,700           | 6,600        | 2,108,133            | 0       | 2.6%         | 27.4%          | 2.6%         | 2,043,289            | 2,686          | 6,428          | 99.6%           | 0.1%         | 0.3%         | 2,052,404            | 0          | 0          | 2,052,404            | 2,052,404            | 316,220            |
| 3/19/2008              | 8,278,645            | 4,350<br>7,600  | 810<br>6.467 | 8,283,805            | 0       | 2.6%<br>2.6% | 27.4%<br>27.4% | 2.6%         | 8,063,400            | 3,158<br>5,518 | 789<br>6 200   | 100.0%          | 0.0%<br>0.5% | 0.0%         | 8,067,347            | 0          | 0          | 8,067,347            | 8,067,347            | 1,242,571          |
| 3/20/2008<br>3/24/2008 | 1,185,542            | 7,600<br>0      | 6,467<br>0   | 1,199,609<br>810,095 | 0       |              | 27.4%          | 2.6%<br>2.6% | 1,154,718            | 5,518<br>0     | 6,299<br>0     | 99.0%<br>100.0% | 0.5%         | 0.5%<br>0.0% | 1,166,534            | 0          | 0          | 1,166,534<br>789,033 | 1,166,534<br>789,033 | 179,941<br>121,514 |
| 3/24/2008              | 810,095<br>1,264,928 | 1,100           | 4,205        | 1,270,233            | 0       | 2.6%<br>2.6% | 27.4%          | 2.6%         | 789,033<br>1,232,040 | 799            | 4,096          | 99.6%           | 0.0%         | 0.0%         | 789,033<br>1,236,934 | 0          | 0          | 1,236,934            | 1,236,934            | 121,514            |
| 3/25/2008              | 604,772              | 6,000           | 5,310        | 616,082              | 0       | 2.6%         | 27.4%          | 2.6%         | 589,048              | 4,356          | 5,172          | 98.4%           | 0.1%         | 0.5%         | 598,576              | 0          | 0          | 598,576              | 598,576              | 92,412             |
| 3/20/2008              | 1,140,738            | 300             | 700          | 1,141,738            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,111,079            | 218            | 682            | 99.9%           | 0.7%         | 0.5%         | 1,111,978            | 0          | 0          | 1,111,978            | 1,111,978            | 171,261            |
| 3/28/2008              | 585,211              | 1,200           | 1,210        | 587,621              | 0       | 2.6%         | 27.4%          | 2.6%         | 569,996              | 871            | 1,179          | 99.6%           | 0.2%         | 0.1%         | 572,045              | 0          | 0          | 572,045              | 572,045              | 88,143             |
| 3/31/2008              | 1,072,100            | 575             | 0            | 1,072,675            | 0       | 2.6%         | 27.4%          | 2.6%         | 1,044,225            | 417            | 0              | 100.0%          | 0.0%         | 0.0%         | 1,044,643            | 0          | 0          | 1,044,643            | 1,044,643            | 160,901            |
|                        |                      | 0               | 1,294        | 1,221,491            | 0       | 2.8%         | 27.4%          | 2.8%         | 1,186,031            | 0              | 1,258          | 99.9%           | 0.0%         | 0.1%         | 1,187,289            | 0          | 0          | 1,187,289            | 1,187,289            | 183,224            |
| 4/1/2008               | 1,220,197            |                 |              |                      |         |              |                |              |                      |                |                |                 |              |              |                      |            |            | 1,107,207            |                      |                    |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                        | Reported       | Volume         |                        | Shares  | Snec         | ialist Adj     | ustment      |                        |              | Specialis      | st-Adjusted     | Volume       |              |                        | Insider Tr | ansactions | Investor '             | Volume                 | Intra-Day          |
|------------------------|------------------------|----------------|----------------|------------------------|---------|--------------|----------------|--------------|------------------------|--------------|----------------|-----------------|--------------|--------------|------------------------|------------|------------|------------------------|------------------------|--------------------|
| Date                   | Canada                 | U.S.           | Germany        | Total                  | Offered | Canada       |                | Germany      | Canada                 | U.S.         | Germany        | Canada %        |              | Germany %    | Total                  | Purchases  | Sales      | Purchases              | Sales                  | Volume             |
| [1]                    | [2]                    | [3]            | [4]            | [5]                    | [6]     | [7]          | [8]            | [9]          | [10]                   | [11]         | [12]           | [13]            | [14]         | [15]         | [16]                   | [17]       | [18]       | [19]                   | [20]                   | [21]               |
| 4/3/2008               | 2,484,136              | 4,000          | 1,500          | 2,489,636              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,414,580              | 2,904        | 1,458          | 99.8%           | 0.1%         | 0.1%         | 2,418,942              | 0          | 0          | 2,418,942              | 2,418,942              | 373,445            |
| 4/4/2008               | 500,928                | 1,200          | 9,790          | 511,918                | 0       | 2.8%         | 27.4%          | 2.8%         | 486,902                | 871          | 9,516          | 97.9%           | 0.2%         | 1.9%         | 497,289                | 0          | 0          | 497,289                | 497,289                | 76,788             |
| 4/7/2008               | 444,404                | 700            | 473            | 445,577                | 0       | 2.8%         | 27.4%          | 2.8%         | 431,961                | 508          | 460            | 99.8%           | 0.1%         | 0.1%         | 432,929                | 0          | 0          | 432,929                | 432,929                | 66,837             |
| 4/8/2008<br>4/9/2008   | 1,192,416              | 700<br>0       | 1,370<br>1,550 | 1,194,486              | 0       | 2.8%<br>2.8% | 27.4%<br>27.4% | 2.8%<br>2.8% | 1,159,028<br>5,540,128 | 508<br>0     | 1,332<br>1,507 | 99.8%<br>100.0% | 0.0%<br>0.0% | 0.1%<br>0.0% | 1,160,868              | 0          | 0          | 1,160,868<br>5,541,634 | 1,160,868<br>5,541,634 | 179,173<br>855,191 |
| 4/10/2008              | 5,699,720<br>353,596   | 0              | 1,147          | 5,701,270<br>354,743   | 0       | 2.8%         | 27.4%          | 2.8%         | 343,695                | 0            | 1,115          | 99.7%           | 0.0%         | 0.3%         | 5,541,634<br>344,810   | 0          | 0          | 344,810                | 344,810                | 53,211             |
| 4/11/2008              | 611,191                | 1,300          | 10,525         | 623,016                | 0       | 2.8%         | 27.4%          | 2.8%         | 594,078                | 944          | 10,230         | 98.2%           | 0.2%         | 1.7%         | 605,252                | 0          | 0          | 605,252                | 605,252                | 93,452             |
| 4/14/2008              | 712,388                | 4,650          | 424            | 717,462                | 0       | 2.8%         | 27.4%          | 2.8%         | 692,441                | 3,376        | 412            | 99.5%           | 0.5%         | 0.1%         | 696,229                | 0          | 0          | 696,229                | 696,229                | 107,619            |
| 4/15/2008              | 191,676                | 1,000          | 0              | 192,676                | 0       | 2.8%         | 27.4%          | 2.8%         | 186,309                | 726          | 0              | 99.6%           | 0.4%         | 0.0%         | 187,035                | 0          | 0          | 187,035                | 187,035                | 28,901             |
| 4/16/2008              | 409,259                | 13,600         | 2,292          | 425,151                | 0       | 2.8%         | 27.4%          | 2.8%         | 397,800                | 9,874        | 2,228          | 97.0%           | 2.4%         | 0.5%         | 409,901                | 0          | 0          | 409,901                | 409,901                | 63,773             |
| 4/17/2008              | 2,107,835              | 3,100          | 520            | 2,111,455              | 0       | 2.8%         | 27.4%          | 2.8%         | 2,048,816              | 2,251        | 505            | 99.9%           | 0.1%         | 0.0%         | 2,051,572              | 0          | 0          | 2,051,572              | 2,051,572              | 316,718            |
| 4/18/2008              | 560,357                | 740            | 13,135         | 574,232                | 0       | 2.8%         | 27.4%          | 2.8%         | 544,667                | 537          | 12,767         | 97.6%           | 0.1%         | 2.3%         | 557,971                | 0          | 0          | 557,971                | 557,971                | 86,135             |
| 4/21/2008              | 574,701                | 1,300          | 7,535          | 583,536                | 0       | 2.8%         | 27.4%          | 2.8%         | 558,609                | 944          | 7,324          | 98.5%           | 0.2%         | 1.3%         | 566,877                | 0          | 0          | 566,877                | 566,877                | 87,530             |
| 4/22/2008              | 182,005                | 5,350          | 1,225          | 188,580                | 0       | 2.8%         | 27.4%          | 2.8%         | 176,909                | 3,884        | 1,191          | 97.2%           | 2.1%         | 0.7%         | 181,984                | 0          | 0          | 181,984                | 181,984                | 28,287             |
| 4/23/2008              | 366,443                | 4,100          | 2,300          | 372,843                | 0       | 2.8%         | 27.4%          | 2.8%         | 356,183                | 2,977        | 2,236          | 98.6%           | 0.8%         | 0.6%         | 361,395                | 0          | 0          | 361,395                | 361,395                | 55,926             |
| 4/24/2008              | 1,105,330              | 2,500          | 280            | 1,108,110              | 0       | 2.8%         | 27.4%          | 2.8%         | 1,074,381              | 1,815        | 272            | 99.8%           | 0.2%         | 0.0%         | 1,076,468              | 0          | 0          | 1,076,468              | 1,076,468              | 166,217            |
| 4/25/2008              | 737,885                | 100            | 5,890          | 743,875                | 0       | 2.8%         | 27.4%          | 2.8%         | 717,224                | 73           | 5,725          | 99.2%           | 0.0%         | 0.8%         | 723,022                | 0          | 0          | 723,022                | 723,022                | 111,581            |
| 4/28/2008              | 673,503<br>875,001     | 1,250<br>2,300 | 4,250<br>849   | 679,003<br>878 240     | 0       | 2.8%<br>2.8% | 27.4%<br>27.4% | 2.8%<br>2.8% | 654,645<br>850,588     | 908          | 4,131<br>825   | 99.2%<br>99.7%  | 0.1%<br>0.2% | 0.6%<br>0.1% | 659,683<br>853,083     | 0          | 0          | 659,683<br>853,083     | 659,683<br>853,083     | 101,850            |
| 4/29/2008<br>4/30/2008 | 875,091<br>1,002,811   | 2,300          | 1,590          | 878,240<br>1,004,601   | 0       | 2.8%         | 27.4%          | 2.8%         | 850,588<br>974,732     | 1,670<br>145 | 1,545          | 99.7%<br>99.8%  | 0.2%         | 0.1%         | 853,083<br>976,423     | 0          | 0          | 976,423                | 976,423                | 131,736<br>150,690 |
| 5/1/2008               | 891,006                | 700            | 1,590          | 891,706                | 0       | 3.1%         | 27.4%          | 3.1%         | 863,385                | 508          | 1,545          | 99.9%           | 0.0%         | 0.2%         | 863,893                | 0          | 0          | 863,893                | 863,893                | 133,756            |
| 5/2/2008               | 500,069                | 1,500          | 1,568          | 503,137                | 0       | 3.1%         | 27.4%          | 3.1%         | 484,567                | 1,089        | 1,519          | 99.5%           | 0.2%         | 0.3%         | 487,175                | 0          | 0          | 487,175                | 487,175                | 75,471             |
| 5/5/2008               | 549,802                | 3,850          | 1,810          | 555,462                | 0       | 3.1%         | 27.4%          | 3.1%         | 532,758                | 2,795        | 1,754          | 99.2%           | 0.5%         | 0.3%         | 537,307                | 0          | 0          | 537,307                | 537,307                | 83,319             |
| 5/6/2008               | 631,357                | 625            | 75             | 632,057                | 0       | 3.1%         | 27.4%          | 3.1%         | 611,785                | 454          | 73             | 99.9%           | 0.1%         | 0.0%         | 612,311                | 0          | 0          | 612,311                | 612,311                | 94,809             |
| 5/7/2008               | 1,059,323              | 500            | 1,837          | 1,061,660              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,026,484              | 363          | 1,780          | 99.8%           | 0.0%         | 0.2%         | 1,028,627              | 0          | 0          | 1,028,627              | 1,028,627              | 159,249            |
| 5/8/2008               | 837,990                | 200            | 1,865          | 840,055                | 0       | 3.1%         | 27.4%          | 3.1%         | 812,012                | 145          | 1,807          | 99.8%           | 0.0%         | 0.2%         | 813,965                | 0          | 0          | 813,965                | 813,965                | 126,008            |
| 5/9/2008               | 393,896                | 2,900          | 2,740          | 399,536                | 0       | 3.1%         | 27.4%          | 3.1%         | 381,685                | 2,105        | 2,655          | 98.8%           | 0.5%         | 0.7%         | 386,446                | 0          | 0          | 386,446                | 386,446                | 59,930             |
| 5/12/2008              | 708,377                | 4,000          | 0              | 712,377                | 0       | 3.1%         | 27.4%          | 3.1%         | 686,417                | 2,904        | 0              | 99.6%           | 0.4%         | 0.0%         | 689,321                | 0          | 0          | 689,321                | 689,321                | 106,857            |
| 5/13/2008              | 1,971,334              | 2,350          | 400            | 1,974,084              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,910,223              | 1,706        | 388            | 99.9%           | 0.1%         | 0.0%         | 1,912,316              | 0          | 0          | 1,912,316              | 1,912,316              | 296,113            |
| 5/14/2008              | 658,648                | 7,087          | 1,050          | 666,785                | 0       | 3.1%         | 27.4%          | 3.1%         | 638,230                | 5,145        | 1,017          | 99.0%           | 0.8%         | 0.2%         | 644,393                | 0          | 0          | 644,393                | 644,393                | 100,018            |
| 5/15/2008              | 1,588,168              | 22,300         | 4,400          | 1,614,868              | 0       | 3.1%         | 27.4%<br>27.4% | 3.1%         | 1,538,935              | 16,190       | 4,264<br>2,235 | 98.7%<br>98.9%  | 1.0%<br>0.7% | 0.3%<br>0.3% | 1,559,388              | 0          | 0          | 1,559,388              | 1,559,388              | 242,230            |
| 5/16/2008<br>5/19/2008 | 662,317<br>0           | 6,600<br>0     | 2,306<br>840   | 671,223<br>840         | 0       | 3.1%         | 27.4%          | 3.1%<br>3.1% | 641,785<br>0           | 4,792<br>0   | 814            | 0.0%            | 0.7%         | 100.0%       | 648,811<br>814         | 0          | 0          | 648,811<br>814         | 648,811<br>814         | 100,683<br>126     |
| 5/20/2008              | 5,641,564              | 4,225          | 1,297          | 5,647,086              | 0       | 3.1%         | 27.4%          | 3.1%         | 5,466,676              | 3,067        | 1,257          | 99.9%           | 0.1%         | 0.0%         | 5,471,000              | 0          | 5,000,000  | 5,471,000              | 471,000                | 847,063            |
| 5/21/2008              | 358,132                | 4,388          | 1,583          | 364,103                | 0       | 3.1%         | 27.4%          | 3.1%         | 347,030                | 3,186        | 1,534          | 98.7%           | 0.9%         | 0.4%         | 351,750                | 0          | 0          | 351,750                | 351,750                | 54,615             |
| 5/22/2008              | 557,468                | 407            | 1,400          | 559,275                | 0       | 3.1%         | 27.4%          | 3.1%         | 540,186                | 295          | 1,357          | 99.7%           | 0.1%         | 0.3%         | 541,839                | 0          | 0          | 541,839                | 541,839                | 83,891             |
| 5/23/2008              | 566,330                | 1,224          | 500            | 568,054                | 0       | 3.1%         | 27.4%          | 3.1%         | 548,774                | 889          | 485            | 99.8%           | 0.2%         | 0.1%         | 550,147                | 0          | 0          | 550,147                | 550,147                | 85,208             |
| 5/26/2008              | 91,617                 | 0              | 598            | 92,215                 | 0       | 3.1%         | 27.4%          | 3.1%         | 88,777                 | 0            | 579            | 99.4%           | 0.0%         | 0.6%         | 89,356                 | 0          | 0          | 89,356                 | 89,356                 | 13,832             |
| 5/27/2008              | 1,218,775              | 1,950          | 662            | 1,221,387              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,180,993              | 1,416        | 641            | 99.8%           | 0.1%         | 0.1%         | 1,183,050              | 0          | 0          | 1,183,050              | 1,183,050              | 183,208            |
| 5/28/2008              | 939,734                | 5,689          | 2,549          | 947,972                | 0       | 3.1%         | 27.4%          | 3.1%         | 910,602                | 4,130        | 2,470          | 99.3%           | 0.5%         | 0.3%         | 917,202                | 0          | 0          | 917,202                | 917,202                | 142,196            |
| 5/29/2008              | 1,309,322              | 250            | 1,055          | 1,310,627              | 0       | 3.1%         | 27.4%          | 3.1%         | 1,268,733              | 182          | 1,022          | 99.9%           | 0.0%         | 0.1%         | 1,269,937              | 0          | 0          | 1,269,937              | 1,269,937              | 196,594            |
| 5/30/2008              | 2,434,277              | 8,469          | 440            | 2,443,186              | 0       | 3.1%         | 27.4%          | 3.1%         | 2,358,814              | 6,148        | 426            | 99.7%           | 0.3%         | 0.0%         | 2,365,389              | 0          | 0          | 2,365,389              | 2,365,389              | 366,478            |
| 6/2/2008               | 2,097,855              | 750            | 2,761          | 2,101,366              | 0       | 2.9%         | 27.4%          | 2.9%         | 2,037,017              | 545          | 2,681          | 99.8%           | 0.0%         | 0.1%         | 2,040,243              | 0          | 0          | 2,040,243              | 2,040,243              | 315,205            |
| 6/3/2008<br>6/4/2008   | 1,063,498              | 2,111<br>466   | 790<br>1,080   | 1,066,399<br>2,162,731 | 0       | 2.9%<br>2.9% | 27.4%<br>27.4% | 2.9%<br>2.9% | 1,032,657<br>2,098,511 | 1,533<br>338 | 767<br>1,049   | 99.8%<br>99.9%  | 0.1%<br>0.0% | 0.1%<br>0.0% | 1,034,956<br>2,099,898 | 0          | 0          | 1,034,956<br>2,099,898 | 1,034,956<br>2,099,898 | 159,960<br>324,410 |
| 6/5/2008               | 2,161,185<br>2,144,479 | 1,025          | 2,224          | 2,102,731              | 0       | 2.9%         | 27.4%          | 2.9%         | 2,082,289              | 744          | 2,160          | 99.9%           | 0.0%         | 0.0%         | 2,099,898              | 0          | 0          | 2,085,193              | 2,099,898              | 322,159            |
| 6/6/2008               | 1,387,894              | 928            | 600            | 1,389,422              | 0       | 2.9%         | 27.4%          | 2.9%         | 1,347,645              | 674          | 583            | 99.9%           | 0.0%         | 0.0%         | 1,348,901              | 0          | 0          | 1,348,901              | 1,348,901              | 208,413            |
| 6/9/2008               | 1,085,714              | 525            | 2,450          | 1,088,689              | 0       | 2.9%         | 27.4%          | 2.9%         | 1,054,228              | 381          | 2,379          | 99.7%           | 0.0%         | 0.2%         | 1,056,988              | 0          | 0          | 1,056,988              | 1,056,988              | 163,303            |
| 6/10/2008              | 491,858                | 475            | 540            | 492,873                | 0       | 2.9%         | 27.4%          | 2.9%         | 477,594                | 345          | 524            | 99.8%           | 0.1%         | 0.1%         | 478,463                | 0          | 0          | 478,463                | 478,463                | 73,931             |
| 6/11/2008              | 1,959,056              | 3,050          | 0              | 1,962,106              | 0       | 2.9%         | 27.4%          | 2.9%         | 1,902,243              | 2,214        | 0              | 99.9%           | 0.1%         | 0.0%         | 1,904,458              | 0          | 0          | 1,904,458              | 1,904,458              | 294,316            |
| 6/12/2008              | 371,441                | 800            | 5,150          | 377,391                | 0       | 2.9%         | 27.4%          | 2.9%         | 360,669                | 581          | 5,001          | 98.5%           | 0.2%         | 1.4%         | 366,251                | 0          | 0          | 366,251                | 366,251                | 56,609             |
| 6/13/2008              | 334,902                | 100            | 75             | 335,077                | 0       | 2.9%         | 27.4%          | 2.9%         | 325,190                | 73           | 73             | 100.0%          | 0.0%         | 0.0%         | 325,335                | 0          | 0          | 325,335                | 325,335                | 50,262             |
| 6/16/2008              | 209,587                | 0              | 180            | 209,767                | 0       | 2.9%         | 27.4%          | 2.9%         | 203,509                | 0            | 175            | 99.9%           | 0.0%         | 0.1%         | 203,684                | 0          | 0          | 203,684                | 203,684                | 31,465             |
| 6/17/2008              | 973,128                | 500            | 500            | 974,128                | 0       | 2.9%         | 27.4%          | 2.9%         | 944,907                | 363          | 486            | 99.9%           | 0.0%         | 0.1%         | 945,756                | 0          | 0          | 945,756                | 945,756                | 146,119            |
| 6/18/2008              | 275,910                | 0              | 0              | 275,910                | 0       | 2.9%         | 27.4%          | 2.9%         | 267,909                | 0            | 0              | 100.0%          | 0.0%         | 0.0%         | 267,909                | 0          | 0          | 267,909                | 267,909                | 41,387             |
| 6/19/2008              | 353,865                | 0              | 850            | 354,715                | 0       | 2.9%         | 27.4%          | 2.9%         | 343,603                | 0            | 825            | 99.8%           | 0.0%         | 0.2%         | 344,428                | 0          | 0          | 344,428                | 344,428                | 53,207             |
| 6/20/2008              | 330,354                | 210            | 2,700          | 333,264                | 0       | 2.9%         | 27.4%          | 2.9%         | 320,774                | 152          | 2,622          | 99.1%           | 0.0%         | 0.8%         | 323,548                | 0          | 0          | 323,548                | 323,548                | 49,990             |
| 6/23/2008              | 718,732                | 1 400          | 750            | 718,732                | 0       | 2.9%         | 27.4%          | 2.9%         | 697,889                | 1.016        | 729            | 100.0%          | 0.0%         | 0.0%         | 697,889                | 0          | 0          | 697,889                | 697,889                | 107,810            |
| 6/24/2008              | 447,013                | 1,400          | 750<br>400     | 449,163                | 0       | 2.9%         | 27.4%          | 2.9%<br>2.9% | 434,050                | 1,016        | 728            | 99.6%           | 0.2%         | 0.2%         | 435,794                | 0          | 0          | 435,794                | 435,794                | 67,374             |
| 6/25/2008<br>6/26/2008 | 655,305<br>850,345     | 900            | 2,755          | 656,605<br>853,100     | 0       | 2.9%<br>2.9% | 27.4%<br>27.4% | 2.9%         | 636,301<br>825,685     | 653<br>0     | 388<br>2,675   | 99.8%<br>99.7%  | 0.1%<br>0.0% | 0.1%<br>0.3% | 637,343<br>828,360     | 0          | 0          | 637,343<br>828,360     | 637,343<br>828,360     | 98,491<br>127,965  |
| 6/27/2008              | 434,347                | 0<br>200       | 1,417          | 435,964                | 0       | 2.9%         | 27.4%          | 2.9%         | 421,751                | 145          | 1,376          | 99.7%           | 0.0%         | 0.3%         | 423,272                | 0          | 0          | 423,272                | 423,272                | 65,395             |
| 6/30/2008              | 758,663                | 2,900          | 2,007          | 763,570                | 0       | 2.9%         | 27.4%          | 2.9%         | 736,662                | 2,105        | 1,949          | 99.5%           | 0.3%         | 0.3%         | 740,716                | 0          | 0          | 740,716                | 740,716                | 114,536            |
| 7/1/2008               | 758,005                | 2,000          | 250            | 2,250                  | 0       | 3.0%         | 27.4%          | 3.0%         | 730,002                | 1,452        | 243            | 0.0%            | 85.7%        | 14.3%        | 1,695                  | 0          | 0          | 1,695                  | 1,695                  | 338                |
|                        |                        |                | 540            | 871,031                | 0       | 3.0%         | 27.4%          | 3.0%         | 831,572                | 9,583        | 524            | 98.8%           | 1.1%         | 0.1%         | 841,679                | 0          | 0          |                        |                        | 130,655            |
| 7/2/2008               | 857,291                | 13,200         | 340            | 0/1,031                | U       |              |                |              |                        | 2,303        | 324            | 20.070          |              |              | 041,079                | U          |            | 841,079                | 841,079                |                    |
|                        | 857,291<br>780,488     | 13,200         | 4,205          | 784,693                | 0       | 3.0%         | 27.4%          | 3.0%         | 757,073                | 9,585        | 4,079          | 99.5%           | 0.0%         | 0.5%         | 761,152                | 0          | 0          | 841,679<br>761,152     | 841,679<br>761,152     | 117,704            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                        | Reported          | Volume         |                        | Shares  | Snoo         | ialist Adj     | ustment      |                        |                   | Specialic      | t-Adjusted      | Volume         |                |                        | Incider T | ansactions       | Investor               | Volume                 | Intra-Day          |
|------------------------|------------------------|-------------------|----------------|------------------------|---------|--------------|----------------|--------------|------------------------|-------------------|----------------|-----------------|----------------|----------------|------------------------|-----------|------------------|------------------------|------------------------|--------------------|
| Date                   | Canada                 | U.S.              | Germany        | Total                  | Offered | Canada       |                | Germany      | Canada                 | U.S.              | Germany        |                 |                | Germany %      | Total                  | Purchases | Sales            | Purchases              | Sales                  | Volume             |
| [1]                    | [2]                    | [3]               | [4]            | [5]                    | [6]     | [7]          | [8]            | [9]          | [10]                   | [11]              | [12]           | [13]            | [14]           | [15]           | [16]                   | [17]      | [18]             | [19]                   | [20]                   | [21]               |
| 7/7/2008               | 639,912                | 28,400            | 538            | 668,850                | 0       | 3.0%         | 27.4%          | 3.0%         | 620,715                | 20,618            | 522            | 96.7%           | 3.2%           | 0.1%           | 641,855                | 0         | 0                | 641,855                | 641,855                | 100,328            |
| 7/8/2008               | 981,292                | 300               | 1,000          | 982,592                | 0       | 3.0%         | 27.4%          | 3.0%         | 951,853                | 218               | 970            | 99.9%           | 0.0%           | 0.1%           | 953,041                | 0         | 0                | 953,041                | 953,041                | 147,389            |
| 7/9/2008               | 1,454,161              | 0                 | 400            | 1,454,561              | 0       | 3.0%         | 27.4%          | 3.0%         | 1,410,536              | 0                 | 388            | 100.0%          | 0.0%           | 0.0%           | 1,410,924              | 0         | 0                | 1,410,924              | 1,410,924              | 218,184            |
| 7/10/2008              | 277,822                | 2,374             | 570            | 280,766                | 0       | 3.0%         | 27.4%          | 3.0%         | 269,487                | 1,724             | 553            | 99.2%           | 0.6%           | 0.2%           | 271,764                | 0         | 0                | 271,764                | 271,764                | 42,115             |
| 7/11/2008              | 1,184,762<br>363,875   | 2 100             | 251<br>1,354   | 1,185,013              | 0       | 3.0%         | 27.4%<br>27.4% | 3.0%<br>3.0% | 1,149,219              | 0<br>1,525        | 243            | 100.0%<br>99.2% | 0.0%<br>0.4%   | 0.0%<br>0.4%   | 1,149,463              | 0         | 0                | 1,149,463              | 1,149,463              | 177,752            |
| 7/14/2008<br>7/15/2008 | 378,579                | 2,100<br>800      | 2,300          | 367,329<br>381,679     | 0       | 3.0%         | 27.4%          | 3.0%         | 352,959<br>367,222     | 581               | 1,313<br>2,231 | 99.2%           | 0.4%           | 0.4%           | 355,797<br>370,033     | 0         | 0                | 355,797<br>370,033     | 355,797<br>370,033     | 55,099<br>57,252   |
| 7/16/2008              | 1,555,816              | 2,300             | 400            | 1,558,516              | 0       | 3.0%         | 27.4%          | 3.0%         | 1,509,142              | 1,670             | 388            | 99.9%           | 0.1%           | 0.0%           | 1,511,199              | 0         | 0                | 1,511,199              | 1,511,199              | 233,777            |
| 7/17/2008              | 2,721,803              | 52,850            | 150            | 2,774,803              | 0       | 3.0%         | 27.4%          | 3.0%         | 2,640,149              | 38,369            | 146            | 98.6%           | 1.4%           | 0.0%           | 2,678,664              | 0         | 0                | 2,678,664              | 2,678,664              | 416,220            |
| 7/18/2008              | 2,127,881              | 4,400             | 250            | 2,132,531              | 0       | 3.0%         | 27.4%          | 3.0%         | 2,064,045              | 3,194             | 243            | 99.8%           | 0.2%           | 0.0%           | 2,067,481              | 0         | 0                | 2,067,481              | 2,067,481              | 319,880            |
| 7/21/2008              | 521,165                | 6,000             | 0              | 527,165                | 0       | 3.0%         | 27.4%          | 3.0%         | 505,530                | 4,356             | 0              | 99.1%           | 0.9%           | 0.0%           | 509,886                | 0         | 0                | 509,886                | 509,886                | 79,075             |
| 7/22/2008              | 654,919                | 100               | 4,566          | 659,585                | 0       | 3.0%         | 27.4%          | 3.0%         | 635,271                | 73                | 4,429          | 99.3%           | 0.0%           | 0.7%           | 639,773                | 0         | 0                | 639,773                | 639,773                | 98,938             |
| 7/23/2008              | 535,756                | 200               | 1,100          | 537,056                | 0       | 3.0%         | 27.4%          | 3.0%         | 519,683                | 145               | 1,067          | 99.8%           | 0.0%           | 0.2%           | 520,896                | 0         | 0                | 520,896                | 520,896                | 80,558             |
| 7/24/2008              | 581,430                | 110               | 732            | 582,272                | 0       | 3.0%         | 27.4%          | 3.0%         | 563,987                | 80<br>0           | 710            | 99.9%           | 0.0%           | 0.1%           | 564,777                | 0         | 0                | 564,777                | 564,777                | 87,341             |
| 7/25/2008<br>7/28/2008 | 464,020<br>510,604     | 0<br>21,000       | 350<br>1,650   | 464,370<br>533,254     | 0       | 3.0%         | 27.4%<br>27.4% | 3.0%<br>3.0% | 450,099<br>495,286     | 15,246            | 340<br>1,601   | 99.9%<br>96.7%  | 0.0%<br>3.0%   | 0.1%<br>0.3%   | 450,439<br>512,132     | 0         | 0                | 450,439<br>512,132     | 450,439<br>512,132     | 69,656<br>79,988   |
| 7/29/2008              | 1,157,988              | 1,400             | 280            | 1,159,668              | 0       | 3.0%         | 27.4%          | 3.0%         | 1,123,248              | 1,016             | 272            | 99.9%           | 0.1%           | 0.0%           | 1,124,536              | 0         | 0                | 1,124,536              | 1,124,536              | 173,950            |
| 7/30/2008              | 1,305,854              | 500               | 3,900          | 1,310,254              | 0       | 3.0%         | 27.4%          | 3.0%         | 1,266,678              | 363               | 3,783          | 99.7%           | 0.0%           | 0.3%           | 1,270,824              | 0         | 0                | 1,270,824              | 1,270,824              | 196,538            |
| 7/31/2008              | 726,213                | 1,000             | 830            | 728,043                | 0       | 3.0%         | 27.4%          | 3.0%         | 704,427                | 726               | 805            | 99.8%           | 0.1%           | 0.1%           | 705,958                | 0         | 0                | 705,958                | 705,958                | 109,206            |
| 8/1/2008               | 1,267,459              | 21,000            | 1,240          | 1,289,699              | 0       | 3.0%         | 27.4%          | 3.0%         | 1,229,435              | 15,246            | 1,203          | 98.7%           | 1.2%           | 0.1%           | 1,245,884              | 0         | 0                | 1,245,884              | 1,245,884              | 193,455            |
| 8/4/2008               | 0                      | 0                 | 792            | 792                    | 0       | 3.0%         | 27.4%          | 3.0%         | 0                      | 0                 | 768            | 0.0%            | 0.0%           | 100.0%         | 768                    | 0         | 0                | 768                    | 768                    | 119                |
| 8/5/2008               | 1,121,875              | 500               | 835            | 1,123,210              | 0       | 3.0%         | 27.4%          | 3.0%         | 1,088,219              | 363               | 810            | 99.9%           | 0.0%           | 0.1%           | 1,089,392              | 0         | 0                | 1,089,392              | 1,089,392              | 168,482            |
| 8/6/2008               | 381,544                | 271 100           | 3,360          | 384,904                | 0       | 3.0%         | 27.4%          | 3.0%         | 370,098                | 106 910           | 3,259          | 99.1%           | 0.0%           | 0.9%           | 373,357                | 0         | 0                | 373,357                | 373,357                | 57,736             |
| 8/7/2008<br>8/8/2008   | 619,273<br>162,696     | 271,100<br>30,100 | 253<br>1,000   | 890,626<br>193,796     | 0       | 3.0%         | 27.4%<br>27.4% | 3.0%<br>3.0% | 600,695<br>157,815     | 196,819<br>21,853 | 245<br>970     | 75.3%<br>87.4%  | 24.7%<br>12.1% | 0.0%<br>0.5%   | 797,759<br>180,638     | 0         | 0                | 797,759<br>180,638     | 797,759<br>180,638     | 133,594<br>29,069  |
| 8/11/2008              | 425,702                | 4,100             | 1,600          | 431,402                | 0       | 3.0%         | 27.4%          | 3.0%         | 412,931                | 2,977             | 1,552          | 98.9%           | 0.7%           | 0.4%           | 417,460                | 0         | 0                | 417,460                | 417,460                | 64,710             |
| 8/12/2008              | 1,633,520              | 20,400            | 2,896          | 1,656,816              | 0       | 3.0%         | 27.4%          | 3.0%         | 1,584,514              | 14,810            | 2,809          | 98.9%           | 0.9%           | 0.2%           | 1,602,134              | 0         | 0                | 1,602,134              | 1,602,134              | 248,522            |
| 8/13/2008              | 824,581                | 0                 | 1,400          | 825,981                | 0       | 3.0%         | 27.4%          | 3.0%         | 799,844                | 0                 | 1,358          | 99.8%           | 0.0%           | 0.2%           | 801,202                | 0         | 0                | 801,202                | 801,202                | 123,897            |
| 8/14/2008              | 453,476                | 12,500            | 1,679          | 467,655                | 0       | 3.0%         | 27.4%          | 3.0%         | 439,872                | 9,075             | 1,629          | 97.6%           | 2.0%           | 0.4%           | 450,575                | 0         | 0                | 450,575                | 450,575                | 70,148             |
| 8/15/2008              | 363,688                | 100               | 100            | 363,888                | 0       | 3.0%         | 27.4%          | 3.0%         | 352,777                | 73                | 97             | 100.0%          | 0.0%           | 0.0%           | 352,947                | 0         | 25,000           | 352,947                | 327,947                | 54,583             |
| 8/18/2008              | 355,280                | 54,800            | 120            | 410,200                | 0       | 3.0%         | 27.4%          | 3.0%         | 344,622                | 39,785            | 116            | 89.6%           | 10.3%          | 0.0%           | 384,523                | 0         | 15,000           | 384,523                | 369,523                | 61,530             |
| 8/19/2008              | 725,221                | 1,000<br>20,105   | 727<br>280     | 726,948                | 0       | 3.0%         | 27.4%<br>27.4% | 3.0%<br>3.0% | 703,464                | 726<br>14,596     | 705<br>272     | 99.8%<br>96.6%  | 0.1%<br>3.3%   | 0.1%<br>0.1%   | 704,896                | 0         | 14,600           | 704,896                | 690,296                | 109,042            |
| 8/20/2008<br>8/21/2008 | 441,199<br>769,000     | 20,103            | 100            | 461,584<br>769,100     | 0       | 3.0%         | 27.4%          | 3.0%         | 427,963<br>745,930     | 14,396            | 97             | 100.0%          | 0.0%           | 0.1%           | 442,831<br>746,027     | 0         | 25,000<br>95,300 | 442,831<br>746,027     | 417,831<br>650,727     | 69,238<br>115,365  |
| 8/22/2008              | 622,020                | 366,400           | 1,600          | 990,020                | 0       | 3.0%         | 27.4%          | 3.0%         | 603,359                | 266,006           | 1,552          | 69.3%           | 30.5%          | 0.2%           | 870,918                | 0         | 0                | 870,918                | 870,918                | 148,503            |
| 8/25/2008              | 640,475                | 0                 | 3,240          | 643,715                | 0       | 3.0%         | 27.4%          | 3.0%         | 621,261                | 0                 | 3,143          | 99.5%           | 0.0%           | 0.5%           | 624,404                | 0         | 0                | 624,404                | 624,404                | 96,557             |
| 8/26/2008              | 667,397                | 201,200           | 840            | 869,437                | 0       | 3.0%         | 27.4%          | 3.0%         | 647,375                | 146,071           | 815            | 81.5%           | 18.4%          | 0.1%           | 794,261                | 0         | 0                | 794,261                | 794,261                | 130,416            |
| 8/27/2008              | 286,856                | 0                 | 760            | 287,616                | 0       | 3.0%         | 27.4%          | 3.0%         | 278,250                | 0                 | 737            | 99.7%           | 0.0%           | 0.3%           | 278,988                | 0         | 0                | 278,988                | 278,988                | 43,142             |
| 8/28/2008              | 357,205                | 0                 | 2,000          | 359,205                | 0       | 3.0%         | 27.4%          | 3.0%         | 346,489                | 0                 | 1,940          | 99.4%           | 0.0%           | 0.6%           | 348,429                | 0         | 2,000            | 348,429                | 346,429                | 53,881             |
| 8/29/2008              | 307,575                | 16,680            | 850            | 325,105                | 0       | 3.0%         | 27.4%          | 3.0%         | 298,348                | 12,110            | 825            | 95.8%           | 3.9%           | 0.3%           | 311,282                | 0         | 15,000           | 311,282                | 296,282                | 48,766             |
| 9/1/2008<br>9/2/2008   | 0<br>291,060           | 0<br>10,600       | 3,600<br>2,085 | 3,600<br>303,745       | 0       | 3.6%         | 27.4%<br>27.4% | 3.6%<br>3.6% | 0<br>280,582           | 0<br>7,696        | 3,470<br>2,010 | 0.0%<br>96.7%   | 0.0%<br>2.7%   | 100.0%<br>0.7% | 3,470<br>290,287       | 0         | 5,000            | 3,470<br>290,287       | 3,470<br>285,287       | 540<br>45,562      |
| 9/3/2008               | 865,804                | 1,200             | 2,083          | 867,004                | 0       | 3.6%         | 27.4%          | 3.6%         | 834,635                | 7,696<br>871      | 2,010          | 99.9%           | 0.1%           | 0.7%           | 835,506                | 0         | 15,000           | 835,506                | 820,506                | 130,051            |
| 9/4/2008               | 1,488,756              | 28,120            | 1,040          | 1,517,916              | 0       | 3.6%         | 27.4%          | 3.6%         | 1,435,161              | 20,415            | 1,003          | 98.5%           | 1.4%           | 0.1%           | 1,456,578              | 224,445   | 5,200            | 1,232,133              | 1,451,378              | 227,687            |
| 9/5/2008               | 443,712                | 20,100            | 425            | 464,237                | 0       | 3.6%         | 27.4%          | 3.6%         | 427,738                | 14,593            | 410            | 96.6%           | 3.3%           | 0.1%           | 442,741                | 0         | 0                | 442,741                | 442,741                | 69,636             |
| 9/8/2008               | 267,707                | 1,087             | 1,491          | 270,285                | 0       | 3.6%         | 27.4%          | 3.6%         | 258,070                | 789               | 1,437          | 99.1%           | 0.3%           | 0.6%           | 260,296                | 0         | 0                | 260,296                | 260,296                | 40,543             |
| 9/9/2008               | 459,704                | 20,200            | 5,971          | 485,875                | 0       | 3.6%         | 27.4%          | 3.6%         | 443,155                | 14,665            | 5,756          | 95.6%           | 3.2%           | 1.2%           | 463,576                | 0         | 0                | 463,576                | 463,576                | 72,881             |
| 9/10/2008              | 432,872                | 3,700             | 2,049          | 438,621                | 0       | 3.6%         | 27.4%          | 3.6%         | 417,289                | 2,686             | 1,975          | 98.9%           | 0.6%           | 0.5%           | 421,950                | 0         | 133,000          | 421,950                | 288,950                | 65,793             |
| 9/11/2008              | 223,551                | 600               | 619            | 224,770                | 0       | 3.6%         | 27.4%          | 3.6%         | 215,503                | 436               | 597            | 99.5%           | 0.2%           | 0.3%           | 216,535                | 0         | 111,145          | 216,535                | 105,390                | 33,716             |
| 9/12/2008<br>9/15/2008 | 373,189<br>401,365     | 1,150<br>500      | 2,600<br>2,147 | 376,939<br>404,012     | 0       | 3.6%         | 27.4%<br>27.4% | 3.6%<br>3.6% | 359,754<br>386,916     | 835<br>363        | 2,506<br>2,070 | 99.1%<br>99.4%  | 0.2%<br>0.1%   | 0.7%<br>0.5%   | 363,095<br>389,349     | 0         | 12,000           | 363,095<br>389,349     | 351,095<br>389,349     | 56,541<br>60,602   |
| 9/16/2008              | 303,595                | 1,100             | 972            | 305,667                | 0       | 3.6%         | 27.4%          | 3.6%         | 292,666                | 799               | 937            | 99.4%           | 0.1%           | 0.3%           | 294,401                | 0         | 0                | 294,401                | 294,401                | 45,850             |
| 9/17/2008              | 637,674                | 3,400             | 1,757          | 642,831                | 0       | 3.6%         | 27.4%          | 3.6%         | 614,718                | 2,468             | 1,694          | 99.3%           | 0.4%           | 0.3%           | 618,880                | 0         | 0                | 618,880                | 618,880                | 96,425             |
| 9/18/2008              | 1,709,727              | 11,420            | 9,181          | 1,730,328              | 0       | 3.6%         | 27.4%          | 3.6%         | 1,648,177              | 8,291             | 8,850          | 99.0%           | 0.5%           | 0.5%           | 1,665,318              | 0         | 0                | 1,665,318              | 1,665,318              | 259,549            |
| 9/19/2008              | 1,543,918              | 2,000             | 1,446          | 1,547,364              | 0       | 3.6%         | 27.4%          | 3.6%         | 1,488,337              | 1,452             | 1,394          | 99.8%           | 0.1%           | 0.1%           | 1,491,183              | 0         | 0                | 1,491,183              | 1,491,183              | 232,105            |
| 9/22/2008              | 274,994                | 100               | 2,964          | 278,058                | 0       | 3.6%         | 27.4%          | 3.6%         | 265,094                | 73                | 2,857          | 98.9%           | 0.0%           | 1.1%           | 268,024                | 0         | 0                | 268,024                | 268,024                | 41,709             |
| 9/23/2008              | 1,111,512              | 250               | 150            | 1,111,912              | 0       | 3.6%         | 27.4%          | 3.6%         | 1,071,498              | 182               | 145            | 100.0%          | 0.0%           | 0.0%           | 1,071,824              | 0         | 0                | 1,071,824              | 1,071,824              | 166,787            |
| 9/24/2008              | 619,505                | 0 0 200           | 995            | 620,500                | 0       | 3.6%         | 27.4%          | 3.6%         | 597,203                | 0                 | 959            | 99.8%           | 0.0%           | 0.2%           | 598,162                | 0         | 0                | 598,162                | 598,162                | 93,075             |
| 9/25/2008              | 877,440                | 86,300            | 380            | 964,120                | 0       | 3.6%         | 27.4%          | 3.6%         | 845,852                | 62,654            | 366            | 93.1%           | 6.9%           | 0.0%           | 908,872                | 0         | 0                | 908,872                | 908,872                | 144,618            |
| 9/26/2008              | 2,000,550              | 7,100             | 1,939          | 2,009,589              | 0       | 3.6%         | 27.4%          | 3.6%         | 1,928,530              | 5,155             | 1,869          | 99.6%           | 0.3%           | 0.1%           | 1,935,554              | 0         | 0                | 1,935,554              | 1,935,554              | 301,438            |
| 9/29/2008<br>9/30/2008 | 2,637,119<br>1,546,514 | 3,500<br>600      | 2,493<br>7,451 | 2,643,112<br>1,554,565 | 0       | 3.6%<br>3.6% | 27.4%<br>27.4% | 3.6%<br>3.6% | 2,542,183<br>1,490,839 | 2,541<br>436      | 2,403<br>7,183 | 99.8%<br>99.5%  | 0.1%<br>0.0%   | 0.1%<br>0.5%   | 2,547,127<br>1,498,458 | 0         | 0                | 2,547,127<br>1,498,458 | 2,547,127<br>1,498,458 | 396,467<br>233,185 |
| 10/1/2008              | 676,207                | 1,750             | 2,679          | 680,636                | 0       | 4.4%         | 27.4%          | 4.4%         | 646,454                | 1,271             | 2,561          | 99.4%           | 0.2%           | 0.4%           | 650,286                | 0         | 0                | 650,286                | 650,286                | 102,095            |
| 10/2/2008              | 777,827                | 1,225             | 2,220          | 781,272                | 0       | 4.4%         | 27.4%          | 4.4%         | 743,603                | 889               | 2,122          | 99.6%           | 0.1%           | 0.3%           | 746,614                | 0         | 0                | 746,614                | 746,614                | 117,191            |
| 10/3/2008              | 1,703,301              | 0                 | 475            | 1,703,776              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,628,356              | 0                 | 454            | 100.0%          | 0.0%           | 0.0%           | 1,628,810              | 0         | 0                | 1,628,810              | 1,628,810              | 255,566            |
| 10/6/2008              | 1,876,050              | 190,500           | 9,964          | 2,076,514              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,793,504              | 138,303           | 9,526          | 92.4%           | 7.1%           | 0.5%           | 1,941,332              | 0         | 0                | 1,941,332              | 1,941,332              | 311,477            |
| 10/7/2008              | 1,377,887              | 118,600           | 3,750          | 1,500,237              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,317,260              | 86,104            | 3,585          | 93.6%           | 6.1%           | 0.3%           | 1,406,949              | 0         | 0                | 1,406,949              | 1,406,949              | 225,036            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                          |                        | Reported          | Volume          |                        | Shares  | Spec         | ialist Adj     | ustment      |                        |                  | Specialie       | t-Adjusted     | Volume       |              |                        | Insider Tr | ansactions     | Investor '             | Volume                 | Intra-Day          |
|--------------------------|------------------------|-------------------|-----------------|------------------------|---------|--------------|----------------|--------------|------------------------|------------------|-----------------|----------------|--------------|--------------|------------------------|------------|----------------|------------------------|------------------------|--------------------|
| Date                     | Canada                 | U.S.              | Germany         | Total                  | Offered | Canada       |                | Germany      | Canada                 | U.S.             | Germany         | Canada %       |              | Germany %    | Total                  | Purchases  | Sales          | Purchases              | Sales                  | Volume             |
| [1]                      | [2]                    | [3]               | [4]             | [5]                    | [6]     | [7]          | [8]            | [9]          | [10]                   | [11]             | [12]            | [13]           | [14]         | [15]         | [16]                   | [17]       | [18]           | [19]                   | [20]                   | [21]               |
| 10/8/2008                | 1,345,459              | 119,900           | 8,035           | 1,473,394              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,286,259              | 87,047           | 7,681           | 93.1%          | 6.3%         | 0.6%         | 1,380,988              | 0          | 0              | 1,380,988              | 1,380,988              | 221,009            |
| 10/9/2008<br>10/10/2008  | 1,965,086<br>1,587,637 | 72,910<br>9,745   | 1,400<br>8,777  | 2,039,396<br>1,606,159 | 0       | 4.4%<br>4.4% | 27.4%<br>27.4% | 4.4%<br>4.4% | 1,878,622<br>1,517,781 | 52,933<br>7,075  | 1,338<br>8,391  | 97.2%<br>99.0% | 2.7%<br>0.5% | 0.1%<br>0.5% | 1,932,893<br>1,533,247 | 0          | 0              | 1,932,893<br>1,533,247 | 1,932,893<br>1,533,247 | 305,909<br>240,924 |
| 10/13/2008               | 0                      | 2,000             | 7,201           | 9,201                  | 0       | 4.4%         | 27.4%          | 4.4%         | 0                      | 1,452            | 6,884           | 0.0%           | 17.4%        | 82.6%        | 8,336                  | 0          | 0              | 8,336                  | 8,336                  | 1,380              |
| 10/14/2008               | 795,065                | 10,275            | 10,285          | 815,625                | 0       | 4.4%         | 27.4%          | 4.4%         | 760,082                | 7,460            | 9,832           | 97.8%          | 1.0%         | 1.3%         | 777,374                | 0          | 0              | 777,374                | 777,374                | 122,344            |
| 10/15/2008               | 1,799,759              | 300               | 18,106          | 1,818,165              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,720,570              | 218              | 17,309          | 99.0%          | 0.0%         | 1.0%         | 1,738,097              | 0          | 276,900        | 1,738,097              | 1,461,197              | 272,725            |
| 10/16/2008               | 1,523,164              | 1,000             | 5,226           | 1,529,390              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,456,145              | 726              | 4,996           | 99.6%          | 0.0%         | 0.3%         | 1,461,867              | 0          | 500,200        | 1,461,867              | 961,667                | 229,409            |
| 10/17/2008               | 1,163,572              | 450               | 2,389           | 1,166,411              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,112,375              | 327              | 2,284           | 99.8%          | 0.0%         | 0.2%         | 1,114,985              | 0          | 552,300        | 1,114,985              | 562,685                | 174,962            |
| 10/20/2008               | 1,439,257              | 1,000             | 3,458           | 1,443,715              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,375,930              | 726              | 3,306           | 99.7%          | 0.1%         | 0.2%         | 1,379,962              | 0          | 473,200        | 1,379,962              | 906,762                | 216,557            |
| 10/21/2008<br>10/22/2008 | 1,023,716<br>1,673,550 | 1,000<br>6,000    | 1,539<br>2,681  | 1,026,255<br>1,682,231 | 0       | 4.4%<br>4.4% | 27.4%<br>27.4% | 4.4%<br>4.4% | 978,672<br>1,599,914   | 726<br>4,356     | 1,471<br>2,563  | 99.8%<br>99.6% | 0.1%<br>0.3% | 0.1%<br>0.2% | 980,870<br>1,606,833   | 0          | 1,162,200<br>0 | 980,870<br>1,606,833   | -181,330<br>1,606,833  | 153,938<br>252,335 |
| 10/23/2008               | 1,696,063              | 10,900            | 865             | 1,707,828              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,621,436              | 7,913            | 827             | 99.5%          | 0.5%         | 0.2%         | 1,630,177              | 0          | 0              | 1,630,177              | 1,630,177              | 256,174            |
| 10/24/2008               | 1,685,586              | 200               | 500             | 1,686,286              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,611,420              | 145              | 478             | 100.0%         | 0.0%         | 0.0%         | 1,612,043              | 0          | 0              | 1,612,043              | 1,612,043              | 252,943            |
| 10/27/2008               | 945,252                | 4,000             | 3,395           | 952,647                | 0       | 4.4%         | 27.4%          | 4.4%         | 903,661                | 2,904            | 3,246           | 99.3%          | 0.3%         | 0.4%         | 909,811                | 0          | 0              | 909,811                | 909,811                | 142,897            |
| 10/28/2008               | 1,023,039              | 4,760             | 2,259           | 1,030,058              | 0       | 4.4%         | 27.4%          | 4.4%         | 978,025                | 3,456            | 2,160           | 99.4%          | 0.4%         | 0.2%         | 983,641                | 0          | 0              | 983,641                | 983,641                | 154,509            |
| 10/29/2008               | 2,427,704              | 8,900             | 925             | 2,437,529              | 0       | 4.4%         | 27.4%          | 4.4%         | 2,320,885              | 6,461            | 884             | 99.7%          | 0.3%         | 0.0%         | 2,328,231              | 0          | 0              | 2,328,231              | 2,328,231              | 365,629            |
| 10/30/2008               | 1,635,710              | 125               | 3,153           | 1,638,988              | 0       | 4.4%         | 27.4%          | 4.4%         | 1,563,739              | 91               | 3,014           | 99.8%          | 0.0%         | 0.2%         | 1,566,844              | 0          | 0              | 1,566,844              | 1,566,844              | 245,848            |
| 10/31/2008<br>11/3/2008  | 1,490,027<br>1,463,444 | 400<br>1,035      | 4,058<br>2,917  | 1,494,485<br>1,467,396 | 0       | 4.4%<br>6.8% | 27.4%<br>27.4% | 4.4%<br>6.8% | 1,424,466<br>1,363,930 | 290<br>751       | 3,879<br>2,719  | 99.7%<br>99.7% | 0.0%<br>0.1% | 0.3%<br>0.2% | 1,428,636<br>1,367,400 | 0          | 0              | 1,428,636<br>1,367,400 | 1,428,636<br>1,367,400 | 224,173<br>220,109 |
| 11/4/2008                | 811,665                | 1,000             | 3,880           | 816,545                | 0       | 6.8%         | 27.4%          | 6.8%         | 756,472                | 726              | 3,616           | 99.4%          | 0.1%         | 0.5%         | 760,814                | 0          | 0              | 760,814                | 760,814                | 122,482            |
| 11/5/2008                | 981,118                | 100,500           | 2,449           | 1,084,067              | 0       | 6.8%         | 27.4%          | 6.8%         | 914,402                | 72,963           | 2,282           | 92.4%          | 7.4%         | 0.2%         | 989,647                | 0          | 0              | 989,647                | 989,647                | 162,610            |
| 11/6/2008                | 5,095,911              | 209,600           | 495             | 5,306,006              | 0       | 6.8%         | 27.4%          | 6.8%         | 4,749,389              | 152,170          | 461             | 96.9%          | 3.1%         | 0.0%         | 4,902,020              | 0          | 0              | 4,902,020              | 4,902,020              | 795,901            |
| 11/7/2008                | 640,919                | 1,300             | 1,170           | 643,389                | 0       | 6.8%         | 27.4%          | 6.8%         | 597,337                | 944              | 1,090           | 99.7%          | 0.2%         | 0.2%         | 599,371                | 0          | 0              | 599,371                | 599,371                | 96,508             |
| 11/10/2008               | 851,706                | 0                 | 2,801           | 854,507                | 0       | 6.8%         | 27.4%          | 6.8%         | 793,790                | 0                | 2,611           | 99.7%          | 0.0%         | 0.3%         | 796,401                | 0          | 0              | 796,401                | 796,401                | 128,176            |
| 11/11/2008               | 725,337                | 400               | 6,180           | 731,917                | 0       | 6.8%         | 27.4%          | 6.8%         | 676,014                | 290              | 5,760           | 99.1%          | 0.0%         | 0.8%         | 682,064                | 0          | 0              | 682,064                | 682,064                | 109,788            |
| 11/12/2008               | 3,757,156              | 53,800            | 5,077           | 3,816,033              | 0       | 6.8%         | 27.4%          | 6.8%         | 3,501,669              | 39,059           | 4,732           | 98.8%          | 1.1%         | 0.1%         | 3,545,460              | 0          | 0              | 3,545,460              | 3,545,460              | 572,405            |
| 11/13/2008<br>11/14/2008 | 1,253,775<br>3,100,167 | 9,200<br>37,675   | 15,947<br>6,296 | 1,278,922<br>3,144,138 | 0       | 6.8%<br>6.8% | 27.4%<br>27.4% | 6.8%<br>6.8% | 1,168,518<br>2,889,356 | 6,679<br>27,352  | 14,863<br>5,868 | 98.2%<br>98.9% | 0.6%<br>0.9% | 1.2%<br>0.2% | 1,190,060<br>2,922,576 | 0          | 0              | 1,190,060<br>2,922,576 | 1,190,060<br>2,922,576 | 191,838<br>471,621 |
| 11/17/2008               | 1,214,150              | 25,600            | 8,210           | 1,247,960              | 0       | 6.8%         | 27.4%          | 6.8%         | 1,131,588              | 18,586           | 7,652           | 97.7%          | 1.6%         | 0.7%         | 1,157,825              | 2,500      | 0              | 1,155,325              | 1,157,825              | 187,194            |
| 11/18/2008               | 2,174,091              | 417,500           | 3,650           | 2,595,241              | 0       | 6.8%         | 27.4%          | 6.8%         | 2,026,253              | 303,105          | 3,402           | 86.9%          | 13.0%        | 0.1%         | 2,332,760              | 0          | 0              | 2,332,760              | 2,332,760              | 389,286            |
| 11/19/2008               | 1,285,283              | 23,200            | 2,950           | 1,311,433              | 0       | 6.8%         | 27.4%          | 6.8%         | 1,197,884              | 16,843           | 2,749           | 98.4%          | 1.4%         | 0.2%         | 1,217,476              | 0          | 0              | 1,217,476              | 1,217,476              | 196,715            |
| 11/20/2008               | 1,798,087              | 46,600            | 7,421           | 1,852,108              | 0       | 6.8%         | 27.4%          | 6.8%         | 1,675,817              | 33,832           | 6,916           | 97.6%          | 2.0%         | 0.4%         | 1,716,565              | 0          | 0              | 1,716,565              | 1,716,565              | 277,816            |
| 11/21/2008               | 1,444,958              | 222,140           | 7,125           | 1,674,223              | 0       | 6.8%         | 27.4%          | 6.8%         | 1,346,701              | 161,274          | 6,641           | 88.9%          | 10.6%        | 0.4%         | 1,514,615              | 0          | 0              | 1,514,615              | 1,514,615              | 251,133            |
| 11/24/2008               | 1,188,455              | 4,808             | 14,273          | 1,207,536              | 0       | 6.8%         | 27.4%          | 6.8%         | 1,107,640              | 3,491            | 13,302          | 98.5%          | 0.3%         | 1.2%         | 1,124,433              | 0          | 0              | 1,124,433              | 1,124,433              | 181,130            |
| 11/25/2008               | 1,726,050<br>3,710,301 | 50,200<br>125,200 | 10,162<br>6,500 | 1,786,412              | 0       | 6.8%<br>6.8% | 27.4%<br>27.4% | 6.8%<br>6.8% | 1,608,679              | 36,445<br>90,895 | 9,471           | 97.2%<br>97.3% | 2.2%         | 0.6%<br>0.2% | 1,654,595              | 0          | 0              | 1,654,595              | 1,654,595              | 267,962            |
| 11/26/2008<br>11/27/2008 | 602,075                | 123,200           | 7,118           | 3,842,001<br>609,193   | 0       | 6.8%         | 27.4%          | 6.8%         | 3,458,001<br>561,134   | 90,893           | 6,058<br>6,634  | 98.8%          | 2.6%<br>0.0% | 1.2%         | 3,554,954<br>567,768   | 0          | 0              | 3,554,954<br>567,768   | 3,554,954<br>567,768   | 576,300<br>91,379  |
| 11/28/2008               | 834,293                | 205,700           | 6,778           | 1,046,771              | 0       | 6.8%         | 27.4%          | 6.8%         | 777,561                | 149,338          | 6,317           | 83.3%          | 16.0%        | 0.7%         | 933,216                | 0          | 0              | 933,216                | 933,216                | 157,016            |
| 12/1/2008                | 1,034,662              | 160,100           | 5,772           | 1,200,534              | 0       | 7.6%         | 27.4%          | 7.6%         | 956,028                | 116,233          | 5,333           | 88.7%          | 10.8%        | 0.5%         | 1,077,594              | 0          | 0              | 1,077,594              | 1,077,594              | 180,080            |
| 12/2/2008                | 2,493,099              | 227,500           | 6,250           | 2,726,849              | 0       | 7.6%         | 27.4%          | 7.6%         | 2,303,623              | 165,165          | 5,775           | 93.1%          | 6.7%         | 0.2%         | 2,474,563              | 0          | 0              | 2,474,563              | 2,474,563              | 409,027            |
| 12/3/2008                | 1,092,342              | 201,200           | 1,950           | 1,295,492              | 0       | 7.6%         | 27.4%          | 7.6%         | 1,009,324              | 146,071          | 1,802           | 87.2%          | 12.6%        | 0.2%         | 1,157,197              | 0          | 0              | 1,157,197              | 1,157,197              | 194,324            |
| 12/4/2008                | 762,715                | 62,000            | 1,255           | 825,970                | 0       | 7.6%         | 27.4%          | 7.6%         | 704,749                | 45,012           | 1,160           | 93.9%          | 6.0%         | 0.2%         | 750,920                | 20,000     | 0              | 730,920                | 750,920                | 123,896            |
| 12/5/2008                | 607,502                | 700               | 6,498           | 614,700                | 0       | 7.6%         | 27.4%          | 7.6%         | 561,332                | 508              | 6,004           | 98.9%          | 0.1%         | 1.1%         | 567,844                | 0          | 0              | 567,844                | 567,844                | 92,205             |
| 12/8/2008<br>12/9/2008   | 671,168<br>653,427     | 5,500<br>5,150    | 10,720<br>5,480 | 687,388<br>664,057     | 0       | 7.6%<br>7.6% | 27.4%<br>27.4% | 7.6%<br>7.6% | 620,159<br>603,767     | 3,993<br>3,739   | 9,905<br>5,064  | 97.8%<br>98.6% | 0.6%<br>0.6% | 1.6%<br>0.8% | 634,058<br>612,569     | 0          | 0              | 634,058<br>612,569     | 634,058<br>612,569     | 103,108<br>99,609  |
| 12/10/2008               | 1,356,179              | 14,400            | 7,785           | 1,378,364              | 0       | 7.6%         | 27.4%          | 7.6%         | 1,253,109              | 10,454           | 7,193           | 98.6%          | 0.8%         | 0.6%         | 1,270,757              | 0          | 0              | 1,270,757              | 1,270,757              | 206,755            |
| 12/11/2008               | 601,453                | 1,500             | 8,863           | 611,816                | 0       | 7.6%         | 27.4%          | 7.6%         | 555,743                | 1,089            | 8,189           | 98.4%          | 0.2%         | 1.4%         | 565,021                | 0          | 0              | 565,021                | 565,021                | 91,772             |
| 12/12/2008               | 570,658                | 0                 | 5,825           | 576,483                | 0       | 7.6%         | 27.4%          | 7.6%         | 527,288                | 0                | 5,382           | 99.0%          | 0.0%         | 1.0%         | 532,670                | 0          | 0              | 532,670                | 532,670                | 86,472             |
| 12/15/2008               | 1,005,124              | 1,783             | 2,750           | 1,009,657              | 0       | 7.6%         | 27.4%          | 7.6%         | 928,735                | 1,294            | 2,541           | 99.6%          | 0.1%         | 0.3%         | 932,570                | 0          | 0              | 932,570                | 932,570                | 151,449            |
| 12/16/2008               | 857,720                | 1,448             | 950             | 860,118                | 0       | 7.6%         | 27.4%          | 7.6%         | 792,533                | 1,051            | 878             | 99.8%          | 0.1%         | 0.1%         | 794,462                | 0          | 0              | 794,462                | 794,462                | 129,018            |
| 12/17/2008               | 15,398                 | 2,700             | 1,520           | 19,618                 | 0       | 7.6%         | 27.4%          | 7.6%         | 14,228                 | 1,960            | 1,404           | 80.9%          | 11.1%        | 8.0%         | 17,592                 | 0          | 0              | 17,592                 | 17,592                 | 2,943              |
| 12/18/2008               | 896,914                | 21.000            | 4,225           | 901,139                | 0       | 7.6%         | 27.4%          | 7.6%         | 828,749                | 0                | 3,904           | 99.5%          | 0.0%         | 0.5%         | 832,652                | 0          | 0              | 832,652                | 832,652                | 135,171            |
| 12/19/2008<br>12/22/2008 | 879,627<br>419,972     | 31,990<br>50,500  | 9,530<br>23,131 | 921,147<br>493,603     | 0       | 7.6%<br>7.6% | 27.4%<br>27.4% | 7.6%<br>7.6% | 812,775<br>388,054     | 23,225           | 8,806<br>21,373 | 96.2%<br>87.0% | 2.7%<br>8.2% | 1.0%<br>4.8% | 844,806<br>446,090     | 0          | 0              | 844,806<br>446,090     | 844,806<br>446,090     | 138,172<br>74,040  |
| 12/22/2008               | 493,490                | 100               | 33,983          | 527,573                | 0       | 7.6%         | 27.4%          | 7.6%         | 455,985                | 36,663<br>73     | 31,400          | 93.5%          | 0.0%         | 6.4%         | 487,458                | 0          | 0              | 487,458                | 487,458                | 79,136             |
| 12/24/2008               | 1,908,180              | 6,000             | 0               | 1,914,180              | 0       | 7.6%         | 27.4%          | 7.6%         | 1,763,158              | 4,356            | 0               | 99.8%          | 0.2%         | 0.0%         | 1,767,514              | 0          | 0              | 1,767,514              | 1,767,514              | 287,127            |
| 12/29/2008               | 285,016                | 4,851             | 37,105          | 326,972                | 0       | 7.6%         | 27.4%          | 7.6%         | 263,355                | 3,522            | 34,285          | 87.4%          | 1.2%         | 11.4%        | 301,162                | 0          | 0              | 301,162                | 301,162                | 49,046             |
| 12/30/2008               | 577,930                | 5,150             | 22,989          | 606,069                | 0       | 7.6%         | 27.4%          | 7.6%         | 534,007                | 3,739            | 21,242          | 95.5%          | 0.7%         | 3.8%         | 558,988                | 0          | 0              | 558,988                | 558,988                | 90,910             |
| 12/31/2008               | 2,652,040              | 6,000             | 0               | 2,658,040              | 0       | 7.6%         | 27.4%          | 7.6%         | 2,450,485              | 4,356            | 0               | 99.8%          | 0.2%         | 0.0%         | 2,454,841              | 0          | 0              | 2,454,841              | 2,454,841              | 398,706            |
| 1/2/2009                 | 274,441                | 2,174             | 1,263           | 277,878                | 0       | 8.9%         | 27.4%          | 8.9%         | 250,016                | 1,578            | 1,151           | 98.9%          | 0.6%         | 0.5%         | 252,745                | 0          | 0              | 252,745                | 252,745                | 41,682             |
| 1/5/2009                 | 298,217                | 2,117             | 6,571           | 306,905                | 0       | 8.9%         | 27.4%          | 8.9%         | 271,676                | 1,537            | 5,986           | 97.3%          | 0.6%         | 2.1%         | 279,199                | 0          | 0              | 279,199                | 279,199                | 46,036             |
| 1/6/2009<br>1/7/2009     | 315,547<br>820,661     | 750<br>7,015      | 7,358<br>7,607  | 323,655<br>835,283     | 0       | 8.9%<br>8.9% | 27.4%<br>27.4% | 8.9%<br>8.9% | 287,463<br>747,622     | 545<br>5,093     | 6,703<br>6,930  | 97.5%<br>98.4% | 0.2%<br>0.7% | 2.3%<br>0.9% | 294,711<br>759,645     | 0          | 0              | 294,711<br>759,645     | 294,711<br>759,645     | 48,548<br>125,292  |
| 1/8/2009                 | 983,402                | 2,100             | 5,530           | 991,032                | 0       | 8.9%         | 27.4%          | 8.9%         | 895,879                | 1,525            | 5,038           | 99.3%          | 0.7%         | 0.5%         | 902,442                | 0          | 0              | 902,442                | 902,442                | 148,655            |
| 1/9/2009                 | 545,252                | 400               | 1,670           | 547,322                | 0       | 8.9%         | 27.4%          | 8.9%         | 496,725                | 290              | 1,521           | 99.6%          | 0.1%         | 0.3%         | 498,536                | 0          | 0              | 498,536                | 498,536                | 82,098             |
| 1/9/2009                 |                        |                   |                 |                        |         |              |                |              |                        |                  |                 |                |              |              |                        |            |                |                        |                        |                    |
| 1/9/2009                 | 391,801                | 700               | 4,670           | 397,171                | 0       | 8.9%         | 27.4%          | 8.9%         | 356,931                | 508              | 4,254           | 98.7%          | 0.1%         | 1.2%         | 361,693                | 0          | 0              | 361,693                | 361,693                | 59,576             |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                      | Reported         | Volume         |                      | Shares  | Snec         | ialist Adj     | ustment      |                      |                  | Speciali       | st-Adjusted    | Volume        |              |                      | Insider Tra | ansactions | Investor '           | Volume               | Intra-Day         |
|------------------------|----------------------|------------------|----------------|----------------------|---------|--------------|----------------|--------------|----------------------|------------------|----------------|----------------|---------------|--------------|----------------------|-------------|------------|----------------------|----------------------|-------------------|
| Date                   | Canada               | U.S.             | Germany        | Total                | Offered | Canada       |                | Germany      | Canada               | U.S.             | Germany        | Canada %       |               | Germany %    | Total                | Purchases   | Sales      | Purchases            | Sales                | Volume            |
| [1]                    | [2]                  | [3]              | [4]            | [5]                  | [6]     | [7]          | [8]            | [9]          | [10]                 | [11]             | [12]           | [13]           | [14]          | [15]         | [16]                 | [17]        | [18]       | [19]                 | [20]                 | [21]              |
| 1/14/2009              | 175,933              | 10,100           | 1,905          | 187,938              | 0       | 8.9%         | 27.4%          | 8.9%         | 160,275              | 7,333            | 1,735          | 94.6%          | 4.3%          | 1.0%         | 169,343              | 0           | 0          | 169,343              | 169,343              | 28,191            |
| 1/15/2009              | 396,977              | 18,100           | 1,950          | 417,027              | 0       | 8.9%         | 27.4%          | 8.9%         | 361,646              | 13,141           | 1,776          | 96.0%          | 3.5%          | 0.5%         | 376,563              | 0           | 0          | 376,563              | 376,563              | 62,554            |
| 1/16/2009<br>1/19/2009 | 439,716<br>67,076    | 1,125<br>0       | 1,000<br>5,440 | 441,841<br>72,516    | 0       | 8.9%<br>8.9% | 27.4%<br>27.4% | 8.9%<br>8.9% | 400,581<br>61,106    | 817<br>0         | 911<br>4,956   | 99.6%<br>92.5% | 0.2%<br>0.0%  | 0.2%<br>7.5% | 402,309<br>66,062    | 0           | 0          | 402,309<br>66,062    | 402,309<br>66,062    | 66,276<br>10,877  |
| 1/20/2009              | 162,620              | 12,000           | 1,595          | 176,215              | 0       | 8.9%         | 27.4%          | 8.9%         | 148,147              | 8,712            | 1,453          | 93.6%          | 5.5%          | 0.9%         | 158,312              | 0           | 0          | 158,312              | 158,312              | 26,432            |
| 1/21/2009              | 298,729              | 12,075           | 1,200          | 312,004              | 0       | 8.9%         | 27.4%          | 8.9%         | 272,142              | 8,766            | 1,093          | 96.5%          | 3.1%          | 0.4%         | 282,002              | 0           | 0          | 282,002              | 282,002              | 46,801            |
| 1/22/2009              | 201,730              | 3,300            | 2,460          | 207,490              | 0       | 8.9%         | 27.4%          | 8.9%         | 183,776              | 2,396            | 2,241          | 97.5%          | 1.3%          | 1.2%         | 188,413              | 0           | 0          | 188,413              | 188,413              | 31,124            |
| 1/23/2009              | 172,999              | 170              | 2,473          | 175,642              | 0       | 8.9%         | 27.4%          | 8.9%         | 157,602              | 123              | 2,253          | 98.5%          | 0.1%          | 1.4%         | 159,978              | 0           | 0          | 159,978              | 159,978              | 26,346            |
| 1/26/2009              | 63,558               | 0                | 0              | 63,558               | 0       | 8.9%         | 27.4%          | 8.9%         | 57,901               | 0                | 0              | 100.0%         | 0.0%          | 0.0%         | 57,901               | 0           | 0          | 57,901               | 57,901               | 9,534             |
| 1/27/2009              | 86,810               | 1,032            | 3,000          | 90,842               | 0       | 8.9%         | 27.4%          | 8.9%         | 79,084               | 749              | 2,733          | 95.8%          | 0.9%          | 3.3%         | 82,566               | 0           | 0          | 82,566               | 82,566               | 13,626            |
| 1/28/2009              | 137,827              | 7,900            | 1,270          | 146,997              | 0       | 8.9%         | 27.4%          | 8.9%         | 125,560              | 5,735            | 1,157          | 94.8%          | 4.3%          | 0.9%         | 132,453              | 0           | 0          | 132,453              | 132,453              | 22,050            |
| 1/29/2009<br>1/30/2009 | 149,682<br>665,740   | 7,000<br>17,300  | 700<br>1,625   | 157,382<br>684,665   | 0       | 8.9%<br>8.9% | 27.4%<br>27.4% | 8.9%<br>8.9% | 136,360<br>606,489   | 5,082<br>12,560  | 638<br>1,480   | 96.0%<br>97.7% | 3.6%<br>2.0%  | 0.4%<br>0.2% | 142,080<br>620,529   | 0           | 0          | 142,080<br>620,529   | 142,080<br>620,529   | 23,607<br>102,700 |
| 2/2/2009               | 290,620              | 12,500           | 300            | 303,420              | 0       | 9.8%         | 27.4%          | 9.8%         | 262,139              | 9,075            | 271            | 96.6%          | 3.3%          | 0.1%         | 271,485              | 0           | 0          | 271,485              | 271,485              | 45,513            |
| 2/3/2009               | 238,582              | 7,000            | 850            | 246,432              | 0       | 9.8%         | 27.4%          | 9.8%         | 215,201              | 5,082            | 767            | 97.4%          | 2.3%          | 0.3%         | 221,050              | 0           | 0          | 221,050              | 221,050              | 36,965            |
| 2/4/2009               | 513,989              | 100              | 830            | 514,919              | 0       | 9.8%         | 27.4%          | 9.8%         | 463,618              | 73               | 749            | 99.8%          | 0.0%          | 0.2%         | 464,439              | 0           | 0          | 464,439              | 464,439              | 77,238            |
| 2/5/2009               | 186,669              | 100              | 90             | 186,859              | 0       | 9.8%         | 27.4%          | 9.8%         | 168,375              | 73               | 81             | 99.9%          | 0.0%          | 0.0%         | 168,529              | 0           | 0          | 168,529              | 168,529              | 28,029            |
| 2/6/2009               | 518,608              | 1,225            | 2,350          | 522,183              | 0       | 9.8%         | 27.4%          | 9.8%         | 467,784              | 889              | 2,120          | 99.4%          | 0.2%          | 0.5%         | 470,793              | 0           | 0          | 470,793              | 470,793              | 78,327            |
| 2/9/2009               | 767,444              | 1,200            | 4,085          | 772,729              | 0       | 9.8%         | 27.4%          | 9.8%         | 692,234              | 871              | 3,685          | 99.3%          | 0.1%          | 0.5%         | 696,790              | 0           | 0          | 696,790              | 696,790              | 115,909           |
| 2/10/2009              | 388,818              | 2,200            | 2,500          | 393,518              | 0       | 9.8%         | 27.4%<br>27.4% | 9.8%         | 350,714              | 1,597            | 2,255          | 98.9%          | 0.5%          | 0.6%         | 354,566              | 0           | 0          | 354,566              | 354,566              | 59,028            |
| 2/11/2009<br>2/12/2009 | 439,787<br>956,465   | 1,100<br>112,400 | 1,505<br>1,055 | 442,392<br>1,069,920 | 0       | 9.8%<br>9.8% | 27.4%          | 9.8%<br>9.8% | 396,688<br>862,731   | 799<br>81,602    | 1,358<br>952   | 99.5%<br>91.3% | 0.2%<br>8.6%  | 0.3%<br>0.1% | 398,844<br>945,285   | 0           | 0          | 398,844<br>945,285   | 398,844<br>945,285   | 66,359<br>160,488 |
| 2/13/2009              | 146,946              | 1,100            | 1,135          | 149,181              | 0       | 9.8%         | 27.4%          | 9.8%         | 132,545              | 799              | 1,024          | 98.6%          | 0.6%          | 0.8%         | 134,368              | 0           | 0          | 134,368              | 134,368              | 22,377            |
| 2/17/2009              | 213,022              | 1,300            | 4,400          | 218,722              | 0       | 9.8%         | 27.4%          | 9.8%         | 192,146              | 944              | 3,969          | 97.5%          | 0.5%          | 2.0%         | 197,058              | 0           | 0          | 197,058              | 197,058              | 32,808            |
| 2/18/2009              | 589,531              | 5,000            | 1,210          | 595,741              | 0       | 9.8%         | 27.4%          | 9.8%         | 531,757              | 3,630            | 1,091          | 99.1%          | 0.7%          | 0.2%         | 536,478              | 0           | 0          | 536,478              | 536,478              | 89,361            |
| 2/19/2009              | 120,736              | 2,072            | 1,675          | 124,483              | 0       | 9.8%         | 27.4%          | 9.8%         | 108,904              | 1,504            | 1,511          | 97.3%          | 1.3%          | 1.3%         | 111,919              | 0           | 0          | 111,919              | 111,919              | 18,672            |
| 2/20/2009              | 406,754              | 500              | 3,500          | 410,754              | 0       | 9.8%         | 27.4%          | 9.8%         | 366,892              | 363              | 3,157          | 99.0%          | 0.1%          | 0.9%         | 370,412              | 0           | 0          | 370,412              | 370,412              | 61,613            |
| 2/23/2009              | 240,905              | 2,200            | 2,135          | 245,240              | 0       | 9.8%         | 27.4%          | 9.8%         | 217,296              | 1,597            | 1,926          | 98.4%          | 0.7%          | 0.9%         | 220,819              | 0           | 0          | 220,819              | 220,819              | 36,786            |
| 2/24/2009<br>2/25/2009 | 1,598,074<br>475,053 | 42,879<br>90,500 | 4,155<br>1,804 | 1,645,108<br>567,357 | 0       | 9.8%<br>9.8% | 27.4%<br>27.4% | 9.8%<br>9.8% | 1,441,463<br>428,498 | 31,130<br>65,703 | 3,748<br>1,627 | 97.6%<br>86.4% | 2.1%<br>13.3% | 0.3%<br>0.3% | 1,476,341<br>495,828 | 0           | 0          | 1,476,341<br>495,828 | 1,476,341<br>495,828 | 246,766<br>85,104 |
| 2/26/2009              | 346,392              | 44,600           | 290            | 391,282              | 0       | 9.8%         | 27.4%          | 9.8%         | 312,446              | 32,380           | 262            | 90.5%          | 9.4%          | 0.3%         | 345,087              | 0           | 0          | 345,087              | 345,087              | 58,692            |
| 2/27/2009              | 305,694              | 33,200           | 300            | 339,194              | 0       | 9.8%         | 27.4%          | 9.8%         | 275,736              | 24,103           | 271            | 91.9%          | 8.0%          | 0.1%         | 300,110              | 0           | 0          | 300,110              | 300,110              | 50,879            |
| 3/2/2009               | 594,150              | 73,000           | 5,450          | 672,600              | 0       | 9.0%         | 27.4%          | 9.0%         | 540,677              | 52,998           | 4,960          | 90.3%          | 8.9%          | 0.8%         | 598,634              | 0           | 0          | 598,634              | 598,634              | 100,890           |
| 3/3/2009               | 640,742              | 70,300           | 3,755          | 714,797              | 0       | 9.0%         | 27.4%          | 9.0%         | 583,075              | 51,038           | 3,417          | 91.5%          | 8.0%          | 0.5%         | 637,530              | 0           | 0          | 637,530              | 637,530              | 107,220           |
| 3/4/2009               | 1,322,630            | 81,000           | 7,219          | 1,410,849            | 0       | 9.0%         | 27.4%          | 9.0%         | 1,203,593            | 58,806           | 6,569          | 94.8%          | 4.6%          | 0.5%         | 1,268,969            | 0           | 0          | 1,268,969            | 1,268,969            | 211,627           |
| 3/5/2009               | 1,257,410            | 8,300            | 3,250          | 1,268,960            | 0       | 9.0%         | 27.4%          | 9.0%         | 1,144,243            | 6,026            | 2,958          | 99.2%          | 0.5%          | 0.3%         | 1,153,226            | 0           | 0          | 1,153,226            | 1,153,226            | 190,344           |
| 3/6/2009<br>3/9/2009   | 406,267              | 320<br>50,000    | 600<br>250     | 407,187              | 0       | 9.0%<br>9.0% | 27.4%<br>27.4% | 9.0%<br>9.0% | 369,703<br>442,679   | 232              | 546<br>228     | 99.8%<br>92.4% | 0.1%<br>7.6%  | 0.1%<br>0.0% | 370,481              | 0           | 0          | 370,481              | 370,481<br>479,206   | 61,078            |
| 3/10/2009              | 486,460<br>517,593   | 500              | 1,200          | 536,710<br>519,293   | 0       | 9.0%         | 27.4%          | 9.0%         | 471,010              | 36,300<br>363    | 1,092          | 92.4%          | 0.1%          | 0.0%         | 479,206<br>472,465   | 0           | 0          | 479,206<br>472,465   | 479,206              | 80,507<br>77,894  |
| 3/11/2009              | 547,145              | 1,240            | 700            | 549,085              | 0       | 9.0%         | 27.4%          | 9.0%         | 497,902              | 900              | 637            | 99.7%          | 0.2%          | 0.1%         | 499,439              | 0           | 0          | 499,439              | 499,439              | 82,363            |
| 3/12/2009              | 196,063              | 8,000            | 100            | 204,163              | 0       | 9.0%         | 27.4%          | 9.0%         | 178,417              | 5,808            | 91             | 96.8%          | 3.2%          | 0.0%         | 184,316              | 0           | 0          | 184,316              | 184,316              | 30,624            |
| 3/13/2009              | 495,465              | 4,300            | 2,661          | 502,426              | 0       | 9.0%         | 27.4%          | 9.0%         | 450,873              | 3,122            | 2,422          | 98.8%          | 0.7%          | 0.5%         | 456,416              | 0           | 0          | 456,416              | 456,416              | 75,364            |
| 3/16/2009              | 313,542              | 1,500            | 3,877          | 318,919              | 0       | 9.0%         | 27.4%          | 9.0%         | 285,323              | 1,089            | 3,528          | 98.4%          | 0.4%          | 1.2%         | 289,940              | 0           | 0          | 289,940              | 289,940              | 47,838            |
| 3/17/2009              | 617,236              | 2,100            | 3,575          | 622,911              | 0       | 9.0%         | 27.4%          | 9.0%         | 561,685              | 1,525            | 3,253          | 99.2%          | 0.3%          | 0.6%         | 566,463              | 0           | 0          | 566,463              | 566,463              | 93,437            |
| 3/18/2009              | 476,062              | 2,000            | 1,955          | 480,017              | 0       | 9.0%         | 27.4%          | 9.0%         | 433,216              | 1,452            | 1,779          | 99.3%          | 0.3%          | 0.4%         | 436,447              | 0           | 0          | 436,447              | 436,447              | 72,003            |
| 3/19/2009<br>3/20/2009 | 288,933<br>387,958   | 41,300<br>34,700 | 0<br>1,466     | 330,233<br>424,124   | 0       | 9.0%<br>9.0% | 27.4%<br>27.4% | 9.0%<br>9.0% | 262,929<br>353,042   | 29,984<br>25,192 | 0<br>1,334     | 89.8%<br>93.0% | 10.2%<br>6.6% | 0.0%<br>0.4% | 292,913<br>379,568   | 0           | 0          | 292,913<br>379,568   | 292,913<br>379,568   | 49,535<br>63,619  |
| 3/23/2009              | 587,220              | 60,250           | 1,564          | 649,034              | 0       | 9.0%         | 27.4%          | 9.0%         | 534,370              | 43,742           | 1,423          | 92.2%          | 7.5%          | 0.4%         | 579,535              | 0           | 0          | 579,535              | 579,535              | 97,355            |
| 3/24/2009              | 207,696              | 257              | 140            | 208,093              | 0       | 9.0%         | 27.4%          | 9.0%         | 189,003              | 187              | 127            | 99.8%          | 0.1%          | 0.1%         | 189,317              | 0           | 0          | 189,317              | 189,317              | 31,214            |
| 3/25/2009              | 539,084              | 1,250            | 0              | 540,334              | 0       | 9.0%         | 27.4%          | 9.0%         | 490,566              | 908              | 0              | 99.8%          | 0.2%          | 0.0%         | 491,474              | 0           | 0          | 491,474              | 491,474              | 81,050            |
| 3/26/2009              | 1,174,210            | 50,200           | 3,758          | 1,228,168            | 0       | 9.0%         | 27.4%          | 9.0%         | 1,068,531            | 36,445           | 3,420          | 96.4%          | 3.3%          | 0.3%         | 1,108,396            | 0           | 0          | 1,108,396            | 1,108,396            | 184,225           |
| 3/27/2009              | 607,766              | 0                | 2,239          | 610,005              | 0       | 9.0%         | 27.4%          | 9.0%         | 553,067              | 0                | 2,037          | 99.6%          | 0.0%          | 0.4%         | 555,105              | 0           | 0          | 555,105              | 555,105              | 91,501            |
| 3/30/2009              | 476,933              | 0                | 881            | 477,814              | 0       | 9.0%         | 27.4%          | 9.0%         | 434,009              | 0                | 802            | 99.8%          | 0.0%          | 0.2%         | 434,811              | 0           | 0          | 434,811              | 434,811              | 71,672            |
| 3/31/2009              | 1,518,494            | 5,000            | 3,192          | 1,526,686            | 0       | 9.0%         | 27.4%          | 9.0%         | 1,381,830            | 3,630            | 2,905          | 99.5%          | 0.3%          | 0.2%         | 1,388,364            | 0           | 0          | 1,388,364            | 1,388,364            | 229,003           |
| 4/1/2009<br>4/2/2009   | 526,392              | 5,900<br>5,900   | 587<br>6,494   | 532,879<br>1,661,726 | 0       | 9.9%<br>9.9% | 27.4%<br>27.4% | 9.9%<br>9.9% | 474,279<br>1,486,048 | 4,283<br>4,283   | 529<br>5,851   | 99.0%<br>99.3% | 0.9%<br>0.3%  | 0.1%<br>0.4% | 479,091              | 0           | 0          | 479,091              | 479,091<br>1,496,183 | 79,932<br>249,259 |
| 4/2/2009               | 1,649,332<br>607,576 | 5,900<br>400     | 5,700          | 613,676              | 0       | 9.9%         | 27.4%          | 9.9%<br>9.9% | 547,426              | 4,283<br>290     | 5,136          | 99.3%          | 0.5%          | 0.4%         | 1,496,183<br>552,852 | 0           | 0          | 1,496,183<br>552,852 | 1,496,183<br>552,852 | 92,051            |
| 4/6/2009               | 621,875              | 150,000          | 2,780          | 774,655              | 0       | 9.9%         | 27.4%          | 9.9%         | 560,309              | 108,900          | 2,505          | 83.4%          | 16.2%         | 0.4%         | 671,714              | 0           | 0          | 671,714              | 671,714              | 116,198           |
| 4/7/2009               | 1,166,164            | 75,000           | 2,680          | 1,243,844            | 0       | 9.9%         | 27.4%          | 9.9%         | 1,050,714            | 54,450           | 2,415          | 94.9%          | 4.9%          | 0.2%         | 1,107,578            | 0           | 0          | 1,107,578            | 1,107,578            | 186,577           |
| 4/8/2009               | 317,751              | 3,100            | 2,826          | 323,677              | 0       | 9.9%         | 27.4%          | 9.9%         | 286,294              | 2,251            | 2,546          | 98.4%          | 0.8%          | 0.9%         | 291,090              | 0           | 0          | 291,090              | 291,090              | 48,552            |
| 4/9/2009               | 210,544              | 8,500            | 2,890          | 221,934              | 0       | 9.9%         | 27.4%          | 9.9%         | 189,700              | 6,171            | 2,604          | 95.6%          | 3.1%          | 1.3%         | 198,475              | 0           | 0          | 198,475              | 198,475              | 33,290            |
| 4/13/2009              | 230,887              | 4,400            | 0              | 235,287              | 0       | 9.9%         | 27.4%          | 9.9%         | 208,029              | 3,194            | 0              | 98.5%          | 1.5%          | 0.0%         | 211,224              | 0           | 0          | 211,224              | 211,224              | 35,293            |
| 4/14/2009              | 505,301              | 25,500           | 3,410          | 534,211              | 0       | 9.9%         | 27.4%          | 9.9%         | 455,276              | 18,513           | 3,072          | 95.5%          | 3.9%          | 0.6%         | 476,862              | 0           | 0          | 476,862              | 476,862              | 80,132            |
| 4/15/2009              | 475,540              | 25,450           | 2,128          | 503,118              | 0       | 9.9%         | 27.4%          | 9.9%         | 428,462              | 18,477           | 1,917          | 95.5%          | 4.1%          | 0.4%         | 448,856              | 0           | 0          | 448,856              | 448,856              | 75,468            |
| 4/16/2009<br>4/17/2009 | 647,585<br>564,957   | 27,115<br>1,400  | 4,395<br>4,200 | 679,095<br>570,557   | 0       | 9.9%<br>9.9% | 27.4%<br>27.4% | 9.9%<br>9.9% | 583,474<br>509,026   | 19,685<br>1,016  | 3,960<br>3,784 | 96.1%<br>99.1% | 3.2%<br>0.2%  | 0.7%<br>0.7% | 607,119<br>513,827   | 0           | 0          | 607,119<br>513,827   | 607,119<br>513,827   | 101,864<br>85,584 |
| 4/17/2009              | 486,568              | 83,600           | 1,308          | 571,476              | 0       | 9.9%         | 27.4%          | 9.9%         | 438,398              | 60,694           | 1,179          | 99.1%<br>87.6% | 12.1%         | 0.7%         | 500,270              | 0           | 0          | 500,270              | 500,270              | 85,721            |
| 7/20/2009              | 400,500              | 05,000           | 1,500          | 3/1,4/0              | U       | 2.2/0        | ∠/.≒/0         | 2.2/0        | ٠,٥,٥,٥              | 00,094           | 1,179          | 07.070         | 12.1/0        | 0.2/0        | 300,270              | J           | U          | 300,270              | 300,270              | 05,721            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                        | Reported         | Volume         |                        | Shares     | Spec           | ialist Adjı    | ustment        |                        |                 | Specialis      | st-Adjusted     | Volume        |               |                        | Insider Tra | nsactions | Investor \             | Volume                 | Intra-Day          |
|------------------------|------------------------|------------------|----------------|------------------------|------------|----------------|----------------|----------------|------------------------|-----------------|----------------|-----------------|---------------|---------------|------------------------|-------------|-----------|------------------------|------------------------|--------------------|
| Date                   | Canada                 | U.S.             | Germany        | Total                  | Offered    | Canada         |                | Germany        | Canada                 | U.S.            | Germany        | Canada %        |               | Germany %     | Total                  | Purchases   | Sales     | Purchases              | Sales                  | Volume             |
| [1]                    | [2]                    | [3]              | [4]            | [5]                    | [6]        | [7]            | [8]            | [9]            | [10]                   | [11]            | [12]           | [13]            | [14]          | [15]          | [16]                   | [17]        | [18]      | [19]                   | [20]                   | [21]               |
| 4/21/2009              | 413,224                | 45,000           | 3,400          | 461,624                | 0          | 9.9%           | 27.4%          | 9.9%           | 372,315                | 32,670          | 3,063          | 91.2%           | 8.0%          | 0.8%          | 408,048                | 0           | 0         | 408,048                | 408,048                | 69,244             |
| 4/22/2009              | 372,018                | 41,200           | 205            | 413,423                | 0          | 9.9%           | 27.4%          | 9.9%           | 335,188                | 29,911          | 185            | 91.8%           | 8.2%          | 0.1%          | 365,284                | 0           | 0         | 365,284                | 365,284                | 62,013             |
| 4/23/2009<br>4/24/2009 | 1,067,636<br>621,324   | 35,000<br>2,700  | 80<br>2,180    | 1,102,716<br>626,204   | 0          | 9.9%<br>9.9%   | 27.4%<br>27.4% | 9.9%<br>9.9%   | 961,940<br>559,813     | 25,410<br>1,960 | 72<br>1,964    | 97.4%<br>99.3%  | 2.6%<br>0.3%  | 0.0%          | 987,422<br>563,737     | 0           | 0         | 987,422<br>563,737     | 987,422<br>563,737     | 165,407<br>93,931  |
| 4/27/2009              | 261,266                | 17,900           | 599            | 279,765                | 0          | 9.9%           | 27.4%          | 9.9%           | 235,401                | 12,995          | 540            | 94.6%           | 5.2%          | 0.2%          | 248,936                | 0           | 0         | 248,936                | 248,936                | 41,965             |
| 4/28/2009              | 261,275                | 8,200            | 700            | 270,175                | 0          | 9.9%           | 27.4%          | 9.9%           | 235,409                | 5,953           | 631            | 97.3%           | 2.5%          | 0.3%          | 241,993                | 0           | 0         | 241,993                | 241,993                | 40,526             |
| 4/29/2009              | 332,629                | 9,700            | 1,145          | 343,474                | 0          | 9.9%           | 27.4%          | 9.9%           | 299,699                | 7,042           | 1,032          | 97.4%           | 2.3%          | 0.3%          | 307,773                | 0           | 0         | 307,773                | 307,773                | 51,521             |
| 4/30/2009              | 523,042                | 21,948           | 2,800          | 547,790                | 0          | 9.9%           | 27.4%          | 9.9%           | 471,261                | 15,934          | 2,523          | 96.2%           | 3.3%          | 0.5%          | 489,718                | 0           | 0         | 489,718                | 489,718                | 82,169             |
| 5/1/2009               | 350,647                | 1,550            | 0              | 352,197                | 0          | 10.2%          | 27.4%          | 10.2%          | 314,881                | 1,125           | 0              | 99.6%           | 0.4%          | 0.0%          | 316,006                | 0           | 0         | 316,006                | 316,006                | 52,830             |
| 5/4/2009               | 455,949                | 500              | 5,371          | 461,820                | 0          | 10.2%          | 27.4%          | 10.2%          | 409,442                | 363             | 4,823          | 98.7%           | 0.1%          | 1.2%          | 414,628                | 0           | 0         | 414,628                | 414,628                | 69,273             |
| 5/5/2009               | 712,674                | 8,502<br>9,500   | 2,300          | 723,476                | 0          | 10.2%<br>10.2% | 27.4%<br>27.4% | 10.2%<br>10.2% | 639,981                | 6,172           | 2,065          | 98.7%<br>99.0%  | 1.0%<br>0.6%  | 0.3%          | 648,219                | 0           | 0         | 648,219                | 648,219                | 108,521            |
| 5/6/2009<br>5/7/2009   | 1,233,485<br>1,574,142 | 2,700            | 4,300<br>8,605 | 1,247,285<br>1,585,447 | 0          | 10.2%          | 27.4%          | 10.2%          | 1,107,670<br>1,413,580 | 6,897<br>1,960  | 3,861<br>7,727 | 99.0%           | 0.6%          | 0.3%<br>0.5%  | 1,118,428<br>1,423,267 | 0           | 0         | 1,118,428<br>1,423,267 | 1,118,428<br>1,423,267 | 187,093<br>237,817 |
| 5/8/2009               | 666,455                | 32,604           | 2,615          | 701,674                | 0          | 10.2%          | 27.4%          | 10.2%          | 598,477                | 23,671          | 2,348          | 95.8%           | 3.8%          | 0.4%          | 624,495                | 0           | 0         | 624,495                | 624,495                | 105,251            |
| 5/11/2009              | 423,588                | 3,600            | 5,163          | 432,351                | 0          | 10.2%          | 27.4%          | 10.2%          | 380,382                | 2,614           | 4,636          | 98.1%           | 0.7%          | 1.2%          | 387,632                | 0           | 0         | 387,632                | 387,632                | 64,853             |
| 5/12/2009              | 1,578,440              | 0                | 2,484          | 1,580,924              | 0          | 10.2%          | 27.4%          | 10.2%          | 1,417,439              | 0               | 2,231          | 99.8%           | 0.0%          | 0.2%          | 1,419,670              | 0           | 0         | 1,419,670              | 1,419,670              | 237,139            |
| 5/13/2009              | 692,200                | 31,250           | 2,475          | 725,925                | 0          | 10.2%          | 27.4%          | 10.2%          | 621,596                | 22,688          | 2,223          | 96.1%           | 3.5%          | 0.3%          | 646,506                | 0           | 0         | 646,506                | 646,506                | 108,889            |
| 5/14/2009              | 3,292,739              | 250              | 6,871          | 3,299,860              | 0          | 10.2%          | 27.4%          | 10.2%          | 2,956,880              | 182             | 6,170          | 99.8%           | 0.0%          | 0.2%          | 2,963,231              | 0           | 0         | 2,963,231              | 2,963,231              | 494,979            |
| 5/15/2009              | 273,616<br>0           | 1,300            | 1,550          | 276,466                | 0          | 10.2%          | 27.4%          | 10.2%          | 245,707                | 944             | 1,392          | 99.1%           | 0.4%          | 0.6%          | 248,043                | 0           | 0         | 248,043                | 248,043                | 41,470             |
| 5/18/2009<br>5/19/2009 | 349,882                | 600<br>900       | 1,800<br>250   | 2,400<br>351,032       | 0          | 10.2%<br>10.2% | 27.4%<br>27.4% | 10.2%<br>10.2% | 0<br>314,194           | 436<br>653      | 1,616<br>225   | 0.0%<br>99.7%   | 21.2%<br>0.2% | 78.8%<br>0.1% | 2,052<br>315,072       | 0           | 0         | 2,052<br>315,072       | 2,052<br>315,072       | 360<br>52,655      |
| 5/20/2009              | 668,084                | 46,935           | 1,430          | 716,449                | 0          | 10.2%          | 27.4%          | 10.2%          | 599,939                | 34,075          | 1,284          | 94.4%           | 5.4%          | 0.1%          | 635,298                | 0           | 0         | 635,298                | 635,298                | 107,467            |
| 5/21/2009              | 769,989                | 0                | 2,570          | 772,559                | 0          | 10.2%          | 27.4%          | 10.2%          | 691,450                | 0               | 2,308          | 99.7%           | 0.0%          | 0.3%          | 693,758                | 0           | 0         | 693,758                | 693,758                | 115,884            |
| 5/22/2009              | 3,875,449              | 59,911           | 1,200          | 3,936,560              | 0          | 10.2%          | 27.4%          | 10.2%          | 3,480,153              | 43,495          | 1,078          | 98.7%           | 1.2%          | 0.0%          | 3,524,726              | 0           | 0         | 3,524,726              | 3,524,726              | 590,484            |
| 5/25/2009              | 1,371,333              | 0                | 1,440          | 1,372,773              | 0          | 10.2%          | 27.4%          | 10.2%          | 1,231,457              | 0               | 1,293          | 99.9%           | 0.0%          | 0.1%          | 1,232,750              | 0           | 0         | 1,232,750              | 1,232,750              | 205,916            |
| 5/26/2009              | 1,735,975              | 2,000            | 190            | 1,738,165              | 0          | 10.2%          | 27.4%          | 10.2%          | 1,558,906              | 1,452           | 171            | 99.9%           | 0.1%          | 0.0%          | 1,560,528              | 0           | 0         | 1,560,528              | 1,560,528              | 260,725            |
| 5/27/2009              | 1,329,021              | 0                | 4,400          | 1,333,421              | 0          | 10.2%          | 27.4%          | 10.2%          | 1,193,461              | 0               | 3,951          | 99.7%           | 0.0%          | 0.3%          | 1,197,412              | 0           | 0         | 1,197,412              | 1,197,412              | 200,013            |
| 5/28/2009              | 968,710                | 23,193<br>62,200 | 385<br>405     | 992,288                | 0          | 10.2%<br>10.2% | 27.4%<br>27.4% | 10.2%<br>10.2% | 869,902                | 16,838          | 346            | 98.1%<br>97.0%  | 1.9%<br>3.0%  | 0.0%<br>0.0%  | 887,085                | 0           | 0         | 887,085                | 887,085                | 148,843            |
| 5/29/2009<br>6/1/2009  | 1,625,860<br>669,558   | 9,868            | 100            | 1,688,465<br>679,526   | 0          | 9.1%           | 27.4%          | 9.1%           | 1,460,022<br>608,628   | 45,157<br>7,164 | 364<br>91      | 98.8%           | 1.2%          | 0.0%          | 1,505,543<br>615,883   | 0           | 0         | 1,505,543<br>615,883   | 1,505,543<br>615,883   | 253,270<br>101,929 |
| 6/2/2009               | 1,072,139              | 90,155           | 410            | 1,162,704              | 0          | 9.1%           | 27.4%          | 9.1%           | 974,574                | 65,453          | 373            | 93.7%           | 6.3%          | 0.0%          | 1,040,400              | 0           | 0         | 1,040,400              | 1,040,400              | 174,406            |
| 6/3/2009               | 570,733                | 2,100            | 5,030          | 577,863                | 0          | 9.1%           | 27.4%          | 9.1%           | 518,796                | 1,525           | 4,572          | 98.8%           | 0.3%          | 0.9%          | 524,893                | 0           | 0         | 524,893                | 524,893                | 86,679             |
| 6/4/2009               | 554,141                | 8,829            | 2,700          | 565,670                | 0          | 9.1%           | 27.4%          | 9.1%           | 503,714                | 6,410           | 2,454          | 98.3%           | 1.3%          | 0.5%          | 512,578                | 0           | 0         | 512,578                | 512,578                | 84,851             |
| 6/5/2009               | 2,048,109              | 400              | 2,598          | 2,051,107              | 0          | 9.1%           | 27.4%          | 9.1%           | 1,861,731              | 290             | 2,362          | 99.9%           | 0.0%          | 0.1%          | 1,864,383              | 0           | 0         | 1,864,383              | 1,864,383              | 307,666            |
| 6/8/2009               | 854,323                | 0                | 2,495          | 856,818                | 34,500,000 | 9.1%           | 27.4%          | 9.1%           | 776,580                | 0               | 2,268          | 99.7%           | 0.0%          | 0.3%          | 778,848                | 0           | 0         | 35,278,848             | 778,848                | 128,523            |
| 6/9/2009               | 934,807                | 305              | 3,236          | 938,348                | 0          | 9.1%           | 27.4%          | 9.1%           | 849,740                | 221             | 2,942          | 99.6%           | 0.0%          | 0.3%          | 852,903                | 0           | 0         | 852,903                | 852,903                | 140,752            |
| 6/10/2009<br>6/11/2009 | 1,375,548<br>1,747,686 | 300<br>11,400    | 400<br>2,561   | 1,376,248<br>1,761,647 | 0          | 9.1%<br>9.1%   | 27.4%<br>27.4% | 9.1%<br>9.1%   | 1,250,373<br>1,588,647 | 218<br>8,276    | 364<br>2,328   | 100.0%<br>99.3% | 0.0%<br>0.5%  | 0.0%<br>0.1%  | 1,250,955<br>1,599,251 | 0           | 0         | 1,250,955<br>1,599,251 | 1,250,955<br>1,599,251 | 206,437<br>264,247 |
| 6/12/2009              | 554,200                | 2,500            | 2,301          | 556,700                | 0          | 9.1%           | 27.4%          | 9.1%           | 503,768                | 1,815           | 2,326          | 99.6%           | 0.4%          | 0.0%          | 505,583                | 0           | 0         | 505,583                | 505,583                | 83,505             |
| 6/15/2009              | 813,768                | 2,100            | 2,910          | 818,778                | 0          | 9.1%           | 27.4%          | 9.1%           | 739,715                | 1,525           | 2,645          | 99.4%           | 0.2%          | 0.4%          | 743,885                | 0           | 0         | 743,885                | 743,885                | 122,817            |
| 6/16/2009              | 1,278,207              | 150,875          | 1,225          | 1,430,307              | 0          | 9.1%           | 27.4%          | 9.1%           | 1,161,890              | 109,535         | 1,114          | 91.3%           | 8.6%          | 0.1%          | 1,272,539              | 0           | 0         | 1,272,539              | 1,272,539              | 214,546            |
| 6/17/2009              | 765,245                | 6,100            | 1,550          | 772,895                | 0          | 9.1%           | 27.4%          | 9.1%           | 695,608                | 4,429           | 1,409          | 99.2%           | 0.6%          | 0.2%          | 701,445                | 0           | 0         | 701,445                | 701,445                | 115,934            |
| 6/18/2009              | 733,555                | 10,000           | 850            | 744,405                | 0          | 9.1%           | 27.4%          | 9.1%           | 666,801                | 7,260           | 773            | 98.8%           | 1.1%          | 0.1%          | 674,834                | 0           | 0         | 674,834                | 674,834                | 111,661            |
| 6/19/2009              | 3,401,803              | 3,400            | 2,230          | 3,407,433              | 0          | 9.1%           | 27.4%          | 9.1%           | 3,092,239              | 2,468           | 2,027          | 99.9%           | 0.1%          | 0.1%          | 3,096,734              | 0           | 0         | 3,096,734              | 3,096,734              | 511,115            |
| 6/22/2009              | 1,198,483              | 129,200          | 420            | 1,328,103              | 0          | 9.1%           | 27.4%          | 9.1%           | 1,089,421              | 93,799          | 382            | 92.0%           | 7.9%          | 0.0%          | 1,183,602              | 0           | 0         | 1,183,602              | 1,183,602              | 199,215            |
| 6/23/2009<br>6/24/2009 | 833,157<br>782,813     | 725<br>2,200     | 1,717<br>3,241 | 835,599<br>788,254     | 0          | 9.1%<br>9.1%   | 27.4%<br>27.4% | 9.1%<br>9.1%   | 757,340<br>711,577     | 526<br>1,597    | 1,561<br>2,946 | 99.7%<br>99.4%  | 0.1%<br>0.2%  | 0.2%<br>0.4%  | 759,427<br>716,120     | 0           | 0         | 759,427<br>716,120     | 759,427<br>716,120     | 125,340<br>118,238 |
| 6/25/2009              | 861,365                | 1,100            | 1,121          | 863,586                | 0          | 9.1%           | 27.4%          | 9.1%           | 782,981                | 799             | 1,019          | 99.8%           | 0.1%          | 0.4%          | 784,798                | 0           | 0         | 784,798                | 784,798                | 129,538            |
| 6/26/2009              | 472,162                | 920              | 760            | 473,842                | 0          | 9.1%           | 27.4%          | 9.1%           | 429,195                | 668             | 691            | 99.7%           | 0.2%          | 0.2%          | 430,554                | 0           | 0         | 430,554                | 430,554                | 71,076             |
| 6/29/2009              | 425,505                | 537              | 651            | 426,693                | 0          | 9.1%           | 27.4%          | 9.1%           | 386,784                | 390             | 592            | 99.7%           | 0.1%          | 0.2%          | 387,766                | 0           | 0         | 387,766                | 387,766                | 64,004             |
| 6/30/2009              | 899,279                | 2,266            | 1,800          | 903,345                | 0          | 9.1%           | 27.4%          | 9.1%           | 817,445                | 1,645           | 1,636          | 99.6%           | 0.2%          | 0.2%          | 820,726                | 0           | 0         | 820,726                | 820,726                | 135,502            |
| 7/1/2009               | 0                      | 8,200            | 2,767          | 10,967                 | 0          | 8.7%           | 27.4%          | 8.7%           | 0                      | 5,953           | 2,526          | 0.0%            | 70.2%         | 29.8%         | 8,479                  | 0           | 0         | 8,479                  | 8,479                  | 1,645              |
| 7/2/2009               | 746,968                | 4,900            | 3,710          | 755,578                | 0          | 8.7%           | 27.4%          | 8.7%           | 681,982                | 3,557           | 3,387          | 99.0%           | 0.5%          | 0.5%          | 688,926                | 0           | 0         | 688,926                | 688,926                | 113,337            |
| 7/3/2009               | 165,307                | 0<br>1,005       | 100            | 165,407<br>853,630     | 0          | 8.7%           | 27.4%<br>27.4% | 8.7%<br>8.7%   | 150,925                | 730             | 91<br>2 370    | 99.9%<br>99.6%  | 0.0%          | 0.1%<br>0.3%  | 151,017                | 0           | 0         | 151,017                | 151,017                | 24,811             |
| 7/6/2009<br>7/7/2009   | 850,019<br>1,308,581   | 300              | 2,606<br>0     | 1,308,881              | 0          | 8.7%<br>8.7%   | 27.4%          | 8.7%<br>8.7%   | 776,067<br>1,194,734   | 218             | 2,379          | 100.0%          | 0.1%<br>0.0%  | 0.5%          | 779,176<br>1,194,952   | 0           | 0         | 779,176<br>1,194,952   | 779,176<br>1,194,952   | 128,045<br>196,332 |
| 7/8/2009               | 1,838,503              | 184,110          | 150            | 2,022,763              | 0          | 8.7%           | 27.4%          | 8.7%           | 1,678,553              | 133,664         | 137            | 92.6%           | 7.4%          | 0.0%          | 1,812,354              | 0           | 0         | 1,812,354              | 1,812,354              | 303,414            |
| 7/9/2009               | 721,728                | 519              | 81             | 722,328                | 0          | 8.7%           | 27.4%          | 8.7%           | 658,938                | 377             | 74             | 99.9%           | 0.1%          | 0.0%          | 659,388                | 0           | 0         | 659,388                | 659,388                | 108,349            |
| 7/10/2009              | 497,782                | 500              | 2,164          | 500,446                | 0          | 8.7%           | 27.4%          | 8.7%           | 454,475                | 363             | 1,976          | 99.5%           | 0.1%          | 0.4%          | 456,814                | 0           | 0         | 456,814                | 456,814                | 75,067             |
| 7/13/2009              | 5,533,371              | 200              | 300            | 5,533,871              | 0          | 8.7%           | 27.4%          | 8.7%           | 5,051,968              | 145             | 274            | 100.0%          | 0.0%          | 0.0%          | 5,052,387              | 0           | 0         | 5,052,387              | 5,052,387              | 830,081            |
| 7/14/2009              | 1,695,220              | 1,800            | 1,500          | 1,698,520              | 0          | 8.7%           | 27.4%          | 8.7%           | 1,547,736              | 1,307           | 1,370          | 99.8%           | 0.1%          | 0.1%          | 1,550,412              | 0           | 0         | 1,550,412              | 1,550,412              | 254,778            |
| 7/15/2009              | 1,553,675              | 0                | 2,421          | 1,556,096              | 0          | 8.7%           | 27.4%          | 8.7%           | 1,418,505              | 0               | 2,210          | 99.8%           | 0.0%          | 0.2%          | 1,420,716              | 0           | 0         | 1,420,716              | 1,420,716              | 233,414            |
| 7/16/2009              | 262,826                | 5,000            | 1,135          | 268,961                | 0          | 8.7%           | 27.4%          | 8.7%           | 239,960                | 3,630           | 1,036          | 98.1%           | 1.5%          | 0.4%          | 244,626                | 0           | 0         | 244,626                | 244,626                | 40,344             |
| 7/17/2009<br>7/20/2009 | 956,809<br>472,727     | 441<br>6,700     | 1,850<br>1,455 | 959,100<br>480,882     | 0          | 8.7%<br>8.7%   | 27.4%<br>27.4% | 8.7%<br>8.7%   | 873,567<br>431,600     | 320<br>4,864    | 1,689<br>1,328 | 99.8%<br>98.6%  | 0.0%<br>1.1%  | 0.2%<br>0.3%  | 875,576<br>437,792     | 0           | 0         | 875,576<br>437,792     | 875,576<br>437,792     | 143,865<br>72,132  |
|                        |                        | 975              | 2,475          | 502,827                | 0          | 8.7%           | 27.4%          | 8.7%           | 455,931                | 708             | 2,260          | 98.6%           | 0.2%          | 0.5%          | 457,792                | 0           | 0         | 458,899                | 457,792                | 75,424             |
| 7/21/2009              | 499,377                |                  |                |                        |            |                |                |                |                        |                 |                |                 |               |               |                        |             |           |                        |                        |                    |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

| Part                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |            |           | Reported | Volume |         | Shares | Snec | ialist Adi | ustment |           |       | Speciali | st-Adjusted | Volume |           |         | Insider Tra | ansactions | Investor V | Volume  | Intra-Day         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|----------|--------|---------|--------|------|------------|---------|-----------|-------|----------|-------------|--------|-----------|---------|-------------|------------|------------|---------|-------------------|
| Table   Tabl   | Date       | Canada    |          |        | Total   |        |      |            |         | Canada    | U.S.  |          |             |        | Germany % | Total   |             |            |            |         | Volume            |
| 2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | [21]              |
| 1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75   1.75      |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 61,988            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 76,694            |
| Page      |            |           |          |        |         | -      |      |            |         |           |       |          |             |        |           |         | -           | -          |            |         | 162,984<br>62,577 |
| 1.   1.   1.   1.   1.   1.   1.   1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | -           |            |            |         | 60,891            |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 51,394            |
| Section   Sect   | 7/31/2009  | 646,120   | 4,400    | 7,300  |         | 0      | 8.7% | 27.4%      | 8.7%    | 589,908   |       | 6,665    | 98.4%       | 0.5%   | 1.1%      |         | 0           | 0          |            |         | 98,673            |
| Section   Sect   |            |           |          |        |         |        |      |            |         |           |       | 4,669    |             |        |           |         | -           |            |            |         | 1,512             |
| 1.45.5.08   1.45.5.08   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56.6   1.56   |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 134,113           |
| 1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00   1.00      |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 100,181           |
| 1948   1959   280   280   290,00   280   290,00   280   290,00   280   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   294,00   29   |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 219,823<br>80,808 |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |           |          |        |         | -      |      |            |         |           |       |          |             |        |           |         | -           | -          |            |         | 59,055            |
| 13   13   13   13   13   13   13   14   15   15   16   16   15   15   15   15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 106,097           |
| 142-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-00    120-   |            |           |          |        |         | 0      |      |            |         |           |       |          |             |        |           |         | 0           | 0          |            |         | 73,008            |
| 1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875    1875   | 8/13/2009  | 840,275   | 1,200    | 2,018  | 843,493 | 0      | 8.8% | 27.4%      | 8.8%    | 766,331   | 871   | 1,840    | 99.6%       | 0.1%   | 0.2%      | 769,042 | 0           | 0          | 769,042    | 769,042 | 126,524           |
| Section   Sect   |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | -           |            |            |         | 63,141            |
| 1992    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995    1995   |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 160,707           |
| 1.   1.   1.   1.   1.   1.   1.   1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 64,152            |
| 821/2000         \$51,057         92.00         1.50         \$42,80         \$58,00         \$48,80         \$48,30         \$1.70         \$9.30         1.49         \$0.99         \$2,80         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90         \$2.90                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | -           |            |            |         | 85,301<br>95,897  |
| Section   Sect   |            |           |          |        |         | -      |      |            |         |           |       |          |             |        |           |         | -           | -          |            |         | 81,357            |
| \$\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\frac{2}{2}\fr  |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | -           |            |            |         | 45,107            |
| Section   Sect   |            |           |          | 1,380  |         | 0      |      |            |         |           |       |          |             |        |           |         | 0           | 0          |            |         | 53,418            |
| 1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25   1.25      | 8/26/2009  | 586,471   | 700      | 930    | 588,101 | 0      | 8.8% | 27.4%      | 8.8%    | 534,862   | 508   | 848      | 99.7%       | 0.1%   | 0.2%      | 536,218 | 0           | 0          | 536,218    | 536,218 | 88,215            |
| \$\ \begin{subable} \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |            |           |          |        |         | -      |      |            |         |           |       |          |             |        |           |         | -           |            |            |         | 60,723            |
| 9.7.2009   1.355_183   1.880   2.550   1.250   5.074   40   51.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 94,759            |
| 9.72.009   252.729   53.500   1.205   307.434   0   91%   27.4%   91%   229.329   38.844   1.05   85.2%   1.4%   0.4%   205.238   0.0   229.687   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215   309.215    |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 220,690           |
| 9.75(199)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | -           | -          |            |         | 205,442<br>46,115 |
| 94/2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 43,305            |
| 98/2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |           |          |        |         |        | 9.1% |            |         |           |       |          |             |        |           |         | 0           |            |            |         | 66,065            |
| 99102009 1,035.82                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 9/7/2009   | 0         | 0        | 400    | 400     | 0      | 9.1% | 27.4%      | 9.1%    | 0         | 0     | 364      | 0.0%        | 0.0%   | 100.0%    | 364     | 0           | 0          | 364        | 364     | 60                |
| 94102009   977,999   13,325   2,740   993,764   0   91,80   27,486   91,96   73,287   91,970   978,5678   63,860   31,40   797,418   0   91,80   27,486   91,96   73,279   91,970   91,970   479,432   400   1,016   48,0848   0   91,80   27,486   91,96   478,5304   290   92,4   99,786   1,76   0.286   437,018   0   0   437,018   437,018   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970   91,970  |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 204,749           |
| 91142009 745,678 8,600 3,140 797,418 0 9,1% 27,4% 9,1% 114,181 6,244 2,854 98,7% 0,9% 0,4% 723,279 0 0 732,279 723,279 19142009 648,864 14,325 3,400 666,889 0 9,1% 27,4% 9,1% 435,804 290 9,24 99,7% 0,1% 0,5% 603,088 0 0 0 63,308 603,088 1916,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000 9,000  |            |           |          |        |         | -      |      |            |         |           |       |          |             |        |           |         | -           |            |            |         | 157,741           |
| 91472009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 149,065           |
| 9415/2009 648,84 14,325 3,400 666,589 0 9,1% 27,4% 9,1% 889,817 10,400 3,091 97,8% 1,7% 0,5% 05,308,08 0 0 0,603,308 00,308 1916/2009 877,88 1,900 1,160 870,641 0 9,1% 27,4% 9,1% 461,316 4,666 12,50 98,7% 1,0% 0,3% 467,232 0 0 0,467,232 447,232 91,800,991,800,99 832,633 1,1777 885 844,15 0 9,1% 27,4% 9,1% 461,316 4,666 12,50 98,7% 1,0% 0,5% 05,30% 467,232 0 0 0,467,232 447,232 91,200 973,289 5,100 1,500 743,889 0 9,1% 27,4% 9,1% 670,196 3,703 1,364 99,2% 0,5% 0,2% 675,262 0 0 0,675,262 675,262 92,220,9 471,691 0 730 447,1821 0 9,1% 27,4% 9,1% 670,196 3,703 1,364 99,2% 0,5% 0,2% 675,262 0 0 0,675,262 675,262 92,220,9 471,691 0 730 447,1821 0 9,1% 27,4% 9,1% 670,196 3,703 1,364 99,2% 0,5% 0,2% 0,2% 675,262 0 0,675,262 675,262 92,220,9 471,691 0 730 447,1821 0 9,1% 27,4% 9,1% 655,317 1,035 1,073 9,0% 0,2% 0,2% 675,262 0 0,679,255 679,255 92,240,09 588,11 3,573 1,09 3,00 3,00 3,00 3,00 3,00 3,00 3,00 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |           |          |        |         | -      |      |            |         |           |       |          |             |        |           |         |             | -          |            |         | 119,613<br>72,127 |
| 916/2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | -           |            |            |         | 99,988            |
| 9/17/2009   597,498   6,427   1,375   515,300   0   91%   27.4%   91%   461,316   4,666   1,250   98.7%   1.0%   0.3%   467,232   0   0   467,232   467,232   99/18/2009   373,289   5,100   1,500   743,899   0   91%   27.4%   91%   670,196   3,703   1,364   99.2%   0.5%   0.2%   675,262   0   0   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   675,262   |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | -           |            |            |         | 130,596           |
| 921/2009 737,289 5.00 1,500 743,889 0 9,1% 27.4% 9,1% 670,196 3,703 1,364 99.2% 0.5% 0.2% 675,262 0 0 675,262 0 75,262 9/22/2009 471,091 0 730 471,821 0 9,1% 27.4% 9,1% 428,222 0 664 99.8% 0.0% 0.2% 428,885 0 0 428,885 428,885 9/22/2009 720,921 1,425 1,731 724,077 0 9,1% 27.4% 9,1% 655,317 1,035 1,573 99.6% 0.2% 657,925 0 0 657,925 657,925 9/24/2009 598,147 5,595 2,014 605,756 0 9,1% 27.4% 9,1% 655,317 1,035 1,573 99.6% 0.2% 657,925 0 0 0 544,785 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445,745 1,445 |            |           |          |        |         | 0      | 9.1% |            |         |           |       |          |             |        |           |         | 0           | 0          |            |         | 77,295            |
| 9.72.009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 9/18/2009  | 828,053   | 11,777   |        | 840,415 |        | 9.1% |            | 9.1%    | 752,700   | 8,550 | 532      |             |        |           | 761,782 | 0           | 0          |            | 761,782 | 126,062           |
| $\begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 111,583           |
| 9/24/2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |            |           |          |        |         | -      |      |            |         |           | -     |          |             |        |           |         | -           |            |            |         | 70,773            |
| 9/28/2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 108,612           |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |            |           |          |        |         | -      |      |            |         |           |       |          |             |        |           |         | -           | -          |            |         | 90,863<br>221,998 |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |            |           |          |        |         |        | ,    |            |         |           |       |          |             |        |           |         |             |            |            |         | 91,487            |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | 0           |            |            |         | 243,344           |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           | 1,100    | 900    | 744,189 | 0      | 9.1% | 27.4%      | 9.1%    |           |       | 818      | 99.8%       | 0.1%   | 0.1%      |         | 0           | 0          |            |         | 111,628           |
| $ \begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 10/1/2009  | 883,094   | 9,200    | 4,580  | 896,874 | 0      | 9.3% | 27.4%      |         | 800,966   | 6,679 | 4,154    | 98.7%       | 0.8%   | 0.5%      | 811,800 | 0           | 0          | 811,800    | 811,800 | 134,531           |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 168,151           |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |        |         | -      |      |            |         |           | -     |          |             |        |           |         | -           | -          |            |         | 50,868            |
| $\begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |           |          |        |         | -      |      |            |         |           |       |          |             |        |           |         | -           | -          |            |         | 86,433            |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             | -          |            |         | 49,247<br>86,730  |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             | -          |            |         | 43,937            |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | 0           | 0          |            |         | 136               |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |            | 1,457,306 | 2,000    |        |         | 0      |      |            |         | 1,321,777 | 1,452 |          |             |        |           |         | 0           | 0          |            |         | 219,068           |
| $ \begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            | 448,771   | 966      | 1,286  | 451,023 | 0      | 9.3% | 27.4%      |         | 407,035   | 701   |          | 99.5%       |        | 0.3%      | 408,903 | 0           | 0          | 408,903    | 408,903 | 67,653            |
| $ \begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 51,786            |
| $ \begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         | -           | -          |            |         | 47,639            |
| $ \begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 33,674            |
| 10/22/2009 610,305 2,300 1,654 614,259 0 9.3% 27.4% 9.3% 553,547 1,670 1,500 99.4% 0.3% 0.3% 556,717 0 0 556,717 556,717                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 56,023<br>160,400 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |           |          |        |         |        |      |            |         |           |       |          |             |        |           |         |             |            |            |         | 92,139            |
| 17.18/18/17 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07 19.07  | 10/23/2009 | 525,279   | 1,950    | 985    | 528,214 | 0      | 9.3% | 27.4%      | 9.3%    | 476,428   | 1,416 | 893      | 99.5%       | 0.3%   | 0.2%      | 478,737 | 0           | 0          | 478,737    | 478,737 | 79,232            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                          |                        | Reported         | Volume       |                        | Shares     | Snec         | ialist Adj     | ustment      |                      |                  | Specialis    | t-Adjusted     | Volume        |              |                      | Insider Tr | ansactions | Investor              | Volume               | Intra-Day          |
|--------------------------|------------------------|------------------|--------------|------------------------|------------|--------------|----------------|--------------|----------------------|------------------|--------------|----------------|---------------|--------------|----------------------|------------|------------|-----------------------|----------------------|--------------------|
| Date                     | Canada                 | U.S.             | Germany      | Total                  | Offered    | Canada       |                | Germany      | Canada               | U.S.             | Germany      |                |               | Germany %    | Total                | Purchases  | Sales      | Purchases             | Sales                | Volume             |
| [1]                      | [2]                    | [3]              | [4]          | [5]                    | [6]        | [7]          | [8]            | [9]          | [10]                 | [11]             | [12]         | [13]           | [14]          | [15]         | [16]                 | [17]       | [18]       | [19]                  | [20]                 | [21]               |
| 10/26/2009               | 441,086                | 2,300            | 59           | 443,445                | 0          | 9.3%         | 27.4%          | 9.3%         | 400,065              | 1,670            | 54           | 99.6%          | 0.4%          | 0.0%         | 401,788              | 0          | 0          | 401,788               | 401,788              | 66,517             |
| 10/27/2009               | 458,775                | 1,300            | 36           | 460,111                | 0          | 9.3%         | 27.4%          | 9.3%         | 416,109              | 944              | 33           | 99.8%          | 0.2%          | 0.0%         | 417,085              | 0          | 0          | 417,085               | 417,085              | 69,017             |
| 10/28/2009               | 718,185                | 26,830           | 5,232        | 750,247                | 0          | 9.3%         | 27.4%          | 9.3%         | 651,394              | 19,479           | 4,745        | 96.4%          | 2.9%          | 0.7%         | 675,618              | 0          | 0          | 675,618               | 675,618              | 112,537            |
| 10/29/2009<br>10/30/2009 | 408,565<br>864,355     | 14,100<br>13,962 | 888<br>6,101 | 423,553<br>884,418     | 0          | 9.3%<br>9.3% | 27.4%<br>27.4% | 9.3%<br>9.3% | 370,568<br>783,970   | 10,237<br>10,136 | 805<br>5,534 | 97.1%<br>98.0% | 2.7%<br>1.3%  | 0.2%<br>0.7% | 381,610<br>799,640   | 0          | 0          | 381,610<br>799,640    | 381,610<br>799,640   | 63,533<br>132,663  |
| 11/2/2009                | 666,367                | 8,320            | 7,086        | 681,773                | 0          | 8.6%         | 27.4%          | 8.6%         | 609,059              | 6,040            | 6,477        | 98.0%          | 1.0%          | 1.0%         | 621,576              | 0          | 0          | 621,576               | 621,576              | 102,266            |
| 11/3/2009                | 834,014                | 1,600            | 700          | 836,314                | 0          | 8.6%         | 27.4%          | 8.6%         | 762,289              | 1,162            | 640          | 99.8%          | 0.2%          | 0.1%         | 764,090              | 0          | 0          | 764,090               | 764,090              | 125,447            |
| 11/4/2009                | 1,074,568              | 2,300            | 700          | 1,077,568              | 0          | 8.6%         | 27.4%          | 8.6%         | 982,155              | 1,670            | 640          | 99.8%          | 0.2%          | 0.1%         | 984,465              | 0          | 0          | 984,465               | 984,465              | 161,635            |
| 11/5/2009                | 496,952                | 3,300            | 654          | 500,906                | 0          | 8.6%         | 27.4%          | 8.6%         | 454,214              | 2,396            | 598          | 99.3%          | 0.5%          | 0.1%         | 457,208              | 0          | 0          | 457,208               | 457,208              | 75,136             |
| 11/6/2009                | 333,786                | 1,100            | 660          | 335,546                | 0          | 8.6%         | 27.4%          | 8.6%         | 305,080              | 799              | 603          | 99.5%          | 0.3%          | 0.2%         | 306,482              | 0          | 0          | 306,482               | 306,482              | 50,332             |
| 11/9/2009                | 666,385                | 5,350            | 2,413        | 674,148                | 0          | 8.6%         | 27.4%          | 8.6%         | 609,076              | 3,884            | 2,205        | 99.0%          | 0.6%          | 0.4%         | 615,165              | 0          | 0          | 615,165               | 615,165              | 101,122            |
| 11/10/2009               | 566,644                | 0                | 1,185        | 567,829                | 0          | 8.6%         | 27.4%          | 8.6%         | 517,913              | 0                | 1,083        | 99.8%          | 0.0%          | 0.2%         | 518,996              | 0          | 0          | 518,996               | 518,996              | 85,174             |
| 11/11/2009               | 386,892                | 600              | 325          | 387,817                | 0          | 8.6%<br>8.6% | 27.4%<br>27.4% | 8.6%<br>8.6% | 353,619              | 436              | 297          | 99.8%<br>99.4% | 0.1%<br>0.4%  | 0.1%<br>0.2% | 354,352              | 0          | 0          | 354,352               | 354,352              | 58,173             |
| 11/12/2009<br>11/13/2009 | 819,673<br>418,364     | 4,200<br>2,455   | 1,330<br>400 | 825,203<br>421,219     | 0          | 8.6%         | 27.4%          | 8.6%         | 749,181<br>382,385   | 3,049<br>1,782   | 1,216<br>366 | 99.4%          | 0.5%          | 0.2%         | 753,446<br>384,533   | 0          | 0          | 753,446<br>384,533    | 753,446<br>384,533   | 123,780<br>63,183  |
| 11/16/2009               | 878,639                | 2,200            | 4,866        | 885,705                | 0          | 8.6%         | 27.4%          | 8.6%         | 803,076              | 1,597            | 4,448        | 99.3%          | 0.2%          | 0.5%         | 809,121              | 0          | 0          | 809,121               | 809,121              | 132,856            |
| 11/17/2009               | 1,126,524              | 6,600            | 1,506        | 1,134,630              | 0          | 8.6%         | 27.4%          | 8.6%         | 1,029,643            | 4,792            | 1,376        | 99.4%          | 0.5%          | 0.1%         | 1,035,811            | 0          | 0          | 1,035,811             | 1,035,811            | 170,195            |
| 11/18/2009               | 1,088,005              | 1,750            | 3,199        | 1,092,954              | 0          | 8.6%         | 27.4%          | 8.6%         | 994,437              | 1,271            | 2,924        | 99.6%          | 0.1%          | 0.3%         | 998,631              | 0          | 0          | 998,631               | 998,631              | 163,943            |
| 11/19/2009               | 621,451                | 1,830            | 1,581        | 624,862                | 0          | 8.6%         | 27.4%          | 8.6%         | 568,006              | 1,329            | 1,445        | 99.5%          | 0.2%          | 0.3%         | 570,780              | 0          | 0          | 570,780               | 570,780              | 93,729             |
| 11/20/2009               | 350,315                | 2,300            | 812          | 353,427                | 0          | 8.6%         | 27.4%          | 8.6%         | 320,188              | 1,670            | 742          | 99.3%          | 0.5%          | 0.2%         | 322,600              | 0          | 0          | 322,600               | 322,600              | 53,014             |
| 11/23/2009               | 326,681                | 2,000            | 660          | 329,341                | 0          | 8.6%         | 27.4%          | 8.6%         | 298,586              | 1,452            | 603          | 99.3%          | 0.5%          | 0.2%         | 300,642              | 0          | 0          | 300,642               | 300,642              | 49,401             |
| 11/24/2009               | 397,379                | 5,403            | 1,725        | 404,507                | 0          | 8.6%         | 27.4%          | 8.6%         | 363,204              | 3,923            | 1,577        | 98.5%          | 1.1%          | 0.4%         | 368,704              | 0          | 0          | 368,704               | 368,704              | 60,676             |
| 11/25/2009<br>11/26/2009 | 677,061<br>75,734      | 700<br>0         | 916<br>3,700 | 678,677<br>79,434      | 0          | 8.6%<br>8.6% | 27.4%<br>27.4% | 8.6%<br>8.6% | 618,834<br>69,221    | 508<br>0         | 837<br>3,382 | 99.8%<br>95.3% | 0.1%<br>0.0%  | 0.1%<br>4.7% | 620,179<br>72,603    | 0          | 0          | 620,179<br>72,603     | 620,179<br>72,603    | 101,802<br>11,915  |
| 11/27/2009               | 329,552                | 4,900            | 2,310        | 336,762                | 0          | 8.6%         | 27.4%          | 8.6%         | 301,211              | 3,557            | 2,111        | 98.2%          | 1.2%          | 0.7%         | 306,879              | 0          | 0          | 306,879               | 306,879              | 50,514             |
| 11/30/2009               | 663,625                | 118,282          | 1,113        | 783,020                | 0          | 8.6%         | 27.4%          | 8.6%         | 606,553              | 85,873           | 1,017        | 87.5%          | 12.4%         | 0.1%         | 693,443              | 0          | 0          | 693,443               | 693,443              | 117,453            |
| 12/1/2009                | 1,372,027              | 1,850            | 2,425        | 1,376,302              | 0          | 8.3%         | 27.4%          | 8.3%         | 1,258,149            | 1,343            | 2,224        | 99.7%          | 0.1%          | 0.2%         | 1,261,716            | 0          | 0          | 1,261,716             | 1,261,716            | 206,445            |
| 12/2/2009                | 1,413,176              | 9,409            | 1,061        | 1,423,646              | 0          | 8.3%         | 27.4%          | 8.3%         | 1,295,882            | 6,831            | 973          | 99.4%          | 0.5%          | 0.1%         | 1,303,686            | 0          | 0          | 1,303,686             | 1,303,686            | 213,547            |
| 12/3/2009                | 692,411                | 94,400           | 0            | 786,811                | 0          | 8.3%         | 27.4%          | 8.3%         | 634,941              | 68,534           | 0            | 90.3%          | 9.7%          | 0.0%         | 703,475              | 0          | 0          | 703,475               | 703,475              | 118,022            |
| 12/4/2009                | 1,078,758              | 81,250           | 200          | 1,160,208              | 0          | 8.3%         | 27.4%          | 8.3%         | 989,221              | 58,988           | 183          | 94.4%          | 5.6%          | 0.0%         | 1,048,392            | 0          | 0          | 1,048,392             | 1,048,392            | 174,031            |
| 12/7/2009<br>12/8/2009   | 523,522<br>515,959     | 1,350<br>5,460   | 765<br>860   | 525,637<br>522,279     | 0          | 8.3%<br>8.3% | 27.4%<br>27.4% | 8.3%<br>8.3% | 480,070<br>473,134   | 980<br>3,964     | 702<br>789   | 99.7%<br>99.0% | 0.2%<br>0.8%  | 0.1%<br>0.2% | 481,751<br>477,887   | 0          | 0          | 481,751<br>477,887    | 481,751<br>477,887   | 78,846<br>78,342   |
| 12/9/2009                | 1,003,551              | 4,955            | 200          | 1,008,706              | 0          | 8.3%         | 27.4%          | 8.3%         | 920,256              | 3,597            | 183          | 99.6%          | 0.4%          | 0.2%         | 924,037              | 0          | 0          | 924,037               | 924,037              | 151,306            |
| 12/10/2009               | 5,174,018              | 81,100           | 1,748        | 5,256,866              | 0          | 8.3%         | 27.4%          | 8.3%         | 4,744,575            | 58,879           | 1,603        | 98.7%          | 1.2%          | 0.0%         | 4,805,056            | 0          | 0          | 4,805,056             | 4,805,056            | 788,530            |
| 12/11/2009               | 8,019,701              | 79,240           | 4,775        | 8,103,716              | 0          | 8.3%         | 27.4%          | 8.3%         | 7,354,066            | 57,528           | 4,379        | 99.2%          | 0.8%          | 0.1%         | 7,415,973            | 0          | 0          | 7,415,973             | 7,415,973            | 1,215,557          |
| 12/14/2009               | 1,913,019              | 6,450            | 1,270        | 1,920,739              | 0          | 8.3%         | 27.4%          | 8.3%         | 1,754,238            | 4,683            | 1,165        | 99.7%          | 0.3%          | 0.1%         | 1,760,086            | 0          | 0          | 1,760,086             | 1,760,086            | 288,111            |
| 12/15/2009               | 918,405                | 79,000           | 0            | 997,405                | 0          | 8.3%         | 27.4%          | 8.3%         | 842,177              | 57,354           | 0            | 93.6%          | 6.4%          | 0.0%         | 899,531              | 0          | 0          | 899,531               | 899,531              | 149,611            |
| 12/16/2009               | 1,316,244              | 14,000           | 175          | 1,330,419              | 0          | 8.3%         | 27.4%          | 8.3%         | 1,206,996            | 10,164           | 160          | 99.2%          | 0.8%          | 0.0%         | 1,217,320            | 0          | 0          | 1,217,320             | 1,217,320            | 199,563            |
| 12/17/2009               | 2,388,635              | 27,092           | 26           | 2,415,753              | 0          | 8.3%         | 27.4%          | 8.3%         | 2,190,378            | 19,669           | 24           | 99.1%          | 0.9%          | 0.0%         | 2,210,071            | 10,000     | 0          | 2,200,071             | 2,210,071            | 362,363            |
| 12/18/2009<br>12/21/2009 | 1,598,424<br>708,472   | 3,000<br>33,466  | 0<br>500     | 1,601,424<br>742,438   | 21,850,000 | 8.3%<br>8.3% | 27.4%<br>27.4% | 8.3%<br>8.3% | 1,465,755<br>649,669 | 2,178<br>24,296  | 0<br>459     | 99.9%<br>96.3% | 0.1%<br>3.6%  | 0.0%<br>0.1% | 1,467,933<br>674,424 | 10,000     | 0          | 23,307,933<br>674,424 | 1,467,933<br>674,424 | 240,214<br>111,366 |
| 12/21/2009               | 1,847,518              | 11,200           | 1,905        | 1,860,623              | 0          | 8.3%         | 27.4%          | 8.3%         | 1,694,174            | 8,131            | 1,747        | 99.4%          | 0.5%          | 0.1%         | 1,704,052            | 0          | 0          | 1,704,052             | 1,704,052            | 279,093            |
| 12/23/2009               | 1,265,583              | 6,200            | 4,465        | 1,276,248              | 0          | 8.3%         | 27.4%          | 8.3%         | 1,160,540            | 4,501            | 4,094        | 99.3%          | 0.4%          | 0.4%         | 1,169,135            | 0          | 0          | 1,169,135             | 1,169,135            | 191,437            |
| 12/24/2009               | 267,752                | 4,250            | 0            | 272,002                | 0          | 8.3%         | 27.4%          | 8.3%         | 245,529              | 3,086            | 0            | 98.8%          | 1.2%          | 0.0%         | 248,614              | 0          | 0          | 248,614               | 248,614              | 40,800             |
| 12/28/2009               | 0                      | 475              | 795          | 1,270                  | 0          | 8.3%         | 27.4%          | 8.3%         | 0                    | 345              | 729          | 0.0%           | 32.1%         | 67.9%        | 1,074                | 0          | 0          | 1,074                 | 1,074                | 191                |
| 12/29/2009               | 747,352                | 3,300            | 2,220        | 752,872                | 0          | 8.3%         | 27.4%          | 8.3%         | 685,322              | 2,396            | 2,036        | 99.4%          | 0.3%          | 0.3%         | 689,753              | 0          | 0          | 689,753               | 689,753              | 112,931            |
| 12/30/2009               | 341,785                | 600              | 0            | 342,385                | 0          | 8.3%         | 27.4%          | 8.3%         | 313,417              | 436              | 0            | 99.9%          | 0.1%          | 0.0%         | 313,852              | 0          | 0          | 313,852               | 313,852              | 51,358             |
| 12/31/2009               | 186,937                | 1,365            | 0            | 188,302                | 0          | 8.3%         | 27.4%          | 8.3%         | 171,421              | 991              | 0            | 99.4%          | 0.6%          | 0.0%         | 172,412              | 0          | 0          | 172,412               | 172,412              | 28,245             |
| 1/4/2010<br>1/5/2010     | 1,050,719<br>1,428,106 | 5,500<br>440,200 | 755<br>981   | 1,056,974<br>1,869,287 | 0          | 8.8%<br>8.8% | 27.4%<br>27.4% | 8.8%<br>8.8% | 958,256<br>1,302,433 | 3,993<br>319,585 | 689<br>895   | 99.5%<br>80.3% | 0.4%<br>19.7% | 0.1%<br>0.1% | 962,937<br>1,622,913 | 0          | 0          | 962,937<br>1,622,913  | 962,937<br>1,622,913 | 158,546<br>280,393 |
| 1/6/2010                 | 1,385,961              | 3,400            | 1,578        | 1,390,939              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,263,996            | 2,468            | 1,439        | 99.7%          | 0.2%          | 0.1%         | 1,267,904            | 0          | 0          | 1,267,904             | 1,267,904            | 208,641            |
| 1/7/2010                 | 1,638,235              | 6,620            | 3,995        | 1,648,850              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,494,070            | 4,806            | 3,643        | 99.4%          | 0.3%          | 0.2%         | 1,502,520            | 0          | 0          | 1,502,520             | 1,502,520            | 247,328            |
| 1/8/2010                 | 1,203,873              | 24,814           | 975          | 1,229,662              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,097,932            | 18,015           | 889          | 98.3%          | 1.6%          | 0.1%         | 1,116,836            | 0          | 0          | 1,116,836             | 1,116,836            | 184,449            |
| 1/11/2010                | 1,485,005              | 33,100           | 830          | 1,518,935              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,354,325            | 24,031           | 757          | 98.2%          | 1.7%          | 0.1%         | 1,379,112            | 0          | 0          | 1,379,112             | 1,379,112            | 227,840            |
| 1/12/2010                | 1,401,923              | 14,680           | 300          | 1,416,903              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,278,554            | 10,658           | 274          | 99.2%          | 0.8%          | 0.0%         | 1,289,485            | 0          | 0          | 1,289,485             | 1,289,485            | 212,535            |
| 1/13/2010                | 1,164,723              | 19,650           | 845          | 1,185,218              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,062,227            | 14,266           | 771          | 98.6%          | 1.3%          | 0.1%         | 1,077,264            | 0          | 0          | 1,077,264             | 1,077,264            | 177,783            |
| 1/14/2010                | 732,625                | 2,873            | 1,868        | 737,366                | 0          | 8.8%         | 27.4%          | 8.8%         | 668,154              | 2,086            | 1,704        | 99.4%          | 0.3%          | 0.3%         | 671,943              | 0          | 0          | 671,943               | 671,943              | 110,605            |
| 1/15/2010<br>1/18/2010   | 918,335                | 32,750<br>0      | 2,480<br>440 | 953,565<br>211,283     | 0          | 8.8%<br>8.8% | 27.4%<br>27.4% | 8.8%<br>8.8% | 837,522<br>192,289   | 23,777           | 2,262<br>401 | 97.0%<br>99.8% | 2.8%<br>0.0%  | 0.3%<br>0.2% | 863,560              | 0          | 0          | 863,560<br>192,690    | 863,560<br>192,690   | 143,035<br>31,692  |
| 1/18/2010                | 210,843<br>720,501     | 1,575            | 900          | 722,976                | 0          | 8.8%         | 27.4%          | 8.8%         | 657,097              | 1,143            | 821          | 99.8%<br>99.7% | 0.0%          | 0.2%         | 192,690<br>659,061   | 0          | 0          | 659,061               | 659,061              | 108,446            |
| 1/20/2010                | 2,115,321              | 42,950           | 1,026        | 2,159,297              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,929,173            | 31,182           | 936          | 98.4%          | 1.6%          | 0.1%         | 1,961,290            | 0          | 0          | 1,961,290             | 1,961,290            | 323,895            |
| 1/21/2010                | 1,444,248              | 6,300            | 0            | 1,450,548              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,317,154            | 4,574            | 0            | 99.7%          | 0.3%          | 0.0%         | 1,321,728            | 0          | 0          | 1,321,728             | 1,321,728            | 217,582            |
| 1/22/2010                | 1,497,112              | 2,700            | 2,141        | 1,501,953              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,365,366            | 1,960            | 1,953        | 99.7%          | 0.1%          | 0.1%         | 1,369,279            | 0          | 0          | 1,369,279             | 1,369,279            | 225,293            |
| 1/25/2010                | 1,243,644              | 129,300          | 1,975        | 1,374,919              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,134,203            | 93,872           | 1,801        | 92.2%          | 7.6%          | 0.1%         | 1,229,876            | 0          | 0          | 1,229,876             | 1,229,876            | 206,238            |
| 1/26/2010                | 1,395,589              | 3,250            | 800          | 1,399,639              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,272,777            | 2,360            | 730          | 99.8%          | 0.2%          | 0.1%         | 1,275,866            | 0          | 0          | 1,275,866             | 1,275,866            | 209,946            |
| 1/27/2010                | 1,517,941              | 103,300          | 3,375        | 1,624,616              | 0          | 8.8%         | 27.4%          | 8.8%         | 1,384,362            | 74,996           | 3,078        | 94.7%          | 5.1%          | 0.2%         | 1,462,436            | 0          | 0          | 1,462,436             | 1,462,436            | 243,692            |
| 1/28/2010                | 1,070,741              | 9,490            | 1,459        | 1,081,690              | 0          | 8.8%         | 27.4%          | 8.8%         | 976,516              | 6,890            | 1,331        | 99.2%          | 0.7%          | 0.1%         | 984,736              | 0          | 0          | 984,736               | 984,736              | 162,254            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                      |                    | Reported        | Volume         |                    | Shares  | Spec         | ialist Adj     | ustment      |                    |                | Specialis      | t-Adjusted     | Volume       |              |                    | Insider Tr | ansactions | Investor '         | Volume             | Intra-Day          |
|----------------------|--------------------|-----------------|----------------|--------------------|---------|--------------|----------------|--------------|--------------------|----------------|----------------|----------------|--------------|--------------|--------------------|------------|------------|--------------------|--------------------|--------------------|
| Date                 | Canada             | U.S.            | Germany        | Total              | Offered | Canada       |                | Germany      | Canada             | U.S.           |                | Canada %       |              | Germany %    | Total              | Purchases  | Sales      | Purchases          | Sales              | Volume             |
| [1]                  | [2]                | [3]             | [4]            | [5]                | [6]     | [7]          | [8]            | [9]          | [10]               | [11]           | [12]           | [13]           | [14]         | [15]         | [16]               | [17]       | [18]       | [19]               | [20]               | [21]               |
| 1/29/2010            | 1,234,716          | 10,953          | 930            | 1,246,599          | 0       | 8.8%         | 27.4%          | 8.8%         | 1,126,061          | 7,952          | 848            | 99.2%          | 0.7%         | 0.1%         | 1,134,861          | 0          | 0          | 1,134,861          | 1,134,861          | 186,990            |
| 2/1/2010             | 1,613,000          | 85,900          | 780            | 1,699,680          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,475,895          | 62,363         | 714            | 95.9%          | 4.1%         | 0.0%         | 1,538,972          | 0          | 0          | 1,538,972          | 1,538,972          | 254,952            |
| 2/2/2010             | 800,742            | 6,000           | 3,900          | 810,642            | 0       | 8.5%         | 27.4%          | 8.5%         | 732,679            | 4,356          | 3,569          | 98.9%          | 0.6%         | 0.5%         | 740,603            | 0          | 0          | 740,603            | 740,603            | 121,596            |
| 2/3/2010             | 913,464            | 5,600           | 835            | 919,899            | 0       | 8.5%         | 27.4%          | 8.5%         | 835,820            | 4,066          | 764            | 99.4%          | 0.5%         | 0.1%         | 840,649            | 0          | 0          | 840,649            | 840,649            | 137,985            |
| 2/4/2010             | 891,971            | 2,800           | 6,063          | 900,834            | 0       | 8.5%         | 27.4%          | 8.5%         | 816,153            | 2,033          | 5,548          | 99.1%          | 0.2%         | 0.7%         | 823,734            | 0          | 0          | 823,734            | 823,734            | 135,125            |
| 2/5/2010             | 946,108            | 39,730          | 345            | 986,183            | 0       | 8.5%         | 27.4%          | 8.5%         | 865,689            | 28,844         | 316            | 96.7%          | 3.2%         | 0.0%         | 894,848            | 0          | 0          | 894,848            | 894,848            | 147,927            |
| 2/8/2010<br>2/9/2010 | 913,997            | 1,350<br>4,779  | 440<br>0       | 915,787<br>805,771 | 0       | 8.5%<br>8.5% | 27.4%<br>27.4% | 8.5%<br>8.5% | 836,307<br>732,908 | 980            | 403<br>0       | 99.8%<br>99.5% | 0.1%<br>0.5% | 0.0%<br>0.0% | 837,690            | 0          | 0          | 837,690            | 837,690            | 137,368<br>120,866 |
| 2/9/2010             | 800,992<br>799,170 | 10,594          | 840            | 810,604            | 0       | 8.5%         | 27.4%          | 8.5%         | 732,908            | 3,470<br>7,691 | 769            | 98.9%          | 1.0%         | 0.0%         | 736,377<br>739,700 | 0          | 0          | 736,377<br>739,700 | 736,377<br>739,700 | 120,866            |
| 2/11/2010            | 479,992            | 800             | 0              | 480,792            | 0       | 8.5%         | 27.4%          | 8.5%         | 439,193            | 581            | 0              | 99.9%          | 0.1%         | 0.1%         | 439,773            | 0          | 0          | 439,773            | 439,773            | 72,119             |
| 2/12/2010            | 487,303            | 2,650           | 0              | 489,953            | 0       | 8.5%         | 27.4%          | 8.5%         | 445,882            | 1,924          | 0              | 99.6%          | 0.1%         | 0.0%         | 447,806            | 0          | 0          | 447,806            | 447,806            | 73,493             |
| 2/15/2010            | 0                  | 2,030           | 626            | 626                | 0       | 8.5%         | 27.4%          | 8.5%         | 0                  | 0              | 573            | 0.0%           | 0.0%         | 100.0%       | 573                | 0          | 0          | 573                | 573                | 94                 |
| 2/16/2010            | 543,794            | 7,650           | 372            | 551,816            | 0       | 8.5%         | 27.4%          | 8.5%         | 497,572            | 5,554          | 340            | 98.8%          | 1.1%         | 0.1%         | 503,466            | 0          | 0          | 503,466            | 503,466            | 82,772             |
| 2/17/2010            | 902,003            | 200             | 1,400          | 903,603            | 0       | 8.5%         | 27.4%          | 8.5%         | 825,333            | 145            | 1,281          | 99.8%          | 0.0%         | 0.2%         | 826,759            | 0          | 0          | 826,759            | 826,759            | 135,540            |
| 2/18/2010            | 770,680            | 39,200          | 841            | 810,721            | 0       | 8.5%         | 27.4%          | 8.5%         | 705,172            | 28,459         | 770            | 96.0%          | 3.9%         | 0.1%         | 734,401            | 0          | 0          | 734,401            | 734,401            | 121,608            |
| 2/19/2010            | 679,995            | 3,556           | 1,200          | 684,751            | 0       | 8.5%         | 27.4%          | 8.5%         | 622,195            | 2,582          | 1,098          | 99.4%          | 0.4%         | 0.2%         | 625,875            | 0          | 0          | 625,875            | 625,875            | 102,713            |
| 2/22/2010            | 231,845            | 700             | 1,077          | 233,622            | 0       | 8.5%         | 27.4%          | 8.5%         | 212,138            | 508            | 985            | 99.3%          | 0.2%         | 0.5%         | 213,632            | 0          | 0          | 213,632            | 213,632            | 35,043             |
| 2/23/2010            | 368,751            | 20,654          | 1,057          | 390,462            | 0       | 8.5%         | 27.4%          | 8.5%         | 337,407            | 14,995         | 967            | 95.5%          | 4.2%         | 0.3%         | 353,369            | 0          | 0          | 353,369            | 353,369            | 58,569             |
| 2/24/2010            | 543,856            | 21,600          | 0              | 565,456            | 0       | 8.5%         | 27.4%          | 8.5%         | 497,628            | 15,682         | 0              | 96.9%          | 3.1%         | 0.0%         | 513,310            | 0          | 0          | 513,310            | 513,310            | 84,818             |
| 2/25/2010            | 469,083            | 54,500          | 40             | 523,623            | 0       | 8.5%         | 27.4%          | 8.5%         | 429,211            | 39,567         | 37             | 91.6%          | 8.4%         | 0.0%         | 468,815            | 0          | 0          | 468,815            | 468,815            | 78,543             |
| 2/26/2010            | 1,090,161          | 64,900          | 600            | 1,155,661          | 0       | 8.5%         | 27.4%          | 8.5%         | 997,497            | 47,117         | 549            | 95.4%          | 4.5%         | 0.1%         | 1,045,164          | 0          | 0          | 1,045,164          | 1,045,164          | 173,349            |
| 3/1/2010             | 611,938            | 1,770           | 2,850          | 616,558            | 0       | 8.5%         | 27.4%          | 8.5%         | 559,923            | 1,285          | 2,608          | 99.3%          | 0.2%         | 0.5%         | 563,816            | 0          | 0          | 563,816            | 563,816            | 92,484             |
| 3/2/2010             | 609,493            | 2,700           | 321            | 612,514            | 0       | 8.5%         | 27.4%          | 8.5%         | 557,686            | 1,960          | 294            | 99.6%          | 0.4%         | 0.1%         | 559,940            | 0          | 0          | 559,940            | 559,940            | 91,877             |
| 3/3/2010             | 949,530            | 34,200          | 0              | 983,730            | 0       | 8.5%         | 27.4%          | 8.5%         | 868,820            | 24,829         | 0              | 97.2%          | 2.8%         | 0.0%         | 893,649            | 0          | 0          | 893,649            | 893,649            | 147,560            |
| 3/4/2010             | 818,891            | 137,250         | 971            | 957,112            | 0       | 8.5%         | 27.4%          | 8.5%         | 749,285            | 99,644         | 888            | 88.2%          | 11.7%        | 0.1%         | 849,817            | 0          | 0          | 849,817            | 849,817            | 143,567            |
| 3/5/2010             | 927,100            | 4,200           | 3,045          | 934,345            | 0       | 8.5%         | 27.4%<br>27.4% | 8.5%<br>8.5% | 848,297            | 3,049          | 2,786          | 99.3%          | 0.4%<br>2.3% | 0.3%         | 854,132            | 0          | 0          | 854,132            | 854,132            | 140,152            |
| 3/8/2010<br>3/9/2010 | 283,509<br>542,386 | 8,500<br>13,306 | 2,621<br>1,109 | 294,630<br>556,801 | 0       | 8.5%<br>8.5% | 27.4%          | 8.5%         | 259,411<br>496,283 | 6,171<br>9,660 | 2,398<br>1,015 | 96.8%<br>97.9% | 1.9%         | 0.9%<br>0.2% | 267,980<br>506,958 | 0          | 0          | 267,980<br>506,958 | 267,980<br>506,958 | 44,195<br>83,520   |
| 3/9/2010             | 659,398            | 900             | 1,109          | 661,485            | 0       | 8.5%         | 27.4%          | 8.5%         | 603,349            | 653            | 1,015          | 99.7%          | 0.1%         | 0.2%         | 605,089            | 0          | 0          | 605,089            | 605,089            | 99,223             |
| 3/11/2010            | 941,275            | 90,300          | 942            | 1,032,517          | 0       | 8.5%         | 27.4%          | 8.5%         | 861,267            | 65,558         | 862            | 92.8%          | 7.1%         | 0.1%         | 927,686            | 0          | 0          | 927,686            | 927,686            | 154,878            |
| 3/12/2010            | 1,351,608          | 1,833           | 520            | 1,353,961          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,236,721          | 1,331          | 476            | 99.9%          | 0.1%         | 0.0%         | 1,238,528          | 0          | 0          | 1,238,528          | 1,238,528          | 203,094            |
| 3/15/2010            | 1,444,346          | 2,030           | 1,017          | 1,447,393          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,321,577          | 1,474          | 931            | 99.8%          | 0.1%         | 0.1%         | 1,323,981          | 0          | 0          | 1,323,981          | 1,323,981          | 217,109            |
| 3/16/2010            | 1,097,256          | 22,050          | 2,455          | 1,121,761          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,003,989          | 16,008         | 2,246          | 98.2%          | 1.6%         | 0.2%         | 1,022,244          | 0          | 0          | 1,022,244          | 1,022,244          | 168,264            |
| 3/17/2010            | 1,726,217          | 5,427           | 1,235          | 1,732,879          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,579,489          | 3,940          | 1,130          | 99.7%          | 0.2%         | 0.1%         | 1,584,559          | 0          | 0          | 1,584,559          | 1,584,559          | 259,932            |
| 3/18/2010            | 2,435,864          | 4,590           | 2,129          | 2,442,583          | 0       | 8.5%         | 27.4%          | 8.5%         | 2,228,816          | 3,332          | 1,948          | 99.8%          | 0.1%         | 0.1%         | 2,234,096          | 0          | 358,692    | 2,234,096          | 1,875,404          | 366,387            |
| 3/19/2010            | 2,357,271          | 1,115           | 740            | 2,359,126          | 0       | 8.5%         | 27.4%          | 8.5%         | 2,156,903          | 809            | 677            | 99.9%          | 0.0%         | 0.0%         | 2,158,390          | 0          | 72,000     | 2,158,390          | 2,086,390          | 353,869            |
| 3/22/2010            | 6,226,296          | 1,800           | 2,391          | 6,230,487          | 0       | 8.5%         | 27.4%          | 8.5%         | 5,697,061          | 1,307          | 2,188          | 99.9%          | 0.0%         | 0.0%         | 5,700,555          | 0          | 0          | 5,700,555          | 5,700,555          | 934,573            |
| 3/23/2010            | 1,573,567          | 900             | 1,177          | 1,575,644          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,439,814          | 653            | 1,077          | 99.9%          | 0.0%         | 0.1%         | 1,441,544          | 0          | 0          | 1,441,544          | 1,441,544          | 236,347            |
| 3/24/2010            | 1,416,254          | 2,040           | 2,700          | 1,420,994          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,295,872          | 1,481          | 2,471          | 99.7%          | 0.1%         | 0.2%         | 1,299,824          | 0          | 0          | 1,299,824          | 1,299,824          | 213,149            |
| 3/25/2010            | 3,176,898          | 5,100           | 920            | 3,182,918          | 0       | 8.5%         | 27.4%          | 8.5%         | 2,906,862          | 3,703          | 842            | 99.8%          | 0.1%         | 0.0%         | 2,911,406          | 0          | 0          | 2,911,406          | 2,911,406          | 477,438            |
| 3/26/2010            | 1,975,747          | 30,600          | 218            | 2,006,565          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,807,809          | 22,216         | 199            | 98.8%          | 1.2%         | 0.0%         | 1,830,224          | 0          | 0          | 1,830,224          | 1,830,224          | 300,985            |
| 3/29/2010            | 4,372,490          | 17,300          | 6,752          | 4,396,542          | 0       | 8.5%         | 27.4%          | 8.5%         | 4,000,828          | 12,560         | 6,178          | 99.5%          | 0.3%         | 0.2%         | 4,019,566          | 0          | 0          | 4,019,566          | 4,019,566          | 659,481            |
| 3/30/2010            | 1,724,882          | 5,600           | 520            | 1,731,002          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,578,267          | 4,066          | 476            | 99.7%          | 0.3%         | 0.0%         | 1,582,808          | 0          | 0          | 1,582,808          | 1,582,808          | 259,650            |
| 3/31/2010            | 1,885,218          | 6,200           | 500            | 1,891,918          | 0       | 8.5%         | 27.4%          | 8.5%         | 1,724,974          | 4,501          | 458            | 99.7%          | 0.3%         | 0.0%         | 1,729,933          | 0          | 0          | 1,729,933          | 1,729,933          | 283,788            |
| 4/1/2010             | 1,628,100          | 1,300           | 820<br>0       | 1,630,220          | 0       | 9.5%         | 27.4%<br>27.4% | 9.5%<br>9.5% | 1,473,431          | 944            | 742            | 99.9%          | 0.1%         | 0.1%<br>0.0% | 1,475,116          | 0          | 0          | 1,475,116          | 1,475,116          | 244,533            |
| 4/5/2010<br>4/6/2010 | 559,062<br>760,063 | 4,330<br>2,350  | 2,367          | 563,392<br>764,780 | 0       | 9.5%<br>9.5% | 27.4%          | 9.5%         | 505,951<br>687,857 | 3,144<br>1,706 | 0<br>2,142     | 99.4%<br>99.4% | 0.6%<br>0.2% | 0.0%         | 509,095<br>691,705 | 0          | 0          | 509,095            | 509,095<br>691,705 | 84,509<br>114,717  |
| 4/6/2010             | 801,822            | 4,125           | 951            | 806,898            | 0       | 9.5%         | 27.4%          | 9.5%         | 725,649            | 2,995          | 861            | 99.4%          | 0.4%         | 0.5%         | 729,504            | 0          | 0          | 691,705<br>729,504 | 729,504            | 121,035            |
| 4/8/2010             | 708,247            | 4,350           | 58             | 712,655            | 0       | 9.5%         | 27.4%          | 9.5%         | 640,964            | 3,158          | 52             | 99.5%          | 0.5%         | 0.1%         | 644,174            | 0          | 0          | 644,174            | 644,174            | 106,898            |
| 4/9/2010             | 393,055            | 8,800           | 370            | 402,225            | 0       | 9.5%         | 27.4%          | 9.5%         | 355,715            | 6,389          | 335            | 98.1%          | 1.8%         | 0.1%         | 362,438            | 0          | 0          | 362,438            | 362,438            | 60,334             |
| 4/12/2010            | 1,543,520          | 6,900           | 1,400          | 1,551,820          | 0       | 9.5%         | 27.4%          | 9.5%         | 1,396,886          | 5,009          | 1,267          | 99.6%          | 0.4%         | 0.1%         | 1,403,162          | 0          | 0          | 1,403,162          | 1,403,162          | 232,773            |
| 4/13/2010            | 916,617            | 4,000           | 775            | 921,392            | 0       | 9.5%         | 27.4%          | 9.5%         | 829,538            | 2,904          | 701            | 99.6%          | 0.3%         | 0.1%         | 833,144            | 0          | 0          | 833,144            | 833,144            | 138,209            |
| 4/14/2010            | 969,914            | 3,950           | 375            | 974,239            | 0       | 9.5%         | 27.4%          | 9.5%         | 877,772            | 2,868          | 339            | 99.6%          | 0.3%         | 0.0%         | 880,979            | 0          | 0          | 880,979            | 880,979            | 146,136            |
| 4/15/2010            | 958,062            | 15,650          | 1,860          | 975,572            | 0       | 9.5%         | 27.4%          | 9.5%         | 867,046            | 11,362         | 1,683          | 98.5%          | 1.3%         | 0.2%         | 880,091            | 0          | 0          | 880,091            | 880,091            | 146,336            |
| 4/16/2010            | 1,367,773          | 21,961          | 2,880          | 1,392,614          | 0       | 9.5%         | 27.4%          | 9.5%         | 1,237,835          | 15,944         | 2,606          | 98.5%          | 1.3%         | 0.2%         | 1,256,385          | 0          | 0          | 1,256,385          | 1,256,385          | 208,892            |
| 4/19/2010            | 2,729,015          | 10,470          | 373            | 2,739,858          | 0       | 9.5%         | 27.4%          | 9.5%         | 2,469,759          | 7,601          | 338            | 99.7%          | 0.3%         | 0.0%         | 2,477,697          | 0          | 0          | 2,477,697          | 2,477,697          | 410,979            |
| 4/20/2010            | 1,470,477          | 51,379          | 1,714          | 1,523,570          | 0       | 9.5%         | 27.4%          | 9.5%         | 1,330,782          | 37,301         | 1,551          | 97.2%          | 2.7%         | 0.1%         | 1,369,634          | 0          | 0          | 1,369,634          | 1,369,634          | 228,536            |
| 4/21/2010            | 1,138,551          | 10,563          | 555            | 1,149,669          | 0       | 9.5%         | 27.4%          | 9.5%         | 1,030,389          | 7,669          | 502            | 99.2%          | 0.7%         | 0.0%         | 1,038,560          | 0          | 0          | 1,038,560          | 1,038,560          | 172,450            |
| 4/22/2010            | 1,038,746          | 4,550           | 1,125          | 1,044,421          | 0       | 9.5%         | 27.4%          | 9.5%         | 940,065            | 3,303          | 1,018          | 99.5%          | 0.3%         | 0.1%         | 944,387            | 0          | 0          | 944,387            | 944,387            | 156,663            |
| 4/23/2010            | 1,314,124          | 2,900           | 280            | 1,317,304          | 0       | 9.5%         | 27.4%          | 9.5%         | 1,189,282          | 2,105          | 253            | 99.8%          | 0.2%         | 0.0%         | 1,191,641          | 0          | 0          | 1,191,641          | 1,191,641          | 197,596            |
| 4/26/2010            | 816,560            | 3,510           | 711            | 820,781            | 0       | 9.5%         | 27.4%          | 9.5%         | 738,987            | 2,548          | 643            | 99.6%          | 0.3%         | 0.1%         | 742,179            | 0          | 0          | 742,179            | 742,179            | 123,117            |
| 4/27/2010            | 2,073,469          | 40,170          | 1,566          | 2,115,205          | 0       | 9.5%         | 27.4%          | 9.5%         | 1,876,489          | 29,163         | 1,417          | 98.4%          | 1.5%         | 0.1%         | 1,907,070          | 0          | 0          | 1,907,070          | 1,907,070          | 317,281            |
| 4/28/2010            | 675,689            | 7,533           | 1,701          | 684,923            | 0       | 9.5%         | 27.4%          | 9.5%         | 611,499            | 5,469          | 1,539          | 98.9%          | 0.9%         | 0.2%         | 618,507            | 0          | 0          | 618,507            | 618,507            | 102,738            |
| 4/29/2010            | 2,522,762          | 6,830           | 4,367          | 2,533,959          | 0       | 9.5%         | 27.4%          | 9.5%         | 2,283,100          | 4,959          | 3,952          | 99.6%          | 0.2%         | 0.2%         | 2,292,010          | 0          | 0          | 2,292,010          | 2,292,010          | 380,094            |
| 4/30/2010            | 3,413,337          | 8,650           | 835            | 3,422,822          | 0       | 9.5%         | 27.4%          | 9.5%         | 3,089,070          | 6,280          | 756            | 99.8%          | 0.2%         | 0.0%         | 3,096,106          | 0          | 0          | 3,096,106          | 3,096,106          | 513,423            |
| 5/3/2010             | 1,869,922          | 9,285           | 901            | 1,880,108          | 0       | 9.0%         | 27.4%          | 9.0%         | 1,701,629          | 6,741          | 820            | 99.6%          | 0.4%         | 0.0%         | 1,709,190          | 0          | 0          | 1,709,190          | 1,709,190          | 282,016            |
| 5/4/2010             | 1,160,352          | 6,000           | 2,590          | 1,168,942          | 0       | 9.0%         | 27.4%          | 9.0%         | 1,055,920          | 4,356          | 2,357          | 99.4%          | 0.4%         | 0.2%         | 1,062,633          | 0          | 0          | 1,062,633          | 1,062,633          | 175,341            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                        | Reported         | Volume         |                        | Shares  | Spec         | ialist Adj     | ustment      |                        |                  | Specialis      | t-Adjusted     | Volume        |               |                        | Insider Tr | ansactions | Investor '             | Volume                 | Intra-Day          |
|------------------------|------------------------|------------------|----------------|------------------------|---------|--------------|----------------|--------------|------------------------|------------------|----------------|----------------|---------------|---------------|------------------------|------------|------------|------------------------|------------------------|--------------------|
| Date                   | Canada                 |                  | Germany        | Total                  | Offered | Canada       |                | Germany      | Canada                 | U.S.             |                | Canada %       |               | Germany %     | Total                  | Purchases  | Sales      | Purchases              | Sales                  | Volume             |
| [1]                    | [2]                    | [3]              | [4]            | [5]                    | [6]     | [7]          | [8]            | [9]          | [10]                   | [11]             | [12]           | [13]           | [14]          | [15]          | [16]                   | [17]       | [18]       | [19]                   | [20]                   | [21]               |
| 5/5/2010               | 1,652,109              | 10,687           | 3,179          | 1,665,975              | 0       | 9.0%         | 27.4%          | 9.0%         | 1,503,419              | 7,759            | 2,893          | 99.3%          | 0.5%          | 0.2%          | 1,514,071              | 0          | 0          | 1,514,071              | 1,514,071              | 249,896            |
| 5/6/2010               | 1,437,579              | 7,650            | 2,254          | 1,447,483              | 0       | 9.0%         | 27.4%          | 9.0%         | 1,308,197              | 5,554            | 2,051          | 99.4%          | 0.4%          | 0.2%          | 1,315,802              | 0          | 0          | 1,315,802              | 1,315,802              | 217,122            |
| 5/7/2010               | 1,373,637              | 6,300            | 3,535          | 1,383,472              | 0       | 9.0%         | 27.4%          | 9.0%         | 1,250,010              | 4,574            | 3,217          | 99.4%          | 0.4%          | 0.3%          | 1,257,800              | 0          | 0          | 1,257,800              | 1,257,800              | 207,521            |
| 5/10/2010              | 1,310,438              | 13,300           | 1,130          | 1,324,868              | 0       | 9.0%         | 27.4%          | 9.0%         | 1,192,499              | 9,656            | 1,028          | 99.1%          | 0.8%          | 0.1%          | 1,203,183              | 0          | 0          | 1,203,183              | 1,203,183              | 198,730            |
| 5/11/2010              | 937,840                | 21,190           | 0<br>740       | 959,030                | 0       | 9.0%<br>9.0% | 27.4%<br>27.4% | 9.0%<br>9.0% | 853,434                | 15,384           | 0<br>673       | 98.2%<br>99.5% | 1.8%<br>0.4%  | 0.0%<br>0.1%  | 868,818                | 0          | 0          | 868,818                | 868,818                | 143,855            |
| 5/12/2010<br>5/13/2010 | 1,257,743<br>1,480,798 | 6,640<br>200,200 | 1,130          | 1,265,123<br>1,682,128 | 0       | 9.0%         | 27.4%          | 9.0%         | 1,144,546<br>1,347,526 | 4,821<br>145,345 | 1,028          | 99.3%          | 9.7%          | 0.1%          | 1,150,040<br>1,493,900 | 0          | 0          | 1,150,040<br>1,493,900 | 1,150,040<br>1,493,900 | 189,768<br>252,319 |
| 5/14/2010              | 1,005,628              | 10,900           | 450            | 1,016,978              | 0       | 9.0%         | 27.4%          | 9.0%         | 915,121                | 7,913            | 410            | 99.1%          | 0.9%          | 0.1%          | 923,444                | 0          | 0          | 923,444                | 923,444                | 152,547            |
| 5/17/2010              | 1,569,090              | 8,212            | 670            | 1,577,972              | 0       | 9.0%         | 27.4%          | 9.0%         | 1,427,872              | 5,962            | 610            | 99.5%          | 0.4%          | 0.0%          | 1,434,444              | 0          | 0          | 1,434,444              | 1,434,444              | 236,696            |
| 5/18/2010              | 1,714,437              | 8,840            | 600            | 1,723,877              | 0       | 9.0%         | 27.4%          | 9.0%         | 1,560,138              | 6,418            | 546            | 99.6%          | 0.4%          | 0.0%          | 1,567,102              | 0          | 0          | 1,567,102              | 1,567,102              | 258,582            |
| 5/19/2010              | 1,518,973              | 6,015            | 1,091          | 1,526,079              | 0       | 9.0%         | 27.4%          | 9.0%         | 1,382,265              | 4,367            | 993            | 99.6%          | 0.3%          | 0.1%          | 1,387,625              | 0          | 0          | 1,387,625              | 1,387,625              | 228,912            |
| 5/20/2010              | 1,670,063              | 3,050            | 7,701          | 1,680,814              | 0       | 9.0%         | 27.4%          | 9.0%         | 1,519,757              | 2,214            | 7,008          | 99.4%          | 0.1%          | 0.5%          | 1,528,980              | 0          | 0          | 1,528,980              | 1,528,980              | 252,122            |
| 5/21/2010              | 1,548,177              | 5,428            | 3,849          | 1,557,454              | 0       | 9.0%         | 27.4%          | 9.0%         | 1,408,841              | 3,941            | 3,503          | 99.5%          | 0.3%          | 0.2%          | 1,416,284              | 0          | 0          | 1,416,284              | 1,416,284              | 233,618            |
| 5/24/2010              | 0                      | 1,200            | 750            | 1,950                  | 0       | 9.0%         | 27.4%          | 9.0%         | 0                      | 871              | 683            | 0.0%           | 56.1%         | 43.9%         | 1,554                  | 0          | 0          | 1,554                  | 1,554                  | 293                |
| 5/25/2010              | 2,541,218              | 4,261            | 3,375          | 2,548,854              | 0       | 9.0%         | 27.4%          | 9.0%         | 2,312,508              | 3,093            | 3,071          | 99.7%          | 0.1%          | 0.1%          | 2,318,673              | 0          | 0          | 2,318,673              | 2,318,673              | 382,328            |
| 5/26/2010              | 1,062,397              | 30,076           | 3,718          | 1,096,191              | 0       | 9.0%         | 27.4%          | 9.0%         | 966,781                | 21,835           | 3,383          | 97.5%          | 2.2%          | 0.3%          | 992,000                | 0          | 0          | 992,000                | 992,000                | 164,429            |
| 5/27/2010              | 895,821                | 1,400            | 321            | 897,542                | 0       | 9.0%         | 27.4%          | 9.0%         | 815,197                | 1,016            | 292            | 99.8%          | 0.1%          | 0.0%          | 816,506                | 0          | 0          | 816,506                | 816,506                | 134,631            |
| 5/28/2010              | 2,241,584              | 2,667            | 3,106          | 2,247,357              | 0       | 9.0%         | 27.4%          | 9.0%         | 2,039,841              | 1,936            | 2,826          | 99.8%          | 0.1%          | 0.1%          | 2,044,604              | 0          | 0          | 2,044,604              | 2,044,604              | 337,104            |
| 5/31/2010              | 193,589                | 0                | 1,924          | 195,513                | 0       | 9.0%         | 27.4%          | 9.0%         | 176,166                | 0                | 1,751          | 99.0%          | 0.0%          | 1.0%          | 177,917                | 0          | 0          | 177,917                | 177,917                | 29,327             |
| 6/1/2010               | 1,722,527              | 9,438            | 1,610          | 1,733,575              | 0       | 8.5%         | 27.4%          | 8.5%         | 1,576,112              | 6,852            | 1,473          | 99.5%          | 0.4%          | 0.1%          | 1,584,437              | 0          | 0          | 1,584,437              | 1,584,437              | 260,036            |
| 6/2/2010               | 1,207,251              | 4,725            | 1,051          | 1,213,027              | 0       | 8.5%         | 27.4%          | 8.5%         | 1,104,635              | 3,430            | 962            | 99.6%          | 0.3%          | 0.1%          | 1,109,027              | 0          | 0          | 1,109,027              | 1,109,027              | 181,954            |
| 6/3/2010               | 1,185,270              | 4,084            | 496            | 1,189,850              | 0       | 8.5%         | 27.4%          | 8.5%         | 1,084,522              | 2,965            | 454            | 99.7%          | 0.3%          | 0.0%          | 1,087,941              | 0          | 0          | 1,087,941              | 1,087,941              | 178,478            |
| 6/4/2010               | 980,707                | 1,500            | 1,070          | 983,277                | 0       | 8.5%         | 27.4%          | 8.5%         | 897,347                | 1,089            | 979            | 99.8%          | 0.1%          | 0.1%          | 899,415                | 0          | 0          | 899,415                | 899,415                | 147,492            |
| 6/7/2010               | 1,190,677              | 3,731            | 850            | 1,195,258              | 0       | 8.5%         | 27.4%          | 8.5%         | 1,089,469              | 2,709            | 778            | 99.7%          | 0.2%          | 0.1%          | 1,092,956              | 0          | 0          | 1,092,956              | 1,092,956              | 179,289            |
| 6/8/2010<br>6/9/2010   | 677,453<br>1,237,632   | 2,811<br>3,687   | 449<br>300     | 680,713<br>1,241,619   | 0       | 8.5%<br>8.5% | 27.4%<br>27.4% | 8.5%<br>8.5% | 619,869<br>1,132,433   | 2,041<br>2,677   | 411<br>275     | 99.6%<br>99.7% | 0.3%<br>0.2%  | 0.1%<br>0.0%  | 622,321<br>1,135,385   | 0          | 182,000    | 622,321<br>1,135,385   | 622,321<br>953,385     | 102,107<br>186,243 |
| 6/10/2010              | 487,663                | 1,811            | 300            | 489,774                | 0       | 8.5%         | 27.4%          | 8.5%         | 446,212                | 1,315            | 275            | 99.6%          | 0.2%          | 0.0%          | 447,801                | 0          | 182,000    | 447,801                | 447,801                | 73,466             |
| 6/11/2010              | 507,048                | 1,121            | 100            | 508,269                | 0       | 8.5%         | 27.4%          | 8.5%         | 463,949                | 814              | 92             | 99.8%          | 0.2%          | 0.0%          | 464,854                | 0          | 0          | 464,854                | 464,854                | 76,240             |
| 6/14/2010              | 551,793                | 1,706            | 1,815          | 555,314                | 0       | 8.5%         | 27.4%          | 8.5%         | 504,891                | 1,239            | 1,661          | 99.4%          | 0.2%          | 0.3%          | 507,790                | 0          | 0          | 507,790                | 507,790                | 83,297             |
| 6/15/2010              | 1,471,622              | 2,316            | 0              | 1,473,938              | 0       | 8.5%         | 27.4%          | 8.5%         | 1,346,534              | 1,681            | 0              | 99.9%          | 0.1%          | 0.0%          | 1,348,216              | 0          | 0          | 1,348,216              | 1,348,216              | 221,091            |
| 6/16/2010              | 564,654                | 3,195            | 1,600          | 569,449                | 0       | 8.5%         | 27.4%          | 8.5%         | 516,658                | 2,320            | 1,464          | 99.3%          | 0.4%          | 0.3%          | 520,442                | 0          | 0          | 520,442                | 520,442                | 85,417             |
| 6/17/2010              | 335,837                | 1,274            | 0              | 337,111                | 0       | 8.5%         | 27.4%          | 8.5%         | 307,291                | 925              | 0              | 99.7%          | 0.3%          | 0.0%          | 308,216                | 0          | 0          | 308,216                | 308,216                | 50,567             |
| 6/18/2010              | 1,076,434              | 2,016            | 0              | 1,078,450              | 0       | 8.5%         | 27.4%          | 8.5%         | 984,937                | 1,464            | 0              | 99.9%          | 0.1%          | 0.0%          | 986,401                | 0          | 0          | 986,401                | 986,401                | 161,768            |
| 6/21/2010              | 995,951                | 6,325            | 1,110          | 1,003,386              | 0       | 8.5%         | 27.4%          | 8.5%         | 911,295                | 4,592            | 1,016          | 99.4%          | 0.5%          | 0.1%          | 916,903                | 0          | 0          | 916,903                | 916,903                | 150,508            |
| 6/22/2010              | 704,686                | 25,570           | 3,898          | 734,154                | 0       | 8.5%         | 27.4%          | 8.5%         | 644,788                | 18,564           | 3,567          | 96.7%          | 2.8%          | 0.5%          | 666,918                | 0          | 0          | 666,918                | 666,918                | 110,123            |
| 6/23/2010              | 387,746                | 2,135            | 800            | 390,681                | 0       | 8.5%         | 27.4%          | 8.5%         | 354,788                | 1,550            | 732            | 99.4%          | 0.4%          | 0.2%          | 357,070                | 0          | 0          | 357,070                | 357,070                | 58,602             |
| 6/24/2010              | 1,007,524              | 34,033           | 1,950          | 1,043,507              | 0       | 8.5%         | 27.4%          | 8.5%         | 921,884                | 24,708           | 1,784          | 97.2%          | 2.6%          | 0.2%          | 948,377                | 0          | 0          | 948,377                | 948,377                | 156,526            |
| 6/25/2010              | 578,697                | 2,830            | 518            | 582,045                | 0       | 8.5%         | 27.4%          | 8.5%         | 529,508                | 2,055            | 474            | 99.5%          | 0.4%          | 0.1%          | 532,036                | 0          | 0          | 532,036                | 532,036                | 87,307             |
| 6/28/2010              | 456,168                | 133,593          | 3,230          | 592,991                | 0       | 8.5%         | 27.4%          | 8.5%         | 417,394                | 96,989           | 2,955          | 80.7%          | 18.7%         | 0.6%          | 517,338                | 0          | 0          | 517,338                | 517,338                | 88,949             |
| 6/29/2010              | 1,189,273              | 3,751            | 1,000          | 1,194,024              | 0       | 8.5%         | 27.4%          | 8.5%         | 1,088,185              | 2,723            | 915            | 99.7%          | 0.2%          | 0.1%          | 1,091,823              | 0          | 0          | 1,091,823              | 1,091,823              | 179,104            |
| 6/30/2010              | 1,301,744              | 1,200            | 3,158          | 1,306,102              | 0       | 8.5%         | 27.4%          | 8.5%         | 1,191,096              | 871              | 2,890          | 99.7%          | 0.1%          | 0.2%          | 1,194,857              | 0          | 0          | 1,194,857              | 1,194,857              | 195,915            |
| 7/1/2010               | 1 402 950              | 1,525            | 6,574          | 8,099                  | 0       | 9.6%         | 27.4%<br>27.4% | 9.6%<br>9.6% | 1 250 440              | 1,107<br>490     | 5,943<br>407   | 0.0%<br>99.9%  | 15.7%<br>0.0% | 84.3%<br>0.0% | 7,050                  | 0          | 0          | 7,050                  | 7,050                  | 1,215              |
| 7/2/2010<br>7/5/2010   | 1,493,850<br>359,749   | 675<br>0         | 450<br>1,135   | 1,494,975<br>360,884   | 0       | 9.6%<br>9.6% | 27.4%          | 9.6%         | 1,350,440<br>325,213   | 490              | 1,026          | 99.7%          | 0.0%          | 0.0%          | 1,351,337<br>326,239   | 0          | 0          | 1,351,337<br>326,239   | 1,351,337<br>326,239   | 224,246<br>54,133  |
| 7/6/2010               | 1,294,424              | 3,300            | 1,133          | 1,299,164              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,170,159              | 2,396            | 1,302          | 99.7%<br>99.7% | 0.0%          | 0.5%          | 1,173,857              | 0          | 0          | 1,173,857              | 1,173,857              | 194,875            |
| 7/7/2010               | 1,832,915              | 2,800            | 1,205          | 1,836,920              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,656,955              | 2,033            | 1,089          | 99.8%          | 0.1%          | 0.1%          | 1,660,077              | 0          | 0          | 1,660,077              | 1,660,077              | 275,538            |
| 7/8/2010               | 2,010,785              | 3,300            | 756            | 2,014,841              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,817,750              | 2,396            | 683            | 99.8%          | 0.1%          | 0.0%          | 1,820,829              | 0          | 0          | 1,820,829              | 1,820,829              | 302,226            |
| 7/9/2010               | 832,053                | 3,000            | 880            | 835,933                | 0       | 9.6%         | 27.4%          | 9.6%         | 752,176                | 2,178            | 796            | 99.6%          | 0.3%          | 0.1%          | 755,149                | 0          | 0          | 755,149                | 755,149                | 125,390            |
| 7/12/2010              | 637,176                | 300              | 1,910          | 639,386                | 0       | 9.6%         | 27.4%          | 9.6%         | 576,007                | 218              | 1,727          | 99.7%          | 0.0%          | 0.3%          | 577,952                | 0          | 0          | 577,952                | 577,952                | 95,908             |
| 7/13/2010              | 1,211,240              | 78,950           | 13,120         | 1,303,310              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,094,961              | 57,318           | 11,860         | 94.1%          | 4.9%          | 1.0%          | 1,164,139              | 0          | 0          | 1,164,139              | 1,164,139              | 195,497            |
| 7/14/2010              | 659,976                | 1,460            | 30             | 661,466                | 0       | 9.6%         | 27.4%          | 9.6%         | 596,618                | 1,060            | 27             | 99.8%          | 0.2%          | 0.0%          | 597,705                | 0          | 0          | 597,705                | 597,705                | 99,220             |
| 7/15/2010              | 1,407,952              | 3,200            | 2,266          | 1,413,418              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,272,789              | 2,323            | 2,048          | 99.7%          | 0.2%          | 0.2%          | 1,277,160              | 0          | 0          | 1,277,160              | 1,277,160              | 212,013            |
| 7/16/2010              | 832,104                | 3,200            | 4,180          | 839,484                | 0       | 9.6%         | 27.4%          | 9.6%         | 752,222                | 2,323            | 3,779          | 99.2%          | 0.3%          | 0.5%          | 758,324                | 0          | 0          | 758,324                | 758,324                | 125,923            |
| 7/19/2010              | 337,765                | 7,200            | 3,250          | 348,215                | 0       | 9.6%         | 27.4%          | 9.6%         | 305,340                | 5,227            | 2,938          | 97.4%          | 1.7%          | 0.9%          | 313,505                | 0          | 0          | 313,505                | 313,505                | 52,232             |
| 7/20/2010              | 1,115,824              | 300              | 2,900          | 1,119,024              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,008,705              | 218              | 2,622          | 99.7%          | 0.0%          | 0.3%          | 1,011,544              | 0          | 0          | 1,011,544              | 1,011,544              | 167,854            |
| 7/21/2010              | 978,288                | 40,150           | 2,650          | 1,021,088              | 0       | 9.6%         | 27.4%          | 9.6%         | 884,372                | 29,149           | 2,396          | 96.6%          | 3.2%          | 0.3%          | 915,917                | 0          | 0          | 915,917                | 915,917                | 153,163            |
| 7/22/2010              | 1,604,851              | 189,300          | 1,050          | 1,795,201              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,450,785              | 137,432          | 949            | 91.3%          | 8.6%          | 0.1%          | 1,589,166              | 0          | 0          | 1,589,166              | 1,589,166              | 269,280            |
| 7/23/2010              | 1,127,367              | 6,200            | 2,841          | 1,136,408              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,019,140              | 4,501            | 2,568          | 99.3%          | 0.4%          | 0.3%          | 1,026,209              | 0          | 0          | 1,026,209              | 1,026,209              | 170,461            |
| 7/26/2010              | 519,062                | 1,182            | 1,290          | 521,534                | 0       | 9.6%         | 27.4%          | 9.6%         | 469,232                | 858              | 1,166          | 99.6%          | 0.2%          | 0.2%          | 471,256                | 0          | 0          | 471,256                | 471,256                | 78,230             |
| 7/27/2010              | 910,461                | 2,500            | 1,228          | 914,189                | 0       | 9.6%         | 27.4%          | 9.6%         | 823,057                | 1,815            | 1,110          | 99.6%          | 0.2%          | 0.1%          | 825,982                | 0          | 0          | 825,982                | 825,982                | 137,128            |
| 7/28/2010              | 351,824                | 1,250            | 530            | 353,604                | 0       | 9.6%         | 27.4%          | 9.6%         | 318,049                | 908              | 479            | 99.6%          | 0.3%          | 0.1%          | 319,436                | 0          | 0          | 319,436                | 319,436                | 53,041             |
| 7/29/2010              | 631,886                | 2,400            | 650            | 634,936                | 0       | 9.6%         | 27.4%          | 9.6%         | 571,225                | 1,742            | 588            | 99.6%          | 0.3%          | 0.1%          | 573,555                | 0          | 0          | 573,555                | 573,555                | 95,240             |
| 7/30/2010              | 697,264                | 23,200           | 2,606          | 723,070                | 0       | 9.6%         | 27.4%          | 9.6%<br>9.8% | 630,327                | 16,843           | 2,356          | 97.0%          | 2.6%          | 0.4%          | 649,526                | 0          | 0          | 649,526                | 649,526                | 108,461            |
| 8/2/2010               | 2 334 678              | 240<br>46 900    | 3,985          | 4,225                  | 0       | 9.8%<br>9.8% | 27.4%<br>27.4% | 9.8%         | 2 105 880              | 174<br>34 049    | 3,594          | 0.0%<br>98.3%  | 4.6%<br>1.6%  | 95.4%<br>0.2% | 3,769                  | 0          | 0          | 3,769                  | 3,769                  | 634<br>357 807     |
| 8/3/2010<br>8/4/2010   | 2,334,678<br>406,715   | 46,900<br>2,200  | 3,805<br>2,000 | 2,385,383<br>410,915   | 0       | 9.8%         | 27.4%          | 9.8%         | 2,105,880<br>366,857   | 34,049<br>1,597  | 3,432<br>1,804 | 98.3%<br>99.1% | 0.4%          | 0.2%          | 2,143,361<br>370,258   | 0          | 0          | 2,143,361<br>370,258   | 2,143,361<br>370,258   | 357,807<br>61,637  |
|                        |                        | 74,500           |                |                        |         |              | 27.4%          | 9.8%         |                        |                  |                |                |               | 0.5%          |                        | 0          | 0          |                        |                        |                    |
| 8/5/2010               | 1,043,955              | 74,500           | 148            | 1,118,603              | 0       | 9.8%         | 41.4%          | 9.8%         | 941,647                | 54,087           | 133            | 94.6%          | 5.4%          | 0.0%          | 995,868                | U          | U          | 995,868                | 995,868                | 167,790            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                          |                        | Reported           | Volume         |                        | Shares  | Spec         | ialist Adj     | ustment      |                        |                    | Specialis    | t-Adjusted     | Volume        |                |                        | Insider Tr | ansactions | Investor               | Volume                 | Intra-Day          |
|--------------------------|------------------------|--------------------|----------------|------------------------|---------|--------------|----------------|--------------|------------------------|--------------------|--------------|----------------|---------------|----------------|------------------------|------------|------------|------------------------|------------------------|--------------------|
| Date                     | Canada                 | U.S.               | Germany        | Total                  | Offered | Canada       |                | Germany      | Canada                 | U.S.               |              | Canada %       |               | Germany %      | Total                  | Purchases  | Sales      | Purchases              | Sales                  | Volume             |
| [1]                      | [2]                    | [3]                | [4]            | [5]                    | [6]     | [7]          | [8]            | [9]          | [10]                   | [11]               | [12]         | [13]           | [14]          | [15]           | [16]                   | [17]       | [18]       | [19]                   | [20]                   | [21]               |
| 8/6/2010                 | 1,903,186              | 79,100             | 320            | 1,982,606              | 0       | 9.8%         | 27.4%          | 9.8%         | 1,716,674              | 57,427             | 289          | 96.7%          | 3.2%          | 0.0%           | 1,774,389              | 0          | 0          | 1,774,389              | 1,774,389              | 297,391            |
| 8/9/2010                 | 444,526                | 81,200             | 1,070          | 526,796                | 0       | 9.8%         | 27.4%          | 9.8%         | 400,962                | 58,951             | 965          | 87.0%          | 12.8%         | 0.2%           | 460,879                | 0          | 0          | 460,879                | 460,879                | 79,019             |
| 8/10/2010                | 921,918                | 16,100<br>2,300    | 600<br>550     | 938,618                | 0       | 9.8%         | 27.4%          | 9.8%<br>9.8% | 831,570                | 11,689             | 541<br>496   | 98.6%<br>99.7% | 1.4%<br>0.2%  | 0.1%           | 843,800                | 0          | 0          | 843,800                | 843,800                | 140,793            |
| 8/11/2010<br>8/12/2010   | 842,328<br>3,581,655   | 75,000             | 5,032          | 845,178<br>3,661,687   | 0       | 9.8%<br>9.8% | 27.4%<br>27.4% | 9.8%         | 759,780<br>3,230,653   | 1,670<br>54,450    | 4,539        | 99.7%          | 1.7%          | 0.1%<br>0.1%   | 761,946<br>3,289,642   | 0          | 0          | 761,946<br>3,289,642   | 761,946<br>3,289,642   | 126,777<br>549,253 |
| 8/13/2010                | 1,308,629              | 500                | 6,311          | 1,315,440              | 0       | 9.8%         | 27.4%          | 9.8%         | 1,180,383              | 363                | 5,693        | 99.5%          | 0.0%          | 0.1%           | 1,186,439              | 0          | 0          | 1,186,439              | 1,186,439              | 197,316            |
| 8/16/2010                | 341,203                | 2,200              | 1,400          | 344,803                | 0       | 9.8%         | 27.4%          | 9.8%         | 307,765                | 1,597              | 1,263        | 99.1%          | 0.5%          | 0.4%           | 310,625                | 0          | 0          | 310,625                | 310,625                | 51,720             |
| 8/17/2010                | 636,612                | 2,551              | 1,270          | 640,433                | 0       | 9.8%         | 27.4%          | 9.8%         | 574,224                | 1,852              | 1,146        | 99.5%          | 0.3%          | 0.2%           | 577,222                | 0          | 0          | 577,222                | 577,222                | 96,065             |
| 8/18/2010                | 864,710                | 16,500             | 270            | 881,480                | 0       | 9.8%         | 27.4%          | 9.8%         | 779,968                | 11,979             | 244          | 98.5%          | 1.5%          | 0.0%           | 792,191                | 0          | 0          | 792,191                | 792,191                | 132,222            |
| 8/19/2010                | 1,160,533              | 9,800              | 4,080          | 1,174,413              | 0       | 9.8%         | 27.4%          | 9.8%         | 1,046,801              | 7,115              | 3,680        | 99.0%          | 0.7%          | 0.3%           | 1,057,596              | 0          | 0          | 1,057,596              | 1,057,596              | 176,162            |
| 8/20/2010                | 481,485                | 285,587            | 1,200          | 768,272                | 0       | 9.8%         | 27.4%          | 9.8%         | 434,299                | 207,336            | 1,082        | 67.6%          | 32.3%         | 0.2%           | 642,718                | 0          | 0          | 642,718                | 642,718                | 115,241            |
| 8/23/2010                | 252,774                | 950                | 2,786          | 256,510                | 0       | 9.8%         | 27.4%          | 9.8%         | 228,002                | 690                | 2,513        | 98.6%          | 0.3%          | 1.1%           | 231,205                | 0          | 0          | 231,205                | 231,205                | 38,477             |
| 8/24/2010<br>8/25/2010   | 743,604<br>800,032     | 2,450<br>2,425     | 166<br>0       | 746,220<br>802,457     | 0       | 9.8%<br>9.8% | 27.4%<br>27.4% | 9.8%<br>9.8% | 670,731<br>721,629     | 1,779<br>1,761     | 150<br>0     | 99.7%<br>99.8% | 0.3%<br>0.2%  | 0.0%<br>0.0%   | 672,659<br>723,389     | 0          | 0          | 672,659<br>723,389     | 672,659<br>723,389     | 111,933<br>120,369 |
| 8/26/2010                | 692,689                | 8,140              | 0              | 700,829                | 0       | 9.8%         | 27.4%          | 9.8%         | 624,805                | 5,910              | 0            | 99.1%          | 0.2%          | 0.0%           | 630,715                | 0          | 0          | 630,715                | 630,715                | 105,124            |
| 8/27/2010                | 348,500                | 2,000              | 2,334          | 352,834                | 0       | 9.8%         | 27.4%          | 9.8%         | 314,347                | 1,452              | 2,105        | 98.9%          | 0.5%          | 0.7%           | 317,904                | 0          | 0          | 317,904                | 317,904                | 52,925             |
| 8/30/2010                | 689,386                | 1,200              | 0              | 690,586                | 0       | 9.8%         | 27.4%          | 9.8%         | 621,826                | 871                | 0            | 99.9%          | 0.1%          | 0.0%           | 622,697                | 0          | 0          | 622,697                | 622,697                | 103,588            |
| 8/31/2010                | 819,672                | 3,796              | 0              | 823,468                | 0       | 9.8%         | 27.4%          | 9.8%         | 739,344                | 2,756              | 0            | 99.6%          | 0.4%          | 0.0%           | 742,100                | 0          | 0          | 742,100                | 742,100                | 123,520            |
| 9/1/2010                 | 940,825                | 27,250             | 2,600          | 970,675                | 0       | 9.4%         | 27.4%          | 9.4%         | 852,387                | 19,784             | 2,356        | 97.5%          | 2.3%          | 0.3%           | 874,527                | 0          | 3,700      | 874,527                | 870,827                | 145,601            |
| 9/2/2010                 | 944,776                | 1,450              | 0              | 946,226                | 0       | 9.4%         | 27.4%          | 9.4%         | 855,967                | 1,053              | 0            | 99.9%          | 0.1%          | 0.0%           | 857,020                | 0          | 10,294     | 857,020                | 846,726                | 141,934            |
| 9/3/2010                 | 675,037                | 75,800             | 1,512          | 752,349                | 0       | 9.4%         | 27.4%          | 9.4%         | 611,584<br>0           | 55,031             | 1,370        | 91.6%          | 8.2%          | 0.2%           | 667,984                | 0          | 0          | 667,984                | 667,984                | 112,852            |
| 9/6/2010<br>9/7/2010     | 0<br>1,101,870         | 0<br>400           | 631<br>1,750   | 631<br>1,104,020       | 0       | 9.4%<br>9.4% | 27.4%<br>27.4% | 9.4%<br>9.4% | 998,294                | 290                | 572<br>1,586 | 0.0%<br>99.8%  | 0.0%<br>0.0%  | 100.0%<br>0.2% | 572<br>1,000,170       | 0          | 0          | 572<br>1,000,170       | 572<br>1,000,170       | 95<br>165,603      |
| 9/8/2010                 | 1,075,972              | 200                | 1,730          | 1,076,329              | 0       | 9.4%         | 27.4%          | 9.4%         | 974,831                | 145                | 1,380        | 100.0%         | 0.0%          | 0.2%           | 975,118                | 0          | 0          | 975,118                | 975,118                | 161,449            |
| 9/9/2010                 | 804,494                | 13,600             | 2,050          | 820,144                | 0       | 9.4%         | 27.4%          | 9.4%         | 728,872                | 9,874              | 1,857        | 98.4%          | 1.3%          | 0.3%           | 740,602                | 0          | 0          | 740,602                | 740,602                | 123,022            |
| 9/10/2010                | 765,559                | 6,800              | 0              | 772,359                | 0       | 9.4%         | 27.4%          | 9.4%         | 693,596                | 4,937              | 0            | 99.3%          | 0.7%          | 0.0%           | 698,533                | 0          | 0          | 698,533                | 698,533                | 115,854            |
| 9/13/2010                | 976,591                | 0                  | 400            | 976,991                | 0       | 9.4%         | 27.4%          | 9.4%         | 884,791                | 0                  | 362          | 100.0%         | 0.0%          | 0.0%           | 885,154                | 0          | 0          | 885,154                | 885,154                | 146,549            |
| 9/14/2010                | 637,745                | 391,500            | 930            | 1,030,175              | 0       | 9.4%         | 27.4%          | 9.4%         | 577,797                | 284,229            | 843          | 67.0%          | 32.9%         | 0.1%           | 862,869                | 0          | 0          | 862,869                | 862,869                | 154,526            |
| 9/15/2010                | 991,119                | 8,100              | 0              | 999,219                | 0       | 9.4%         | 27.4%          | 9.4%         | 897,954                | 5,881              | 0            | 99.3%          | 0.7%          | 0.0%           | 903,834                | 0          | 0          | 903,834                | 903,834                | 149,883            |
| 9/16/2010                | 1,150,632              | 400                | 801            | 1,151,833              | 0       | 9.4%         | 27.4%          | 9.4%         | 1,042,473              | 290                | 726          | 99.9%          | 0.0%          | 0.1%           | 1,043,489              | 0          | 0          | 1,043,489              | 1,043,489              | 172,775            |
| 9/17/2010<br>9/20/2010   | 1,570,471<br>1,608,649 | 15,700<br>1,200    | 1,500<br>313   | 1,587,671<br>1,610,162 | 0       | 9.4%<br>9.4% | 27.4%<br>27.4% | 9.4%<br>9.4% | 1,422,847<br>1,457,436 | 11,398<br>871      | 1,359<br>284 | 99.1%<br>99.9% | 0.8%<br>0.1%  | 0.1%<br>0.0%   | 1,435,604<br>1,458,591 | 0          | 0          | 1,435,604<br>1,458,591 | 1,435,604<br>1,458,591 | 238,151<br>241,524 |
| 9/21/2010                | 694,893                | 6,800              | 38             | 701,731                | 0       | 9.4%         | 27.4%          | 9.4%         | 629,573                | 4,937              | 34           | 99.2%          | 0.1%          | 0.0%           | 634,544                | 0          | 0          | 634,544                | 634,544                | 105,260            |
| 9/22/2010                | 884,651                | 1,850              | 1,091          | 887,592                | 0       | 9.4%         | 27.4%          | 9.4%         | 801,494                | 1,343              | 988          | 99.7%          | 0.2%          | 0.1%           | 803,825                | 0          | 0          | 803,825                | 803,825                | 133,139            |
| 9/23/2010                | 1,527,560              | 51,830             | 6,401          | 1,585,791              | 0       | 9.4%         | 27.4%          | 9.4%         | 1,383,969              | 37,629             | 5,799        | 97.0%          | 2.6%          | 0.4%           | 1,427,397              | 0          | 0          | 1,427,397              | 1,427,397              | 237,869            |
| 9/24/2010                | 1,006,015              | 1,600              | 1,400          | 1,009,015              | 0       | 9.4%         | 27.4%          | 9.4%         | 911,450                | 1,162              | 1,268        | 99.7%          | 0.1%          | 0.1%           | 913,880                | 0          | 0          | 913,880                | 913,880                | 151,352            |
| 9/27/2010                | 857,683                | 300                | 110            | 858,093                | 0       | 9.4%         | 27.4%          | 9.4%         | 777,061                | 218                | 100          | 100.0%         | 0.0%          | 0.0%           | 777,378                | 0          | 0          | 777,378                | 777,378                | 128,714            |
| 9/28/2010                | 1,879,545              | 1,200              | 320            | 1,881,065              | 0       | 9.4%         | 27.4%          | 9.4%         | 1,702,868              | 871                | 290          | 99.9%          | 0.1%          | 0.0%           | 1,704,029              | 0          | 0          | 1,704,029              | 1,704,029              | 282,160            |
| 9/29/2010                | 2,015,382              | 500                | 1,675          | 2,017,557              | 0       | 9.4%<br>9.4% | 27.4%          | 9.4%         | 1,825,936              | 363                | 1,518        | 99.9%          | 0.0%          | 0.1%           | 1,827,817              | 0          | 0          | 1,827,817              | 1,827,817              | 302,634            |
| 9/30/2010<br>10/1/2010   | 2,002,619<br>1,213,835 | 203,800<br>900     | 1,123<br>0     | 2,207,542<br>1,214,735 | 0       | 9.4%         | 27.4%<br>27.4% | 9.4%<br>9.6% | 1,814,373<br>1,097,307 | 147,959<br>653     | 1,017<br>0   | 92.4%<br>99.9% | 7.5%<br>0.1%  | 0.1%<br>0.0%   | 1,963,349<br>1,097,960 | 0          | 0          | 1,963,349<br>1,097,960 | 1,963,349<br>1,097,960 | 331,131<br>182,210 |
| 10/4/2010                | 1,708,292              | 2,290              | 2,002          | 1,712,584              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,544,296              | 1,663              | 1,810        | 99.8%          | 0.1%          | 0.1%           | 1,547,768              | 0          | 0          | 1,547,768              | 1,547,768              | 256,888            |
| 10/5/2010                | 1,745,442              | 202,128            | 5,321          | 1,952,891              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,577,880              | 146,745            | 4,810        | 91.2%          | 8.5%          | 0.3%           | 1,729,435              | 0          | 0          | 1,729,435              | 1,729,435              | 292,934            |
| 10/6/2010                | 838,072                | 550                | 400            | 839,022                | 0       | 9.6%         | 27.4%          | 9.6%         | 757,617                | 399                | 362          | 99.9%          | 0.1%          | 0.0%           | 758,378                | 0          | 0          | 758,378                | 758,378                | 125,853            |
| 10/7/2010                | 1,156,877              | 700                | 91             | 1,157,668              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,045,817              | 508                | 82           | 99.9%          | 0.0%          | 0.0%           | 1,046,407              | 0          | 0          | 1,046,407              | 1,046,407              | 173,650            |
| 10/8/2010                | 3,535,919              | 2,859              | 85             | 3,538,863              | 0       | 9.6%         | 27.4%          | 9.6%         | 3,196,471              | 2,076              | 77           | 99.9%          | 0.1%          | 0.0%           | 3,198,623              | 0          | 0          | 3,198,623              | 3,198,623              | 530,829            |
| 10/11/2010               | 0                      | 900                | 1,006          | 1,906                  | 0       | 9.6%         | 27.4%          | 9.6%         | 0                      | 653                | 909          | 0.0%           | 41.8%         | 58.2%          | 1,563                  | 0          | 0          | 1,563                  | 1,563                  | 286                |
| 10/12/2010               | 1,751,643              | 365,250<br>201,300 | 1,550<br>1,060 | 2,118,443              | 0       | 9.6%         | 27.4%<br>27.4% | 9.6%<br>9.6% | 1,583,485              | 265,172<br>146,144 | 1,401<br>958 | 85.6%<br>97.0% | 14.3%<br>3.0% | 0.1%<br>0.0%   | 1,850,058              | 0          | 0          | 1,850,058              | 1,850,058              | 317,766            |
| 10/13/2010<br>10/14/2010 | 5,214,108<br>1,377,538 | 181,355            | 250            | 5,416,468<br>1,559,143 | 0       | 9.6%<br>9.6% | 27.4%          | 9.6%         | 4,713,554<br>1,245,294 | 131,664            | 226          | 90.4%          | 9.6%          | 0.0%           | 4,860,656<br>1,377,184 | 0          | 0          | 4,860,656<br>1,377,184 | 4,860,656<br>1,377,184 | 812,470<br>233,871 |
| 10/14/2010               | 1,450,862              | 506,700            | 500            | 1,958,062              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,311,579              | 367,864            | 452          | 78.1%          | 21.9%         | 0.0%           | 1,679,895              | 0          | 0          | 1,679,895              | 1,679,895              | 293,709            |
| 10/18/2010               | 2,168,242              | 1,265              | 905            | 2,170,412              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,960,091              | 918                | 818          | 99.9%          | 0.0%          | 0.0%           | 1,961,827              | 0          | 0          | 1,961,827              | 1,961,827              | 325,562            |
| 10/19/2010               | 1,083,754              | 1,200              | 551            | 1,085,505              | 0       | 9.6%         | 27.4%          | 9.6%         | 979,714                | 871                | 498          | 99.9%          | 0.1%          | 0.1%           | 981,083                | 0          | 0          | 981,083                | 981,083                | 162,826            |
| 10/20/2010               | 650,301                | 1,385              | 250            | 651,936                | 0       | 9.6%         | 27.4%          | 9.6%         | 587,872                | 1,006              | 226          | 99.8%          | 0.2%          | 0.0%           | 589,104                | 0          | 0          | 589,104                | 589,104                | 97,790             |
| 10/21/2010               | 2,395,660              | 900                | 1,201          | 2,397,761              | 0       | 9.6%         | 27.4%          | 9.6%         | 2,165,677              | 653                | 1,086        | 99.9%          | 0.0%          | 0.1%           | 2,167,416              | 0          | 0          | 2,167,416              | 2,167,416              | 359,664            |
| 10/22/2010               | 1,834,277              | 19,100             | 18,444         | 1,871,821              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,658,186              | 13,867             | 16,673       | 98.2%          | 0.8%          | 1.0%           | 1,688,726              | 0          | 0          | 1,688,726              | 1,688,726              | 280,773            |
| 10/25/2010               | 1,610,446              | 143,450            | 1,400          | 1,755,296              | 0       | 9.6%         | 27.4%          | 9.6%         | 1,455,843              | 104,145            | 1,266        | 93.2%          | 6.7%          | 0.1%           | 1,561,253              | 0          | 0          | 1,561,253              | 1,561,253              | 263,294            |
| 10/26/2010<br>10/27/2010 | 1,221,112<br>1,385,995 | 5,299<br>7,800     | 1,801<br>339   | 1,228,212<br>1,394,134 | 0       | 9.6%<br>9.6% | 27.4%<br>27.4% | 9.6%<br>9.6% | 1,103,885<br>1,252,939 | 3,847<br>5,663     | 1,628<br>306 | 99.5%<br>99.5% | 0.3%<br>0.4%  | 0.1%<br>0.0%   | 1,109,360<br>1,258,909 | 0          | 0          | 1,109,360<br>1,258,909 | 1,109,360<br>1,258,909 | 184,232<br>209,120 |
| 10/27/2010               | 327,435                | 7,310              | 0              | 334,745                | 0       | 9.6%         | 27.4%          | 9.6%         | 296,001                | 5,307              | 0            | 98.2%          | 1.8%          | 0.0%           | 301,308                | 0          | 0          | 301,308                | 301,308                | 50,212             |
| 10/29/2010               | 774,093                | 1,200              | 385            | 775,678                | 0       | 9.6%         | 27.4%          | 9.6%         | 699,780                | 871                | 348          | 99.8%          | 0.1%          | 0.0%           | 700,999                | 0          | 0          | 700,999                | 700,999                | 116,352            |
| 11/1/2010                | 833,376                | 59,638             | 0              | 893,014                | 0       | 9.1%         | 27.4%          | 9.1%         | 757,539                | 43,297             | 0            | 94.6%          | 5.4%          | 0.0%           | 800,836                | 0          | 0          | 800,836                | 800,836                | 133,952            |
| 11/2/2010                | 917,180                | 73,050             | 2,200          | 992,430                | 0       | 9.1%         | 27.4%          | 9.1%         | 833,717                | 53,034             | 2,000        | 93.8%          | 6.0%          | 0.2%           | 888,751                | 0          | 0          | 888,751                | 888,751                | 148,865            |
| 11/3/2010                | 850,741                | 148,966            | 3,500          | 1,003,207              | 0       | 9.1%         | 27.4%          | 9.1%         | 773,324                | 108,149            | 3,182        | 87.4%          | 12.2%         | 0.4%           | 884,654                | 0          | 0          | 884,654                | 884,654                | 150,481            |
| 11/4/2010                | 1,217,465              | 6,985              | 366            | 1,224,816              | 0       | 9.1%         | 27.4%          | 9.1%         | 1,106,676              | 5,071              | 333          | 99.5%          | 0.5%          | 0.0%           | 1,112,079              | 0          | 0          | 1,112,079              | 1,112,079              | 183,722            |
| 11/5/2010                | 4,929,997              | 6,640              | 500            | 4,937,137              | 0       | 9.1%         | 27.4%          | 9.1%         | 4,481,367              | 4,821              | 455          | 99.9%          | 0.1%          | 0.0%           | 4,486,642              | 0          | 0          | 4,486,642              | 4,486,642              | 740,571            |
| 11/8/2010                | 1,330,997              | 22,642             | 4,673          | 1,358,312              | 0       | 9.1%         | 27.4%          | 9.1%         | 1,209,876              | 16,438             | 4,248        | 98.3%          | 1.3%          | 0.3%           | 1,230,562              | 0          | 0          | 1,230,562              | 1,230,562              | 203,747            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                          |                        | D                 | X7 . 1         |                        | CI.               | G            | *-1*-4 A 3*        |                           |                        |                  | G              | 4 4 324- 32              |               |               |                        | T                       |                  | T                      | *7.1                   | Total Desi          |
|--------------------------|------------------------|-------------------|----------------|------------------------|-------------------|--------------|--------------------|---------------------------|------------------------|------------------|----------------|--------------------------|---------------|---------------|------------------------|-------------------------|------------------|------------------------|------------------------|---------------------|
| Date                     | Canada                 | Reported<br>U.S.  | Germany        | Total                  | Shares<br>Offered | Canada       | ialist Adj<br>U.S. | <u>ustment</u><br>Germany | Canada                 | U.S.             | Germany        | t-Adjusted `<br>Canada % |               | Germany %     | Total                  | Insider Tr<br>Purchases | Sales            | Investor ' Purchases   | Sales                  | Intra-Day<br>Volume |
| [1]                      | [2]                    | [3]               | [4]            | [5]                    | [6]               | [7]          | [8]                | [9]                       | [10]                   | [11]             | [12]           | [13]                     | [14]          | [15]          | [16]                   | [17]                    | [18]             | [19]                   | [20]                   | [21]                |
| 11/9/2010                | 1,153,761              | 84,580            | 1,290          | 1,239,631              | 0                 | 9.1%         | 27.4%              | 9.1%                      | 1,048,769              | 61,405           | 1,173          | 94.4%                    | 5.5%          | 0.1%          | 1,111,346              | 0                       | 0                | 1,111,346              | 1,111,346              | 185,945             |
| 11/10/2010               | 2,187,169              | 14,640            | 1,605          | 2,203,414              | 0                 | 9.1%         | 27.4%              | 9.1%                      | 1,988,137              | 10,629           | 1,459          | 99.4%                    | 0.5%          | 0.1%          | 2,000,224              | 0                       | 0                | 2,000,224              | 2,000,224              | 330,512             |
| 11/11/2010               | 1,578,055              | 2,910             | 50             | 1,581,015              | 0                 | 9.1%         | 27.4%              | 9.1%                      | 1,434,452              | 2,113            | 45             | 99.8%                    | 0.1%          | 0.0%          | 1,436,610              | 0                       | 0                | 1,436,610              | 1,436,610              | 237,152             |
| 11/12/2010<br>11/15/2010 | 3,162,838<br>655,167   | 11,890<br>850     | 130<br>2,925   | 3,174,858<br>658,942   | 0                 | 9.1%<br>9.1% | 27.4%<br>27.4%     | 9.1%<br>9.1%              | 2,875,020<br>595,547   | 8,632<br>617     | 118<br>2,659   | 99.7%<br>99.5%           | 0.3%<br>0.1%  | 0.0%<br>0.4%  | 2,883,770<br>598,823   | 0                       | 40,000           | 2,883,770<br>598,823   | 2,883,770<br>558,823   | 476,229<br>98,841   |
| 11/16/2010               | 861,508                | 10,250            | 1,754          | 873,512                | 0                 | 9.1%         | 27.4%              | 9.1%                      | 783,111                | 7,442            | 1,594          | 98.9%                    | 0.1%          | 0.4%          | 792,147                | 0                       | 40,000           | 792,147                | 792,147                | 131,027             |
| 11/17/2010               | 542,669                | 6,080             | 561            | 549,310                | 0                 | 9.1%         | 27.4%              | 9.1%                      | 493,286                | 4,414            | 510            | 99.0%                    | 0.9%          | 0.1%          | 498,210                | 0                       | 0                | 498,210                | 498,210                | 82,397              |
| 11/18/2010               | 793,573                | 3,200             | 780            | 797,553                | 0                 | 9.1%         | 27.4%              | 9.1%                      | 721,358                | 2,323            | 709            | 99.6%                    | 0.3%          | 0.1%          | 724,390                | 0                       | 50,000           | 724,390                | 674,390                | 119,633             |
| 11/19/2010               | 813,119                | 2,700             | 1,836          | 817,655                | 0                 | 9.1%         | 27.4%              | 9.1%                      | 739,125                | 1,960            | 1,669          | 99.5%                    | 0.3%          | 0.2%          | 742,754                | 0                       | 0                | 742,754                | 742,754                | 122,648             |
| 11/22/2010               | 957,618                | 5,200             | 44             | 962,862                | 0                 | 9.1%         | 27.4%              | 9.1%                      | 870,475                | 3,775            | 40             | 99.6%                    | 0.4%          | 0.0%          | 874,290                | 0                       | 23,100           | 874,290                | 851,190                | 144,429             |
| 11/23/2010               | 2,830,849              | 15,809            | 0              | 2,846,658              | 0                 | 9.1%         | 27.4%              | 9.1%                      | 2,573,242              | 11,477           | 0              | 99.6%                    | 0.4%          | 0.0%          | 2,584,719              | 0                       | 122,765<br>0     | 2,584,719              | 2,461,954              | 426,999             |
| 11/24/2010<br>11/25/2010 | 1,603,985<br>88,444    | 700<br>0          | 1,050<br>1,374 | 1,605,735<br>89,818    | 0                 | 9.1%<br>9.1% | 27.4%<br>27.4%     | 9.1%<br>9.1%              | 1,458,022<br>80,396    | 508<br>0         | 954<br>1,249   | 99.9%<br>98.5%           | 0.0%<br>0.0%  | 0.1%<br>1.5%  | 1,459,485<br>81,645    | 0                       | 0                | 1,459,485<br>81,645    | 1,459,485<br>81,645    | 240,860<br>13,473   |
| 11/26/2010               | 563,472                | 2,400             | 150            | 566,022                | 0                 | 9.1%         | 27.4%              | 9.1%                      | 512,196                | 1,742            | 136            | 99.6%                    | 0.3%          | 0.0%          | 514,075                | 0                       | 0                | 514,075                | 514,075                | 84,903              |
| 11/29/2010               | 564,024                | 1,300             | 546            | 565,870                | 0                 | 9.1%         | 27.4%              | 9.1%                      | 512,698                | 944              | 496            | 99.7%                    | 0.2%          | 0.1%          | 514,138                | 0                       | 0                | 514,138                | 514,138                | 84,881              |
| 11/30/2010               | 584,488                | 5,968             | 1,614          | 592,070                | 0                 | 9.1%         | 27.4%              | 9.1%                      | 531,300                | 4,333            | 1,467          | 98.9%                    | 0.8%          | 0.3%          | 537,099                | 0                       | 0                | 537,099                | 537,099                | 88,811              |
| 12/1/2010                | 1,131,134              | 2,117             | 1,574          | 1,134,825              | 0                 | 7.9%         | 27.4%              | 7.9%                      | 1,041,774              | 1,537            | 1,450          | 99.7%                    | 0.1%          | 0.1%          | 1,044,761              | 0                       | 0                | 1,044,761              | 1,044,761              | 170,224             |
| 12/2/2010                | 1,608,992              | 3,570             | 1,500          | 1,614,062              | 0                 | 7.9%         | 27.4%              | 7.9%                      | 1,481,882              | 2,592            | 1,382          | 99.7%                    | 0.2%          | 0.1%          | 1,485,855              | 0                       | 0                | 1,485,855              | 1,485,855              | 242,109             |
| 12/3/2010<br>12/6/2010   | 843,317<br>617,713     | 4,280<br>1,030    | 400<br>3,343   | 847,997<br>622,086     | 0                 | 7.9%<br>7.9% | 27.4%<br>27.4%     | 7.9%<br>7.9%              | 776,695<br>568,914     | 3,107<br>748     | 368<br>3,079   | 99.6%<br>99.3%           | 0.4%<br>0.1%  | 0.0%<br>0.5%  | 780,171<br>572,740     | 0                       | 36,000<br>10,000 | 780,171<br>572,740     | 744,171<br>562,740     | 127,200<br>93,313   |
| 12/7/2010                | 1,554,901              | 1,561             | 1,110          | 1,557,572              | 0                 | 7.9%         | 27.4%              | 7.9%                      | 1,432,064              | 1,133            | 1,022          | 99.8%                    | 0.1%          | 0.1%          | 1,434,219              | 0                       | 0,000            | 1,434,219              | 1,434,219              | 233,636             |
| 12/8/2010                | 1,317,273              | 5,300             | 535            | 1,323,108              | 0                 | 7.9%         | 27.4%              | 7.9%                      | 1,213,208              | 3,848            | 493            | 99.6%                    | 0.3%          | 0.0%          | 1,217,549              | 0                       | 0                | 1,217,549              | 1,217,549              | 198,466             |
| 12/9/2010                | 629,463                | 2,450             | 1,895          | 633,808                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 579,735                | 1,779            | 1,745          | 99.4%                    | 0.3%          | 0.3%          | 583,259                | 0                       | 0                | 583,259                | 583,259                | 95,071              |
| 12/10/2010               | 752,111                | 6,500             | 975            | 759,586                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 692,694                | 4,719            | 898            | 99.2%                    | 0.7%          | 0.1%          | 698,311                | 0                       | 5,000            | 698,311                | 693,311                | 113,938             |
| 12/13/2010               | 1,016,703              | 3,250             | 750            | 1,020,703              | 0                 | 7.9%         | 27.4%              | 7.9%                      | 936,383                | 2,360            | 691            | 99.7%                    | 0.3%          | 0.1%          | 939,434                | 0                       | 132,922          | 939,434                | 806,512                | 153,105             |
| 12/14/2010               | 717,229                | 3,500             | 2,822          | 723,551                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 660,568                | 2,541            | 2,599          | 99.2%                    | 0.4%          | 0.4%          | 665,708                | 0                       | 0                | 665,708                | 665,708                | 108,533             |
| 12/15/2010<br>12/16/2010 | 1,228,474<br>387,550   | 2,850<br>9,700    | 1,065<br>836   | 1,232,389<br>398,086   | 0                 | 7.9%<br>7.9% | 27.4%<br>27.4%     | 7.9%<br>7.9%              | 1,131,425<br>356,934   | 2,069<br>7,042   | 981<br>770     | 99.7%<br>97.9%           | 0.2%<br>1.9%  | 0.1%<br>0.2%  | 1,134,475<br>364,746   | 0                       | 0                | 1,134,475<br>364,746   | 1,134,475<br>364,746   | 184,858<br>59,713   |
| 12/17/2010               | 1,544,377              | 2,500             | 1,842          | 1,548,719              | 0                 | 7.9%         | 27.4%              | 7.9%                      | 1,422,371              | 1,815            | 1,696          | 99.8%                    | 0.1%          | 0.1%          | 1,425,883              | 0                       | 0                | 1,425,883              | 1,425,883              | 232,308             |
| 12/20/2010               | 916,306                | 6,700             | 990            | 923,996                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 843,918                | 4,864            | 912            | 99.3%                    | 0.6%          | 0.1%          | 849,694                | 0                       | 5,000            | 849,694                | 844,694                | 138,599             |
| 12/21/2010               | 934,583                | 23,375            | 375            | 958,333                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 860,751                | 16,970           | 345            | 98.0%                    | 1.9%          | 0.0%          | 878,067                | 0                       | 0                | 878,067                | 878,067                | 143,750             |
| 12/22/2010               | 619,063                | 2,630             | 0              | 621,693                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 570,157                | 1,909            | 0              | 99.7%                    | 0.3%          | 0.0%          | 572,066                | 0                       | 0                | 572,066                | 572,066                | 93,254              |
| 12/23/2010               | 315,111                | 3,910             | 62             | 319,083                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 290,217                | 2,839            | 57             | 99.0%                    | 1.0%          | 0.0%          | 293,113                | 0                       | 0                | 293,113                | 293,113                | 47,862              |
| 12/24/2010<br>12/27/2010 | 30,783<br>0            | 0<br>2,050        | 0<br>1,335     | 30,783<br>3,385        | 0                 | 7.9%<br>7.9% | 27.4%<br>27.4%     | 7.9%<br>7.9%              | 28,351<br>0            | 0<br>1,488       | 0<br>1,230     | 100.0%<br>0.0%           | 0.0%<br>54.8% | 0.0%<br>45.2% | 28,351<br>2,718        | 0                       | 0                | 28,351<br>2,718        | 28,351<br>2,718        | 4,617<br>508        |
| 12/28/2010               | 0                      | 385               | 860            | 1,245                  | 0                 | 7.9%         | 27.4%              | 7.9%                      | 0                      | 280              | 792            | 0.0%                     | 26.1%         | 73.9%         | 1,072                  | 0                       | 0                | 1,072                  | 1,072                  | 187                 |
| 12/29/2010               | 680,922                | 3,414             | 950            | 685,286                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 627,129                | 2,479            | 875            | 99.5%                    | 0.4%          | 0.1%          | 630,483                | 0                       | 0                | 630,483                | 630,483                | 102,793             |
| 12/30/2010               | 284,505                | 2,000             | 278            | 286,783                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 262,029                | 1,452            | 256            | 99.4%                    | 0.6%          | 0.1%          | 263,737                | 0                       | 0                | 263,737                | 263,737                | 43,017              |
| 12/31/2010               | 475,192                | 4,100             | 0              | 479,292                | 0                 | 7.9%         | 27.4%              | 7.9%                      | 437,652                | 2,977            | 0              | 99.3%                    | 0.7%          | 0.0%          | 440,628                | 0                       | 0                | 440,628                | 440,628                | 71,894              |
| 1/3/2011                 | 0                      | 223,450           | 122            | 223,572                | 0                 | 8.1%         | 27.4%              | 8.1%                      | 0                      | 162,225          | 112            | 0.0%                     | 99.9%         | 0.1%          | 162,337                | 0                       | 0                | 162,337                | 162,337                | 33,536              |
| 1/4/2011                 | 2,114,564              | 193,650           | 1,576          | 2,309,790              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 1,943,284              | 140,590          | 1,448          | 93.2%                    | 6.7%          | 0.1%          | 2,085,323              | 0                       | 0                | 2,085,323              | 2,085,323              | 346,469             |
| 1/5/2011<br>1/6/2011     | 5,757,157<br>794,588   | 43,710<br>103,895 | 580<br>100     | 5,801,447<br>898,583   | 0                 | 8.1%<br>8.1% | 27.4%<br>27.4%     | 8.1%<br>8.1%              | 5,290,827<br>730,226   | 31,733<br>75,428 | 533<br>92      | 99.4%<br>90.6%           | 0.6%<br>9.4%  | 0.0%<br>0.0%  | 5,323,094<br>805,746   | 0                       | 0                | 5,323,094<br>805,746   | 5,323,094<br>805,746   | 870,217<br>134,787  |
| 1/7/2011                 | 516,908                | 2,550             | 905            | 520,363                | 0                 | 8.1%         | 27.4%              | 8.1%                      | 475,038                | 1,851            | 832            | 99.4%                    | 0.4%          | 0.2%          | 477,721                | 0                       | 0                | 477,721                | 477,721                | 78,054              |
| 1/10/2011                | 1,712,300              | 4,650             | 1,575          | 1,718,525              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 1,573,604              | 3,376            | 1,447          | 99.7%                    | 0.2%          | 0.1%          | 1,578,427              | 0                       | 0                | 1,578,427              | 1,578,427              | 257,779             |
| 1/11/2011                | 827,516                | 20,248            | 248            | 848,012                | 0                 | 8.1%         | 27.4%              | 8.1%                      | 760,487                | 14,700           | 228            | 98.1%                    | 1.9%          | 0.0%          | 775,415                | 0                       | 0                | 775,415                | 775,415                | 127,202             |
| 1/12/2011                | 1,007,823              | 2,800             | 1,890          | 1,012,513              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 926,189                | 2,033            | 1,737          | 99.6%                    | 0.2%          | 0.2%          | 929,959                | 0                       | 0                | 929,959                | 929,959                | 151,877             |
| 1/13/2011                | 1,118,064              | 16,552            | 100            | 1,134,716              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 1,027,501              | 12,017           | 92             | 98.8%                    | 1.2%          | 0.0%          | 1,039,609              | 0                       | 0                | 1,039,609              | 1,039,609              | 170,207             |
| 1/14/2011<br>1/17/2011   | 1,049,587<br>169,155   | 108,498<br>0      | 686<br>250     | 1,158,771<br>169,405   | 0                 | 8.1%<br>8.1% | 27.4%<br>27.4%     | 8.1%<br>8.1%              | 964,570<br>155,453     | 78,770<br>0      | 630<br>230     | 92.4%<br>99.9%           | 7.5%<br>0.0%  | 0.1%<br>0.1%  | 1,043,970<br>155,683   | 0                       | 0                | 1,043,970<br>155,683   | 1,043,970<br>155,683   | 173,816<br>25,411   |
| 1/18/2011                | 781,402                | 8,550             | 112            | 790,064                | 0                 | 8.1%         | 27.4%              | 8.1%                      | 718,108                | 6,207            | 103            | 99.1%                    | 0.0%          | 0.0%          | 724,419                | 0                       | 0                | 724,419                | 724,419                | 118,510             |
| 1/19/2011                | 645,891                | 15,700            | 1,017          | 662,608                | 0                 | 8.1%         | 27.4%              | 8.1%                      | 593,574                | 11,398           | 935            | 98.0%                    | 1.9%          | 0.2%          | 605,907                | 0                       | 0                | 605,907                | 605,907                | 99,391              |
| 1/20/2011                | 2,618,838              | 9,773             | 2,386          | 2,630,997              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 2,406,712              | 7,095            | 2,193          | 99.6%                    | 0.3%          | 0.1%          | 2,416,000              | 0                       | 0                | 2,416,000              | 2,416,000              | 394,650             |
| 1/21/2011                | 2,108,528              | 10,705            | 912            | 2,120,145              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 1,937,737              | 7,772            | 838            | 99.6%                    | 0.4%          | 0.0%          | 1,946,347              | 0                       | 0                | 1,946,347              | 1,946,347              | 318,022             |
| 1/24/2011                | 1,277,338              | 22,940            | 2,835          | 1,303,113              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 1,173,874              | 16,654           | 2,605          | 98.4%                    | 1.4%          | 0.2%          | 1,193,133              | 0                       | 0                | 1,193,133              | 1,193,133              | 195,467             |
| 1/25/2011                | 1,122,335              | 5,123             | 1,950          | 1,129,408              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 1,031,426              | 3,719            | 1,792          | 99.5%                    | 0.4%          | 0.2%          | 1,036,937              | 0                       | 0                | 1,036,937              | 1,036,937              | 169,411             |
| 1/26/2011<br>1/27/2011   | 1,604,143<br>1,755,894 | 207,775<br>8,317  | 262<br>31      | 1,812,180<br>1,764,242 | 0                 | 8.1%<br>8.1% | 27.4%<br>27.4%     | 8.1%<br>8.1%              | 1,474,207<br>1,613,667 | 150,845<br>6,038 | 241<br>28      | 90.7%<br>99.6%           | 9.3%<br>0.4%  | 0.0%<br>0.0%  | 1,625,293<br>1,619,733 | 0                       | 0                | 1,625,293<br>1,619,733 | 1,625,293<br>1,619,733 | 271,827<br>264,636  |
| 1/28/2011                | 1,470,841              | 229,250           | 300            | 1,700,391              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 1,351,703              | 166,436          | 276            | 89.0%                    | 11.0%         | 0.0%          | 1,518,414              | 0                       | 0                | 1,518,414              | 1,518,414              | 255,059             |
| 1/31/2011                | 846,725                | 178,900           | 0              | 1,025,625              | 0                 | 8.1%         | 27.4%              | 8.1%                      | 778,140                | 129,881          | 0              | 85.7%                    | 14.3%         | 0.0%          | 908,022                | 0                       | 0                | 908,022                | 908,022                | 153,844             |
| 2/1/2011                 | 2,946,082              | 4,500             | 1,025          | 2,951,607              | 0                 | 8.2%         | 27.4%              | 8.2%                      | 2,704,503              | 3,267            | 941            | 99.8%                    | 0.1%          | 0.0%          | 2,708,711              | 0                       | 0                | 2,708,711              | 2,708,711              | 442,741             |
| 2/2/2011                 | 1,078,406              | 18,035            | 1,117          | 1,097,558              | 0                 | 8.2%         | 27.4%              | 8.2%                      | 989,977                | 13,093           | 1,025          | 98.6%                    | 1.3%          | 0.1%          | 1,004,096              | 0                       | 0                | 1,004,096              | 1,004,096              | 164,634             |
| 2/3/2011                 | 734,511                | 5,320             | 0              | 739,831                | 0                 | 8.2%         | 27.4%              | 8.2%                      | 674,281                | 3,862            | 0              | 99.4%                    | 0.6%          | 0.0%          | 678,143                | 0                       | 0                | 678,143                | 678,143                | 110,975             |
| 2/4/2011                 | 1,232,960              | 106,500           | 842            | 1,340,302              | 0                 | 8.2%         | 27.4%              | 8.2%                      | 1,131,857              | 77,319           | 773            | 93.5%                    | 6.4%          | 0.1%          | 1,209,949              | 0                       | 0                | 1,209,949              | 1,209,949              | 201,045             |
| 2/7/2011<br>2/8/2011     | 4,635,710<br>1,817,173 | 5,800<br>12,600   | 1,450<br>2,176 | 4,642,960<br>1,831,949 | 0                 | 8.2%<br>8.2% | 27.4%<br>27.4%     | 8.2%<br>8.2%              | 4,255,582<br>1,668,165 | 4,211<br>9,148   | 1,331<br>1,998 | 99.9%<br>99.3%           | 0.1%<br>0.5%  | 0.0%<br>0.1%  | 4,261,124<br>1,679,310 | 0                       | 0                | 4,261,124<br>1,679,310 | 4,261,124<br>1,679,310 | 696,444<br>274,792  |
| 2/9/2011                 | 1,017,173              | 4,450             | 850            | 1,024,326              | 0                 |              | 27.4%              | 8.2%                      | 935,466                | 3,231            | 780            | 99.6%                    | 0.3%          | 0.1%          | 939,477                | 0                       | 0                | 939,477                | 939,477                | 153,649             |
|                          | -,-17,020              | .,                | 000            | -,,0-0                 | ~                 |              |                    |                           | . 55, 100              | J,2J.            |                |                          | 2.270         | 3.170         |                        |                         | ~                | ,                      | ,                      | -55,0.7             |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                        |                    |                |                        |                |               |                |                | orted and Adjus        | Act Daily         |                 |                |                | ugust 20, 20      |                        |                   |               |                        |                        |                    |
|------------------------|------------------------|--------------------|----------------|------------------------|----------------|---------------|----------------|----------------|------------------------|-------------------|-----------------|----------------|----------------|-------------------|------------------------|-------------------|---------------|------------------------|------------------------|--------------------|
| Data                   | Canada                 | Reported           |                | Total                  | Shares         |               | alist Adj      |                | Camada                 | TIC               |                 | st-Adjusted    |                | Campany 9/        | Total                  | Insider Tra       |               | Investor '             |                        | Intra-Day          |
| Date<br>[1]            | Canada<br>[2]          | U.S.<br>[3]        | Germany<br>[4] | Total<br>[5]           | Offered<br>[6] | Canada<br>[7] | U.S.<br>[8]    | Germany<br>[9] | Canada<br>[10]         | U.S.<br>[11]      | Germany<br>[12] | Canada %       | U.S. %<br>[14] | Germany %<br>[15] | Total<br>[16]          | Purchases<br>[17] | Sales<br>[18] | Purchases<br>[19]      | Sales<br>[20]          | Volume<br>[21]     |
| 2/10/2011              | 2,061,042              | 4,950              | 2,880          | 2,068,872              | 0              | 8.2%          | 27.4%          | 8.2%           | 1,892,037              | 3,594             | 2,644           | 99.7%          | 0.2%           | 0.1%              | 1,898,274              | 0                 | 0             | 1,898,274              | 1,898,274              | 310,331            |
| 2/11/2011              | 2,183,282              | 7,980              | 30             | 2,191,292              | 0              | 8.2%          | 27.4%          | 8.2%           | 2,004,253              | 5,793             | 28              | 99.7%          | 0.3%           | 0.0%              | 2,010,074              | 0                 | 0             | 2,010,074              | 2,010,074              | 328,694            |
| 2/14/2011              | 886,619                | 11,975             | 1,451          | 900,045                | 0              | 8.2%          | 27.4%          | 8.2%           | 813,916                | 8,694             | 1,332           | 98.8%          | 1.1%           | 0.2%              | 823,942                | 0                 | 0             | 823,942                | 823,942                | 135,007            |
| 2/15/2011              | 499,167                | 8,800              | 240            | 508,207                | 0              | 8.2%          | 27.4%          | 8.2%           | 458,235                | 6,389             | 220             | 98.6%          | 1.4%           | 0.0%              | 464,844                | 0                 | 0             | 464,844                | 464,844                | 76,231             |
| 2/16/2011              | 1,026,532              | 1,550              | 120            | 1,028,202              | 0              | 8.2%          | 27.4%          | 8.2%           | 942,356                | 1,125             | 110             | 99.9%          | 0.1%           | 0.0%              | 943,592                | 0                 | 0             | 943,592                | 943,592                | 154,230            |
| 2/17/2011<br>2/18/2011 | 1,092,615<br>3,388,224 | 8,740<br>7,205     | 2,725<br>700   | 1,104,080<br>3,396,129 | 0              | 8.2%<br>8.2%  | 27.4%<br>27.4% | 8.2%<br>8.2%   | 1,003,021<br>3,110,390 | 6,345<br>5,231    | 2,502<br>643    | 99.1%<br>99.8% | 0.6%<br>0.2%   | 0.2%<br>0.0%      | 1,011,867<br>3,116,263 | 0                 | 0             | 1,011,867<br>3,116,263 | 1,011,867<br>3,116,263 | 165,612<br>509,419 |
| 2/21/2011              | 0                      | 7,203              | 1,250          | 1,250                  | 0              | 8.2%          | 27.4%          | 8.2%           | 0,110,590              | 0,231             | 1,148           | 0.0%           | 0.0%           | 100.0%            | 1,148                  | 0                 | 0             | 1,148                  | 1,148                  | 188                |
| 2/22/2011              | 1,626,107              | 10,250             | 2,250          | 1,638,607              | 0              | 8.2%          | 27.4%          | 8.2%           | 1,492,766              | 7,442             | 2,066           | 99.4%          | 0.5%           | 0.1%              | 1,502,273              | 0                 | 0             | 1,502,273              | 1,502,273              | 245,791            |
| 2/23/2011              | 2,218,901              | 32,850             | 4,531          | 2,256,282              | 0              | 8.2%          | 27.4%          | 8.2%           | 2,036,951              | 23,849            | 4,159           | 98.6%          | 1.2%           | 0.2%              | 2,064,960              | 0                 | 0             | 2,064,960              | 2,064,960              | 338,442            |
| 2/24/2011              | 687,108                | 11,650             | 6,310          | 705,068                | 0              | 8.2%          | 27.4%          | 8.2%           | 630,765                | 8,458             | 5,793           | 97.8%          | 1.3%           | 0.9%              | 645,016                | 0                 | 0             | 645,016                | 645,016                | 105,760            |
| 2/25/2011              | 1,569,946              | 10,150             | 70             | 1,580,166              | 0              | 8.2%          | 27.4%          | 8.2%           | 1,441,210              | 7,369             | 64              | 99.5%          | 0.5%           | 0.0%              | 1,448,644              | 0                 | 0             | 1,448,644              | 1,448,644              | 237,025            |
| 2/28/2011              | 1,342,760              | 4,508              | 662            | 1,347,930              | 0              | 8.2%          | 27.4%          | 8.2%           | 1,232,654              | 3,273             | 608             | 99.7%          | 0.3%           | 0.0%              | 1,236,534              | 0                 | 0             | 1,236,534              | 1,236,534              | 202,190            |
| 3/1/2011               | 3,480,154              | 2,608              | 500            | 3,483,262              | 0              | 8.1%          | 27.4%          | 8.1%           | 3,198,262              | 1,893             | 460             | 99.9%          | 0.1%           | 0.0%              | 3,200,614              | 0                 | 0             | 3,200,614              | 3,200,614              | 522,489            |
| 3/2/2011<br>3/3/2011   | 1,221,966<br>1,747,398 | 3,454<br>6,364     | 1,400<br>1,150 | 1,226,820<br>1,754,912 | 0              | 8.1%<br>8.1%  | 27.4%<br>27.4% | 8.1%<br>8.1%   | 1,122,987<br>1,605,859 | 2,508<br>4,620    | 1,287<br>1,057  | 99.7%<br>99.6% | 0.2%           | 0.1%<br>0.1%      | 1,126,781<br>1,611,536 | 0                 | 0             | 1,126,781<br>1,611,536 | 1,126,781<br>1,611,536 | 184,023<br>263,237 |
| 3/4/2011               | 1,323,852              | 2,890              | 2,342          | 1,329,084              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,216,620              | 2,098             | 2,152           | 99.7%          | 0.3%           | 0.2%              | 1,220,870              | 0                 | 0             | 1,220,870              | 1,220,870              | 199,363            |
| 3/7/2011               | 665,620                | 139,710            | 180            | 805,510                | 0              | 8.1%          | 27.4%          | 8.1%           | 611,705                | 101,429           | 165             | 85.8%          | 14.2%          | 0.0%              | 713,300                | 0                 | 0             | 713,300                | 713,300                | 120,827            |
| 3/8/2011               | 949,186                | 1,905              | 1,470          | 952,561                | 0              | 8.1%          | 27.4%          | 8.1%           | 872,302                | 1,383             | 1,351           | 99.7%          | 0.2%           | 0.2%              | 875,036                | 0                 | 0             | 875,036                | 875,036                | 142,884            |
| 3/9/2011               | 1,708,804              | 79,500             | 50             | 1,788,354              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,570,391              | 57,717            | 46              | 96.5%          | 3.5%           | 0.0%              | 1,628,154              | 0                 | 0             | 1,628,154              | 1,628,154              | 268,253            |
| 3/10/2011              | 1,135,227              | 3,600              | 1,310          | 1,140,137              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,043,274              | 2,614             | 1,204           | 99.6%          | 0.2%           | 0.1%              | 1,047,091              | 0                 | 0             | 1,047,091              | 1,047,091              | 171,021            |
| 3/11/2011              | 904,733                | 70,146             | 2,100          | 976,979                | 0              | 8.1%          | 27.4%          | 8.1%           | 831,450                | 50,926            | 1,930           | 94.0%          | 5.8%           | 0.2%              | 884,306                | 0                 | 0             | 884,306                | 884,306                | 146,547            |
| 3/14/2011              | 1,424,634              | 12,950             | 270            | 1,437,854              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,309,239              | 9,402             | 248             | 99.3%          | 0.7%           | 0.0%              | 1,318,888              | 0                 | 0             | 1,318,888              | 1,318,888              | 215,678            |
| 3/15/2011              | 3,120,094<br>1,373,282 | 72,544<br>101,650  | 1,401<br>680   | 3,194,039<br>1,475,612 | 0              | 8.1%<br>8.1%  | 27.4%<br>27.4% | 8.1%<br>8.1%   | 2,867,366<br>1,262,046 | 52,667<br>73,798  | 1,288<br>625    | 98.2%<br>94.4% | 1.8%<br>5.5%   | 0.0%<br>0.0%      | 2,921,321<br>1,336,469 | 0                 | 0             | 2,921,321              | 2,921,321<br>1,336,469 | 479,106<br>221,342 |
| 3/16/2011<br>3/17/2011 | 2,128,939              | 101,030            | 1,675          | 2,141,375              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,956,495              | 7,812             | 1,539           | 99.5%          | 0.4%           | 0.1%              | 1,965,847              | 0                 | 0             | 1,336,469<br>1,965,847 | 1,965,847              | 321,206            |
| 3/18/2011              | 1,957,016              | 22,100             | 730            | 1,979,846              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,798,498              | 16,045            | 671             | 99.1%          | 0.9%           | 0.0%              | 1,815,213              | 0                 | 66,000        | 1,815,213              | 1,749,213              | 296,977            |
| 3/21/2011              | 1,271,272              | 16,400             | 950            | 1,288,622              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,168,299              | 11,906            | 873             | 98.9%          | 1.0%           | 0.1%              | 1,181,078              | 0                 | 0             | 1,181,078              | 1,181,078              | 193,293            |
| 3/22/2011              | 1,256,962              | 135,375            | 0              | 1,392,337              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,155,148              | 98,282            | 0               | 92.2%          | 7.8%           | 0.0%              | 1,253,430              | 0                 | 0             | 1,253,430              | 1,253,430              | 208,851            |
| 3/23/2011              | 1,963,014              | 6,071              | 500            | 1,969,585              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,804,010              | 4,408             | 460             | 99.7%          | 0.2%           | 0.0%              | 1,808,877              | 0                 | 0             | 1,808,877              | 1,808,877              | 295,438            |
| 3/24/2011              | 970,107                | 750                | 150            | 971,007                | 0              | 8.1%          | 27.4%          | 8.1%           | 891,528                | 545               | 138             | 99.9%          | 0.1%           | 0.0%              | 892,211                | 0                 | 0             | 892,211                | 892,211                | 145,651            |
| 3/25/2011              | 1,306,573              | 12,215             | 20             | 1,318,808              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,200,741              | 8,868             | 18              | 99.3%          | 0.7%           | 0.0%              | 1,209,627              | 0                 | 0             | 1,209,627              | 1,209,627              | 197,821            |
| 3/28/2011              | 938,969<br>1,170,627   | 6,750<br>2,259     | 1,190<br>1,050 | 946,909<br>1,173,936   | 0              | 8.1%<br>8.1%  | 27.4%<br>27.4% | 8.1%<br>8.1%   | 862,913<br>1,075,806   | 4,901<br>1,640    | 1,094<br>965    | 99.3%<br>99.8% | 0.6%<br>0.2%   | 0.1%<br>0.1%      | 868,907<br>1,078,411   | 0                 | 0             | 868,907                | 868,907<br>1,078,411   | 142,036<br>176,090 |
| 3/29/2011<br>3/30/2011 | 2,167,564              | 9,207              | 2,815          | 2,179,586              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,991,991              | 6,684             | 2,587           | 99.5%          | 0.2%           | 0.1%              | 2,001,263              | 0                 | 0             | 1,078,411<br>2,001,263 | 2,001,263              | 326,938            |
| 3/31/2011              | 1,848,580              | 136,615            | 2,800          | 1,987,995              | 0              | 8.1%          | 27.4%          | 8.1%           | 1,698,845              | 99,182            | 2,573           | 94.3%          | 5.5%           | 0.1%              | 1,800,601              | 0                 | 0             | 1,800,601              | 1,800,601              | 298,199            |
| 4/1/2011               | 1,660,075              | 2,800              | 1,857          | 1,664,732              | 0              | 7.7%          | 27.4%          | 7.7%           | 1,532,249              | 2,033             | 1,714           | 99.8%          | 0.1%           | 0.1%              | 1,535,996              | 0                 | 0             | 1,535,996              | 1,535,996              | 249,710            |
| 4/4/2011               | 679,952                | 2,370              | 3,030          | 685,352                | 0              | 7.7%          | 27.4%          | 7.7%           | 627,596                | 1,721             | 2,797           | 99.3%          | 0.3%           | 0.4%              | 632,113                | 0                 | 0             | 632,113                | 632,113                | 102,803            |
| 4/5/2011               | 674,926                | 3,810              | 217            | 678,953                | 0              | 7.7%          | 27.4%          | 7.7%           | 622,957                | 2,766             | 200             | 99.5%          | 0.4%           | 0.0%              | 625,923                | 0                 | 0             | 625,923                | 625,923                | 101,843            |
| 4/6/2011               | 1,645,617              | 2,477              | 408            | 1,648,502              | 0              | 7.7%          | 27.4%          | 7.7%           | 1,518,904              | 1,798             | 377             | 99.9%          | 0.1%           | 0.0%              | 1,521,079              | 0                 | 0             | 1,521,079              | 1,521,079              | 247,275            |
| 4/7/2011               | 1,229,229              | 3,200              | 1,051          | 1,233,480              | 0              | 7.7%          | 27.4%          | 7.7%           | 1,134,578              | 2,323             | 970             | 99.7%          | 0.2%           | 0.1%              | 1,137,872              | 0                 | 0             | 1,137,872              | 1,137,872              | 185,022            |
| 4/8/2011<br>4/11/2011  | 913,828<br>386,293     | 92,700<br>2,100    | 150<br>1,081   | 1,006,678<br>389,474   | 0              | 7.7%<br>7.7%  | 27.4%<br>27.4% | 7.7%<br>7.7%   | 843,463<br>356,548     | 67,300<br>1,525   | 138<br>998      | 92.6%<br>99.3% | 7.4%<br>0.4%   | 0.0%<br>0.3%      | 910,902<br>359,071     | 0                 | 0             | 910,902<br>359,071     | 910,902<br>359,071     | 151,002<br>58,421  |
| 4/12/2011              | 1,055,099              | 3,600              | 750            | 1,059,449              | 0              | 7.7%          | 27.4%          | 7.7%           | 973,856                | 2,614             | 692             | 99.7%          | 0.4%           | 0.3%              | 977,162                | 0                 | 0             | 977,162                | 977,162                | 158,917            |
| 4/13/2011              | 4,269,345              | 228,389            | 0              | 4,497,734              | 0              | 7.7%          | 27.4%          | 7.7%           | 3,940,605              | 165,810           | 0               | 96.0%          | 4.0%           | 0.0%              | 4,106,416              | 0                 | 0             | 4,106,416              | 4,106,416              | 674,660            |
| 4/14/2011              | 2,868,527              | 104,300            | 15             | 2,972,842              | 0              | 7.7%          | 27.4%          | 7.7%           | 2,647,650              | 75,722            | 14              | 97.2%          | 2.8%           | 0.0%              | 2,723,386              | 0                 | 0             | 2,723,386              | 2,723,386              | 445,926            |
| 4/15/2011              | 1,187,366              | 8,450              | 160            | 1,195,976              | 0              | 7.7%          | 27.4%          | 7.7%           | 1,095,939              | 6,135             | 148             | 99.4%          | 0.6%           | 0.0%              | 1,102,221              | 0                 | 0             | 1,102,221              | 1,102,221              | 179,396            |
| 4/18/2011              | 842,058                | 11,550             | 125            | 853,733                | 0              | 7.7%          | 27.4%          | 7.7%           | 777,220                | 8,385             | 115             | 98.9%          | 1.1%           | 0.0%              | 785,720                | 0                 | 0             | 785,720                | 785,720                | 128,060            |
| 4/19/2011              | 775,315                | 607,675            | 600            | 1,383,590              | 0              | 7.7%          | 27.4%          | 7.7%           | 715,616                | 441,172           | 554             | 61.8%          | 38.1%          | 0.0%              | 1,157,342              | 0                 | 0             | 1,157,342              | 1,157,342              | 207,539            |
| 4/20/2011              | 1,126,449              | 826,800            | 100            | 1,953,349              | 0              | 7.7%          | 27.4%          | 7.7%           | 1,039,712              | 600,257           | 92              | 63.4%          | 36.6%          | 0.0%              | 1,640,062              | 0                 | 0             | 1,640,062              | 1,640,062              | 293,002            |
| 4/21/2011              | 548,917                | 172,490            | 1,050          | 722,457                | 0              | 7.7%          | 27.4%          | 7.7%           | 506,650                | 125,228           | 969             | 80.1%          | 19.8%          | 0.2%              | 632,847                | 0                 | 0             | 632,847                | 632,847                | 108,369            |
| 4/25/2011<br>4/26/2011 | 543,307<br>487,218     | 3,950<br>12,570    | 0<br>165       | 547,257<br>499,953     | 0              | 7.7%<br>7.7%  | 27.4%<br>27.4% | 7.7%<br>7.7%   | 501,472<br>449,702     | 2,868<br>9,126    | 0<br>152        | 99.4%<br>98.0% | 0.6%<br>2.0%   | 0.0%<br>0.0%      | 504,340<br>458,980     | 0                 | 0             | 504,340<br>458,980     | 504,340<br>458,980     | 82,089<br>74,993   |
| 4/27/2011              | 723,786                | 2,272              | 650            | 726,708                | 0              | 7.7%          | 27.4%          | 7.7%           | 668,054                | 1,649             | 600             | 99.7%          | 0.2%           | 0.1%              | 670,304                | 0                 | 0             | 670,304                | 670,304                | 109,006            |
| 4/28/2011              | 1,164,725              | 2,250              | 0              | 1,166,975              | 0              | 7.7%          | 27.4%          | 7.7%           | 1,075,041              | 1,634             | 0               | 99.8%          | 0.2%           | 0.0%              | 1,076,675              | 0                 | 0             | 1,076,675              | 1,076,675              | 175,046            |
| 4/29/2011              | 849,037                | 3,750              | 940            | 853,727                | 0              | 7.7%          | 27.4%          | 7.7%           | 783,661                | 2,723             | 868             | 99.5%          | 0.3%           | 0.1%              | 787,251                | 0                 | 0             | 787,251                | 787,251                | 128,059            |
| 5/2/2011               | 1,216,136              | 1,302              | 1,455          | 1,218,893              | 0              | 7.9%          | 27.4%          | 7.9%           | 1,120,061              | 945               | 1,340           | 99.8%          | 0.1%           | 0.1%              | 1,122,347              | 0                 | 0             | 1,122,347              | 1,122,347              | 182,834            |
| 5/3/2011               | 1,676,690              | 433,949            | 632            | 2,111,271              | 0              | 7.9%          | 27.4%          | 7.9%           | 1,544,231              | 315,047           | 582             | 83.0%          | 16.9%          | 0.0%              | 1,859,861              | 0                 | 0             | 1,859,861              | 1,859,861              | 316,691            |
| 5/4/2011               | 1,931,972              | 4,400              | 3,433          | 1,939,805              | 0              | 7.9%          | 27.4%          | 7.9%           | 1,779,346              | 3,194             | 3,162           | 99.6%          | 0.2%           | 0.2%              | 1,785,702              | 0                 | 0             | 1,785,702              | 1,785,702              | 290,971            |
| 5/5/2011               | 3,227,054              | 315,900            | 3,329          | 3,546,283              | 0              | 7.9%          | 27.4%          | 7.9%           | 2,972,117              | 229,343           | 3,066           | 92.7%          | 7.2%           | 0.1%              | 3,204,526              | 0                 | 0             | 3,204,526              | 3,204,526              | 531,942            |
| 5/6/2011               | 2,766,738              | 88,716             | 1,597          | 2,857,051              | 0              | 7.9%          | 27.4%          | 7.9%           | 2,548,166              | 64,408            | 1,471           | 97.5%          | 2.5%           | 0.1%              | 2,614,044              | 0                 | 0             | 2,614,044              | 2,614,044              | 428,558            |
| 5/9/2011<br>5/10/2011  | 1,434,668<br>1,167,073 | 127,850<br>207,300 | 3,589<br>5,651 | 1,566,107<br>1,380,024 | 0              | 7.9%<br>7.9%  | 27.4%<br>27.4% | 7.9%<br>7.9%   | 1,321,329<br>1,074,874 | 92,819<br>150,500 | 3,305<br>5,205  | 93.2%<br>87.3% | 6.5%<br>12.2%  | 0.2%<br>0.4%      | 1,417,454<br>1,230,579 | 0                 | 0             | 1,417,454<br>1,230,579 | 1,417,454<br>1,230,579 | 234,916<br>207,004 |
| 5/11/2011              | 1,559,331              | 74,181             | 3,760          | 1,637,272              | 0              | 7.9%          | 27.4%          | 7.9%           | 1,436,144              | 53,855            | 3,463           | 96.2%          | 3.6%           | 0.4%              | 1,493,462              | 0                 | 0             | 1,493,462              | 1,493,462              | 245,591            |
| 5/12/2011              | 2,506,664              | 103,835            | 2,371          | 2,612,870              | 0              | 7.9%          | 27.4%          | 7.9%           | 2,308,638              | 75,384            | 2,184           | 96.7%          | 3.2%           | 0.1%              | 2,386,205              | 0                 | 0             | 2,386,205              | 2,386,205              | 391,931            |
| 5/13/2011              | 7,210,402              | 22,200             | 6,013          | 7,238,615              | 0              | 7.9%          | 27.4%          | 7.9%           | 6,640,780              | 16,117            | 5,538           | 99.7%          | 0.2%           | 0.1%              | 6,662,435              | 0                 | 0             | 6,662,435              | 6,662,435              | 1,085,792          |
| 5/16/2011              | 5,555,981              | 146,300            | 3,756          | 5,706,037              | 0              | 7.9%          | 27.4%          | 7.9%           | 5,117,059              | 106,214           | 3,459           | 97.9%          | 2.0%           | 0.1%              | 5,226,732              | 0                 | 0             | 5,226,732              | 5,226,732              | 855,906            |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                        |                          | Reported               | Volume             |                          | Shares  | Snec         | ialist Adj     | ustment      |                          |                        | Speciali           | st-Adjusted    | Volume         |              |                          | Insider Tra | ansactions | Investor                 | Volume                   | Intra-Day               |
|------------------------|--------------------------|------------------------|--------------------|--------------------------|---------|--------------|----------------|--------------|--------------------------|------------------------|--------------------|----------------|----------------|--------------|--------------------------|-------------|------------|--------------------------|--------------------------|-------------------------|
| Date                   | Canada                   | U.S.                   | Germany            | Total                    | Offered | Canada       |                | Germany      | Canada                   | U.S.                   | Germany            | Canada %       |                | Germany %    | Total                    | Purchases   | Sales      | Purchases                | Sales                    | Volume                  |
| [1]                    | [2]                      | [3]                    | [4]                | [5]                      | [6]     | [7]          | [8]            | [9]          | [10]                     | [11]                   | [12]               | [13]           | [14]           | [15]         | [16]                     | [17]        | [18]       | [19]                     | [20]                     | [21]                    |
| 5/17/2011              | 2,156,437                | 236,911                | 1,957              | 2,395,305                | 0       | 7.9%         | 27.4%          | 7.9%         | 1,986,078                | 171,997                | 1,802              | 92.0%          | 8.0%           | 0.1%         | 2,159,878                | 0           | 0          | 2,159,878                | 2,159,878                | 359,296                 |
| 5/18/2011              | 1,842,481                | 1,554,537              | 530                | 3,397,548                | 0       | 7.9%         | 27.4%          | 7.9%         | 1,696,925                | 1,128,594              | 488                | 60.0%          | 39.9%          | 0.0%         | 2,826,007                | 0           | 0          | 2,826,007                | 2,826,007                | 509,632                 |
| 5/19/2011              | 3,241,319                | 1,032,490              | 1,178              | 4,274,987                | 0       | 7.9%<br>7.9% | 27.4%<br>27.4% | 7.9%<br>7.9% | 2,985,255                | 749,588                | 1,085              | 79.9%<br>82.1% | 20.1%<br>17.9% | 0.0%         | 3,735,927                | 0           | 0          | 3,735,927                | 3,735,927                | 641,248                 |
| 5/20/2011<br>5/23/2011 | 4,143,814<br>0           | 1,142,640<br>24,580    | 695<br>0           | 5,287,149<br>24,580      | 0       | 7.9%         | 27.4%          | 7.9%         | 3,816,453<br>0           | 829,557<br>17,845      | 640<br>0           | 0.0%           | 100.0%         | 0.0%         | 4,646,649<br>17,845      | 0           | 0          | 4,646,649<br>17,845      | 4,646,649<br>17,845      | 793,072<br>3,687        |
| 5/24/2011              | 4,918,017                | 225,227                | 1,661              | 5,144,905                | 0       | 7.9%         | 27.4%          | 7.9%         | 4,529,494                | 163,515                | 1,530              | 96.5%          | 3.5%           | 0.0%         | 4,694,538                | 0           | 0          | 4,694,538                | 4,694,538                | 771,736                 |
| 5/25/2011              | 5,789,878                | 387,661                | 2,310              | 6,179,849                | 0       | 7.9%         | 27.4%          | 7.9%         | 5,332,478                | 281,442                | 2,128              | 95.0%          | 5.0%           | 0.0%         | 5,616,047                | 0           | 0          | 5,616,047                | 5,616,047                | 926,977                 |
| 5/26/2011              | 11,105,962               | 274,521                | 5,022              | 11,385,505               | 0       | 7.9%         | 27.4%          | 7.9%         | 10,228,591               | 199,302                | 4,625              | 98.0%          | 1.9%           | 0.0%         | 10,432,519               | 0           | 0          | 10,432,519               | 10,432,519               | 1,707,826               |
| 5/27/2011              | 6,277,024                | 21,539                 | 2,255              | 6,300,818                | 0       | 7.9%         | 27.4%          | 7.9%         | 5,781,139                | 15,637                 | 2,077              | 99.7%          | 0.3%           | 0.0%         | 5,798,853                | 0           | 0          | 5,798,853                | 5,798,853                | 945,123                 |
| 5/30/2011              | 2,214,983                | 0                      | 1,300              | 2,216,283                | 0       | 7.9%         | 27.4%          | 7.9%         | 2,039,999                | 0                      | 1,197              | 99.9%          | 0.0%           | 0.1%         | 2,041,197                | 0           | 0          | 2,041,197                | 2,041,197                | 332,442                 |
| 5/31/2011              | 4,715,786                | 95,310                 | 6,260              | 4,817,356                | 0       | 7.9%         | 27.4%          | 7.9%         | 4,343,239                | 69,195                 | 5,765              | 98.3%          | 1.6%           | 0.1%         | 4,418,199                | 0           | 0          | 4,418,199                | 4,418,199                | 722,603                 |
| 6/1/2011               | 5,408,739                | 267,909<br>12,588,900  | 2,000              | 5,678,648                | 0       | 7.8%<br>7.8% | 27.4%<br>27.4% | 7.8%<br>7.8% | 4,986,857                | 194,502<br>9,139,541   | 1,844              | 96.2%<br>58.7% | 3.8%           | 0.0%         | 5,183,203                | 0           | 0          | 5,183,203                | 5,183,203                | 851,797                 |
| 6/2/2011<br>6/3/2011   | 14,068,831<br>57,680,805 | 20,003,394             | 2,608<br>17,733    | 26,660,339<br>77,701,932 | 0       | 7.8%         | 27.4%          | 7.8%         | 12,971,462<br>53,181,702 | 14,522,464             | 2,405<br>16,350    | 78.5%          | 41.3%<br>21.4% | 0.0%         | 22,113,408<br>67,720,516 | 0           | 0          | 22,113,408<br>67,720,516 | 22,113,408<br>67,720,516 | 3,999,051<br>11,655,290 |
| 6/6/2011               | 42,846,422               | 4,482,599              | 87,096             | 47,416,117               | 0       | 7.8%         | 27.4%          | 7.8%         | 39,504,401               | 3,254,367              | 80,303             | 92.2%          | 7.6%           | 0.2%         | 42,839,070               | 0           | 0          | 42,839,070               | 42,839,070               | 7,112,418               |
| 6/7/2011               | 47,205,615               | 4,342,423              | 89,896             | 51,637,934               | 0       | 7.8%         | 27.4%          | 7.8%         | 43,523,577               | 3,152,599              | 82,884             | 93.1%          | 6.7%           | 0.2%         | 46,759,060               | 0           | 0          | 46,759,060               | 46,759,060               | 7,745,690               |
| 6/8/2011               | 51,311,442               | 3,407,500              | 110,930            | 54,829,872               | 0       | 7.8%         | 27.4%          | 7.8%         | 47,309,150               | 2,473,845              | 102,277            | 94.8%          | 5.0%           | 0.2%         | 49,885,272               | 0           | 0          | 49,885,272               | 49,885,272               | 8,224,481               |
| 6/9/2011               | 28,578,472               | 1,433,467              | 137,037            | 30,148,976               | 0       | 7.8%         | 27.4%          | 7.8%         | 26,349,351               | 1,040,697              | 126,348            | 95.8%          | 3.8%           | 0.5%         | 27,516,396               | 0           | 0          | 27,516,396               | 27,516,396               | 4,522,346               |
| 6/10/2011              | 31,206,159               | 2,111,904              | 103,436            | 33,421,499               | 0       | 7.8%         | 27.4%          | 7.8%         | 28,772,079               | 1,533,242              | 95,368             | 94.6%          | 5.0%           | 0.3%         | 30,400,689               | 0           | 0          | 30,400,689               | 30,400,689               | 5,013,225               |
| 6/13/2011              | 13,444,716               | 990,669                | 36,140             | 14,471,525               | 0       | 7.8%         | 27.4%          | 7.8%         | 12,396,028               | 719,226                | 33,321             | 94.3%          | 5.5%           | 0.3%         | 13,148,575               | 0           | 0          | 13,148,575               | 13,148,575               | 2,170,729               |
| 6/14/2011<br>6/15/2011 | 27,101,352<br>51,744,172 | 1,919,436<br>2,102,405 | 252,590<br>130,804 | 29,273,378<br>53,977,381 | 0       | 7.8%<br>7.8% | 27.4%<br>27.4% | 7.8%<br>7.8% | 24,987,447<br>47,708,127 | 1,393,511<br>1,526,346 | 232,888<br>120,601 | 93.9%<br>96.7% | 5.2%<br>3.1%   | 0.9%<br>0.2% | 26,613,845<br>49,355,074 | 0           | 0          | 26,613,845<br>49,355,074 | 26,613,845<br>49,355,074 | 4,391,007<br>8,096,607  |
| 6/16/2011              | 12,670,196               | 687,318                | 52,066             | 13,409,580               | 0       | 7.8%         | 27.4%          | 7.8%         | 11,681,921               | 498,993                | 48,005             | 95.5%          | 4.1%           | 0.4%         | 12,228,918               | 0           | 0          | 12,228,918               | 12,228,918               | 2,011,437               |
| 6/17/2011              | 20,901,404               | 767,798                | 37,831             | 21,707,033               | 0       | 7.8%         | 27.4%          | 7.8%         | 19,271,094               | 557,421                | 34,880             | 97.0%          | 2.8%           | 0.2%         | 19,863,396               | 0           | 0          | 19,863,396               | 19,863,396               | 3,256,055               |
| 6/20/2011              | 28,934,954               | 1,644,528              | 93,115             | 30,672,597               | 0       | 7.8%         | 27.4%          | 7.8%         | 26,678,028               | 1,193,927              | 85,852             | 95.4%          | 4.3%           | 0.3%         | 27,957,807               | 0           | 0          | 27,957,807               | 27,957,807               | 4,600,890               |
| 6/21/2011              | 92,367,253               | 6,326,778              | 536,408            | 99,230,439               | 0       | 7.8%         | 27.4%          | 7.8%         | 85,162,607               | 4,593,241              | 494,568            | 94.4%          | 5.1%           | 0.5%         | 90,250,416               | 0           | 0          | 90,250,416               | 90,250,416               | 14,884,566              |
| 6/22/2011              | 36,914,490               | 3,494,376              | 1,091,715          | 41,500,581               | 0       | 7.8%         | 27.4%          | 7.8%         | 34,035,160               | 2,536,917              | 1,006,561          | 90.6%          | 6.8%           | 2.7%         | 37,578,638               | 0           | 0          | 37,578,638               | 37,578,638               | 6,225,087               |
| 6/23/2011              | 21,902,912               | 2,008,411              | 539,912            | 24,451,235               | 0       | 7.8%         | 27.4%          | 7.8%         | 20,194,485               | 1,458,106              | 497,799            | 91.2%          | 6.6%           | 2.2%         | 22,150,390               | 0           | 0          | 22,150,390               | 22,150,390               | 3,667,685               |
| 6/24/2011              | 12,463,053               | 727,099                | 304,583            | 13,494,735               | 0       | 7.8%         | 27.4%          | 7.8%         | 11,490,935               | 527,874                | 280,826            | 93.4%          | 4.3%           | 2.3%         | 12,299,634               | 0           | 0          | 12,299,634               | 12,299,634               | 2,024,210               |
| 6/27/2011<br>6/28/2011 | 10,374,234<br>9,898,445  | 679,985<br>935,536     | 164,619<br>152,005 | 11,218,838<br>10,985,986 | 0       | 7.8%<br>7.8% | 27.4%<br>27.4% | 7.8%<br>7.8% | 9,565,044<br>9,126,366   | 493,669<br>679,199     | 151,779<br>140,149 | 93.7%<br>91.8% | 4.8%<br>6.8%   | 1.5%<br>1.4% | 10,210,492<br>9,945,714  | 0           | 0          | 10,210,492<br>9,945,714  | 10,210,492<br>9,945,714  | 1,682,826<br>1,647,898  |
| 6/29/2011              | 9,316,486                | 803,955                | 96,286             | 10,216,727               | 0       | 7.8%         | 27.4%          | 7.8%         | 8,589,800                | 583,671                | 88,776             | 92.7%          | 6.3%           | 1.0%         | 9,262,247                | 0           | 0          | 9,262,247                | 9,262,247                | 1,532,509               |
| 6/30/2011              | 13,676,205               | 1,107,581              | 75,035             | 14,858,821               | 0       | 7.8%         | 27.4%          | 7.8%         | 12,609,461               | 804,104                | 69,182             | 93.5%          | 6.0%           | 0.5%         | 13,482,747               | 0           | 0          | 13,482,747               | 13,482,747               | 2,228,823               |
| 7/1/2011               | 0                        | 541,946                | 367,009            | 908,955                  | 0       | 8.5%         | 27.4%          | 8.5%         | 0                        | 393,453                | 335,813            | 0.0%           | 54.0%          | 46.0%        | 729,266                  | 0           | 0          | 729,266                  | 729,266                  | 136,343                 |
| 7/4/2011               | 45,497,222               | 0                      | 584,223            | 46,081,445               | 0       | 8.5%         | 27.4%          | 8.5%         | 41,629,958               | 0                      | 534,564            | 98.7%          | 0.0%           | 1.3%         | 42,164,522               | 0           | 0          | 42,164,522               | 42,164,522               | 6,912,217               |
| 7/5/2011               | 50,980,712               | 4,322,057              | 614,034            | 55,916,803               | 0       | 8.5%         | 27.4%          | 8.5%         | 46,647,351               | 3,137,813              | 561,841            | 92.7%          | 6.2%           | 1.1%         | 50,347,006               | 0           | 0          | 50,347,006               | 50,347,006               | 8,387,520               |
| 7/6/2011               | 52,772,417               | 2,102,825              | 879,090            | 55,754,332               | 0       | 8.5%         | 27.4%          | 8.5%         | 48,286,762               | 1,526,651              | 804,367            | 95.4%          | 3.0%           | 1.6%         | 50,617,780               | 0           | 0          | 50,617,780               | 50,617,780               | 8,363,150               |
| 7/7/2011               | 16,034,741               | 1,085,995              | 213,820            | 17,334,556               | 0       | 8.5%<br>8.5% | 27.4%<br>27.4% | 8.5%<br>8.5% | 14,671,788               | 788,432                | 195,645            | 93.7%<br>91.9% | 5.0%<br>6.7%   | 1.2%<br>1.4% | 15,655,866               | 0           | 0          | 15,655,866               | 15,655,866               | 2,600,183               |
| 7/8/2011<br>7/11/2011  | 6,033,473<br>7,382,742   | 556,454<br>505,497     | 93,282<br>138,740  | 6,683,209<br>8,026,979   | 0       | 8.5%         | 27.4%          | 8.5%         | 5,520,628<br>6,755,209   | 403,986<br>366,991     | 85,353<br>126,947  | 93.2%          | 5.1%           | 1.4%         | 6,009,966<br>7,249,147   | 0           | 0          | 6,009,966<br>7,249,147   | 6,009,966<br>7,249,147   | 1,002,481<br>1,204,047  |
| 7/12/2011              | 9,385,301                | 447,143                | 191,717            | 10,024,161               | 0       | 8.5%         | 27.4%          | 8.5%         | 8,587,550                | 324,626                | 175,421            | 94.5%          | 3.6%           | 1.9%         | 9,087,597                | 0           | 0          | 9,087,597                | 9,087,597                | 1,503,624               |
| 7/13/2011              | 4,886,471                | 282,475                | 81,531             | 5,250,477                | 0       | 8.5%         | 27.4%          | 8.5%         | 4,471,121                | 205,077                | 74,601             | 94.1%          | 4.3%           | 1.6%         | 4,750,799                | 0           | 0          | 4,750,799                | 4,750,799                | 787,572                 |
| 7/14/2011              | 4,097,032                | 206,022                | 67,687             | 4,370,741                | 0       | 8.5%         | 27.4%          | 8.5%         | 3,748,784                | 149,572                | 61,934             | 94.7%          | 3.8%           | 1.6%         | 3,960,290                | 0           | 0          | 3,960,290                | 3,960,290                | 655,611                 |
| 7/15/2011              | 2,488,834                | 117,771                | 54,188             | 2,660,793                | 0       | 8.5%         | 27.4%          | 8.5%         | 2,277,283                | 85,502                 | 49,582             | 94.4%          | 3.5%           | 2.1%         | 2,412,367                | 0           | 0          | 2,412,367                | 2,412,367                | 399,119                 |
| 7/18/2011              | 7,522,647                | 377,960                | 128,183            | 8,028,790                | 0       | 8.5%         | 27.4%          | 8.5%         | 6,883,222                | 274,399                | 117,287            | 94.6%          | 3.8%           | 1.6%         | 7,274,908                | 0           | 0          | 7,274,908                | 7,274,908                | 1,204,319               |
| 7/19/2011              | 15,757,034               | 697,212                | 152,709            | 16,606,955               | 0       | 8.5%         | 27.4%          | 8.5%         | 14,417,686               | 506,176                | 139,729            | 95.7%          | 3.4%           | 0.9%         | 15,063,591               | 0           | 0          | 15,063,591               | 15,063,591               | 2,491,043               |
| 7/20/2011              | 17,469,502               | 1,219,198              | 270,456            | 18,959,156               | 0       | 8.5%<br>8.5% | 27.4%<br>27.4% | 8.5%<br>8.5% | 15,984,594               | 885,138<br>485,808     | 247,467            | 93.4%<br>93.8% | 5.2%<br>5.4%   | 1.4%<br>0.8% | 17,117,199               | 0           | 0          | 17,117,199               | 17,117,199               | 2,843,873               |
| 7/21/2011<br>7/22/2011 | 9,225,872<br>15,604,903  | 669,157<br>761,296     | 83,483<br>149,255  | 9,978,512<br>16,515,454  | 0       | 8.5%         | 27.4%          | 8.5%         | 8,441,673<br>14,278,486  | 552,701                | 76,387<br>136,568  | 95.4%          | 3.4%           | 0.8%         | 9,003,868<br>14,967,755  | 0           | 0          | 9,003,868<br>14,967,755  | 9,003,868<br>14,967,755  | 1,496,777<br>2,477,318  |
| 7/25/2011              | 25,034,304               | 1,684,673              | 246,214            | 26,965,191               | 0       | 8.5%         | 27.4%          | 8.5%         | 22,906,388               | 1,223,073              | 225,286            | 94.1%          | 5.0%           | 0.9%         | 24,354,747               | 0           | 0          | 24,354,747               | 24,354,747               | 4,044,779               |
| 7/26/2011              | 31,461,356               | 1,822,016              | 359,794            | 33,643,166               | 0       | 8.5%         | 27.4%          | 8.5%         | 28,787,141               | 1,322,784              | 329,212            | 94.6%          | 4.3%           | 1.1%         | 30,439,136               | 0           | 0          | 30,439,136               | 30,439,136               | 5,046,475               |
| 7/27/2011              | 23,162,534               | 1,001,550              | 251,756            | 24,415,840               | 0       | 8.5%         | 27.4%          | 8.5%         | 21,193,719               | 727,125                | 230,357            | 95.7%          | 3.3%           | 1.0%         | 22,151,201               | 0           | 0          | 22,151,201               | 22,151,201               | 3,662,376               |
| 7/28/2011              | 19,179,825               | 878,475                | 363,467            | 20,421,767               | 0       | 8.5%         | 27.4%          | 8.5%         | 17,549,540               | 637,773                | 332,572            | 94.8%          | 3.4%           | 1.8%         | 18,519,885               | 0           | 0          | 18,519,885               | 18,519,885               | 3,063,265               |
| 7/29/2011              | 16,564,325               | 896,726                | 273,282            | 17,734,333               | 0       | 8.5%         | 27.4%          | 8.5%         | 15,156,357               | 651,023                | 250,053            | 94.4%          | 4.1%           | 1.6%         | 16,057,433               | 0           | 0          | 16,057,433               | 16,057,433               | 2,660,150               |
| 8/1/2011               | 0                        | 180,364                | 130,230            | 310,594                  | 0       | 8.4%         | 27.4%          | 8.4%         | 0                        | 130,944                | 119,291            | 0.0%           | 52.3%          | 47.7%        | 250,235                  | 0           | 0          | 250,235                  | 250,235                  | 46,589                  |
| 8/2/2011               | 14,414,674               | 507,374<br>564,322     | 89,905<br>250,314  | 15,011,953               | 0       | 8.4%         | 27.4%<br>27.4% | 8.4%<br>8.4% | 13,203,841<br>10,833,708 | 368,354<br>409,698     | 82,353<br>229,288  | 96.7%<br>94.4% | 2.7%<br>3.6%   | 0.6%<br>2.0% | 13,654,548               | 0           | 0          | 13,654,548               | 13,654,548               | 2,251,793               |
| 8/3/2011<br>8/4/2011   | 11,827,192<br>12,926,548 | 774,431                | 172,488            | 12,641,828<br>13,873,467 | 0       | 8.4%<br>8.4% | 27.4%          | 8.4%<br>8.4% | 10,833,708               | 562,237                | 229,288<br>157,999 | 94.4%          | 4.5%           | 1.3%         | 11,472,693<br>12,560,954 | 0           | 0          | 11,472,693<br>12,560,954 | 11,472,693<br>12,560,954 | 1,896,274<br>2,081,020  |
| 8/5/2011               | 8,559,931                | 458,868                | 219,766            | 9,238,565                | 0       | 8.4%         | 27.4%          | 8.4%         | 7,840,897                | 333,138                | 201,306            | 93.6%          | 4.0%           | 2.4%         | 8,375,341                | 0           | 0          | 8,375,341                | 8,375,341                | 1,385,785               |
| 8/8/2011               | 7,228,671                | 391,970                | 109,901            | 7,730,542                | 0       | 8.4%         | 27.4%          | 8.4%         | 6,621,463                | 284,570                | 100,669            | 94.5%          | 4.1%           | 1.4%         | 7,006,702                | 0           | 0          | 7,006,702                | 7,006,702                | 1,159,581               |
| 8/9/2011               | 14,218,738               | 486,478                | 184,554            | 14,889,770               | 0       | 8.4%         | 27.4%          | 8.4%         | 13,024,364               | 353,183                | 169,051            | 96.1%          | 2.6%           | 1.2%         | 13,546,599               | 0           | 0          | 13,546,599               | 13,546,599               | 2,233,466               |
| 8/10/2011              | 8,349,252                | 563,615                | 136,304            | 9,049,171                | 0       | 8.4%         | 27.4%          | 8.4%         | 7,647,915                | 409,184                | 124,854            | 93.5%          | 5.0%           | 1.5%         | 8,181,954                | 0           | 0          | 8,181,954                | 8,181,954                | 1,357,376               |
| 8/11/2011              | 8,547,379                | 160,926                | 63,992             | 8,772,297                | 0       | 8.4%         | 27.4%          | 8.4%         | 7,829,399                | 116,832                | 58,617             | 97.8%          | 1.5%           | 0.7%         | 8,004,848                | 0           | 0          | 8,004,848                | 8,004,848                | 1,315,845               |
| 8/12/2011              | 4,091,153                | 120,025                | 42,674             | 4,253,852                | 0       | 8.4%         | 27.4%          | 8.4%         | 3,747,496                | 87,138                 | 39,089             | 96.7%          | 2.2%           | 1.0%         | 3,873,724                | 0           | 0          | 3,873,724                | 3,873,724                | 638,078                 |
| 8/15/2011              | 10,993,103               | 513,397                | 79,883             | 11,586,383               | 0       | 8.4%         | 27.4%          | 8.4%         | 10,069,682               | 372,726                | 73,173             | 95.8%          | 3.5%           | 0.7%         | 10,515,581               | 0           | 0          | 10,515,581               | 10,515,581               | 1,737,957               |
| 8/16/2011<br>8/17/2011 | 11,397,309               | 849,763<br>224,651     | 161,273<br>27,924  | 12,408,345<br>4,701,001  | 0       | 8.4%         | 27.4%<br>27.4% | 8.4%<br>8.4% | 10,439,935<br>4,074,758  | 616,928<br>163,097     | 147,726<br>25,578  | 93.2%<br>95.6% | 5.5%<br>3.8%   | 1.3%<br>0.6% | 11,204,589               | 0           | 0          | 11,204,589<br>4,263,433  | 11,204,589               | 1,861,252<br>705,150    |
| 0/1//2011              | 4,448,426                | 224,031                | 21,724             | 4,701,001                | U       | 8.4%         | ∠1.470         | 0.470        | 4,074,738                | 103,097                | 23,378             | 23.070         | 3.070          | 0.0%         | 4,263,433                | U           | U          | 4,203,433                | 4,263,433                | 705,130                 |

Exhibit D Sino-Forest Common Stock Reported and Adjusted Daily Volume from March 19, 2007 to August 25, 2011

|                           |               | Reported   | l Volume  |               | Shares     | Spec   | ialist Adj | ustment |               |            | Special   | st-Adjusted \ | Volume |           |               | Insider Ti | ransactions | Investor      | Volume        | Intra-Day   |
|---------------------------|---------------|------------|-----------|---------------|------------|--------|------------|---------|---------------|------------|-----------|---------------|--------|-----------|---------------|------------|-------------|---------------|---------------|-------------|
| Date                      | Canada        | U.S.       | Germany   | Total         | Offered    | Canada | U.S.       | Germany | Canada        | U.S.       | Germany   | Canada %      | U.S. % | Germany % | Total         | Purchases  | Sales       | Purchases     | Sales         | Volume      |
| [1]                       | [2]           | [3]        | [4]       | [5]           | [6]        | [7]    | [8]        | [9]     | [10]          | [11]       | [12]      | [13]          | [14]   | [15]      | [16]          | [17]       | [18]        | [19]          | [20]          | [21]        |
| 8/18/2011                 | 5,530,265     | 233,750    | 65,773    | 5,829,788     | 0          | 8.4%   | 27.4%      | 8.4%    | 5,065,723     | 169,703    | 60,248    | 95.7%         | 3.2%   | 1.1%      | 5,295,673     | 0          | 0           | 5,295,673     | 5,295,673     | 874,468     |
| 8/19/2011                 | 3,009,129     | 212,484    | 61,027    | 3,282,640     | 0          | 8.4%   | 27.4%      | 8.4%    | 2,756,362     | 154,263    | 55,901    | 92.9%         | 5.2%   | 1.9%      | 2,966,526     | 0          | 0           | 2,966,526     | 2,966,526     | 492,396     |
| 8/22/2011                 | 3,704,670     | 109,760    | 38,666    | 3,853,096     | 0          | 8.4%   | 27.4%      | 8.4%    | 3,393,478     | 79,686     | 35,418    | 96.7%         | 2.3%   | 1.0%      | 3,508,582     | 0          | 0           | 3,508,582     | 3,508,582     | 577,964     |
| 8/23/2011                 | 9,019,106     | 529,045    | 65,576    | 9,613,727     | 0          | 8.4%   | 27.4%      | 8.4%    | 8,261,501     | 384,087    | 60,068    | 94.9%         | 4.4%   | 0.7%      | 8,705,655     | 0          | 0           | 8,705,655     | 8,705,655     | 1,442,059   |
| 8/24/2011                 | 9,818,976     | 265,789    | 51,737    | 10,136,502    | 0          | 8.4%   | 27.4%      | 8.4%    | 8,994,182     | 192,963    | 47,391    | 97.4%         | 2.1%   | 0.5%      | 9,234,536     | 0          | 0           | 9,234,536     | 9,234,536     | 1,520,475   |
| 8/25/2011                 | 5,340,744     | 208,156    | 61,900    | 5,610,800     | 0          | 8.4%   | 27.4%      | 8.4%    | 4,892,122     | 151,121    | 56,700    | 95.9%         | 3.0%   | 1.1%      | 5,099,943     | 0          | 0           | 5,099,943     | 5,099,943     | 841,620     |
|                           |               |            |           |               |            |        |            |         |               |            |           |               |        |           |               |            |             |               |               |             |
| <b>Class Period Total</b> | 1,248,876,020 | 42,885,381 | 2,986,464 | 1,294,747,865 | 72,250,000 | 6.6%   | 27.4%      | 6.6%    | 1,168,006,544 | 31,134,787 | 2,819,972 | 95.3%         | 2.5%   | 2.2%      | 1,201,961,303 | 586,945    | 10,797,140  | 1,273,624,358 | 1,191,164,163 | 194,212,180 |

## Notes:

- [1] Days when Sino-Forest common stock traded in either Canada, U.S. or Germany. Source: Bloomberg.
- [2] Reported volume for Sino-Forest common stock in Canada (Bloomberg ticker: TRE CN). Source: Bloomberg.
- [3] Reported volume for Sino-Forest common stock in the U.S. (Bloomberg ticker: SNOFF US). Source: Bloomberg.
- [4] Reported volume for Sino-Forest common stock in Germany (Bloomberg ticker: SFJ GR). Source: Bloomberg.
- [5] = [2] + [3] + [4].
- [6] Issuances of Sino-Forest common stock (assumed all in Canada). Source: SEDAR filings.
- [7] Equals NYSE monthly specialist participation rate. Source: NYSE Euronext: http://www.nyxdata.com/Data-Products/Facts-and-Figures, Market Activity, link to Specialist Activity.
- [8] Estimate of market maker participation rate on the NASDAQ.
- [9] Equals NYSE monthly specialist participation rate. Source: NYSE Euronext: http://www.nyxdata.com/Data-Products/Facts-and-Figures, Market Activity, link to Specialist Activity.
- $[10] = [2] \times (1 [7]).$
- $[11] = [3] \times (1 [8]).$
- $[12] = [4] \times (1 [9]).$
- [13] = [10] / [16].
- [14] = [11] / [16].
- [15] = [12] / [16]. [16] = [10] + [11] + [12].
- [17] Source: SEDI.
- [18] Source: SEDI.
- [19] = [6] + [16] [17].
- [20] = [16] [18].
- [21] = [5] x 15% estimate of reported volume attributable to intraday turnover of Sino-Forest shares.

p. 18 of 18 FORENSIC ECONOMICS, INC.

This is Exhibit "E"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this May of January, 2013

A Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948
Commission Expires June 22, 2013

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| _ | F13       | F21         | [2]                | F.43                     | [5]        |
|---|-----------|-------------|--------------------|--------------------------|------------|
|   | [1]       | [2]         | [3]<br>Insider     | [4]<br>Pre-Class Period  | [5]        |
|   |           |             | Shareholdings      | Institutional Holdings   |            |
|   |           | Shares      | That Were Not      | Not Sold into the        |            |
|   | Date      | Outstanding | Available For Sale | Class Period             | Float      |
| _ | 3/19/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 3/20/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 3/21/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 3/22/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 3/23/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 3/26/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 3/27/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 3/28/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 3/29/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 3/30/2007 | 137,999,548 | 10,425,858         | 63,943,391               | 63,630,299 |
|   | 4/2/2007  | 137,999,548 | 10,425,858         | 57,462,554               | 70,111,136 |
|   | 4/3/2007  | 137,999,548 | 10,425,858         | 57,462,554               | 70,111,136 |
|   | 4/4/2007  | 137,999,548 | 10,425,858         | 57,462,554               | 70,111,136 |
|   | 4/5/2007  | 137,999,548 | 10,425,858         | 57,462,554               | 70,111,136 |
|   | 4/9/2007  | 137,999,548 | 10,425,858         | 57,462,554               | 70,111,136 |
|   | 4/10/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/11/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/12/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/13/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/16/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/17/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/18/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/19/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/20/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/23/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/24/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/25/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/26/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/27/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 4/30/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/1/2007  | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/2/2007  | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/3/2007  | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/4/2007  | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/7/2007  | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/8/2007  | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/9/2007  | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/10/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/11/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/14/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/15/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/16/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/17/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/18/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/21/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/22/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/23/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |
|   | 5/24/2007 | 163,354,739 | 31,977,770         | 57,462,554<br>57,462,554 | 73,914,415 |
|   | 5/25/2007 | 163,354,739 | 31,977,770         | 57,462,554<br>57,462,554 | 73,914,415 |
|   | 5/28/2007 | 163,354,739 | 31,977,770         | 57,462,554<br>57,462,554 | 73,914,415 |
|   | 5/29/2007 | 163,354,739 | 31,977,770         | 57,462,554               | 73,914,415 |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

|                        | [4]                                   | [91                      | [4]                      | [5]                                     |
|------------------------|---------------------------------------|--------------------------|--------------------------|-----------------------------------------|
| [1]                    | [2]                                   | [3]<br>Insider           | [4]<br>Pre-Class Period  | [5]                                     |
|                        |                                       | Shareholdings            | Institutional Holdings   |                                         |
|                        | Shares                                | That Were Not            | Not Sold into the        |                                         |
| Date                   | Outstanding                           | Available For Sale       | Class Period             | Float                                   |
| 5/30/2007              |                                       | 31,977,770               | 57,462,554               | 73,914,415                              |
| 5/31/2007              |                                       | 31,977,770               | 57,462,554               | 73,914,415                              |
| 6/1/2007               | 7 163,354,739                         | 31,977,770               | 57,462,554               | 73,914,415                              |
| 6/4/2007               |                                       | 31,977,770               | 57,462,554               | 73,914,415                              |
| 6/5/2007               | 7 163,354,739                         | 31,977,770               | 57,462,554               | 73,914,415                              |
| 6/6/2007               | 7 163,354,739                         | 31,977,770               | 57,462,554               | 73,914,415                              |
| 6/7/2007               | 7 163,354,739                         | 31,977,770               | 57,462,554               | 73,914,415                              |
| 6/8/2007               | 7 163,354,739                         | 31,977,770               | 57,462,554               | 73,914,415                              |
| 6/11/2007              |                                       | 31,977,770               | 57,462,554               | 73,914,415                              |
| 6/12/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/13/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/14/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/15/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/18/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/19/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/20/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/21/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/22/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/25/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/26/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/27/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/28/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 6/29/2007              |                                       | 31,977,770               | 57,462,554               | 89,814,415                              |
| 7/2/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/3/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/4/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/5/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/6/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/9/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/10/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/11/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/12/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/13/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/16/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/17/2007<br>7/18/2007 |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
|                        |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/19/2007<br>7/20/2007 |                                       | 30,577,770               | 52,987,584<br>52,987,584 | 97,039,385                              |
| 7/23/2007              |                                       | 30,577,770<br>30,577,770 |                          | 97,039,385                              |
| 7/24/2007              |                                       | 30,577,770               | 52,987,584<br>52,987,584 | 97,039,385<br>97,039,385                |
| 7/25/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/26/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/27/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/30/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 7/30/2007              |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 8/1/2007               | , , , , , , , , , , , , , , , , , , , | 30,577,770               | 52,987,584               | 97,039,385                              |
| 8/2/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 8/3/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 8/6/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 8/7/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 8/8/2007               |                                       | 30,577,770               | 52,987,584               | 97,039,385                              |
| 3, 3, 200              | . 100,001,737                         | 20,211,110               | 22,201,201               | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| _ | [1]                      | [2]                        | [3]                      | Γ <i>Α</i> 1             | [5]                        |
|---|--------------------------|----------------------------|--------------------------|--------------------------|----------------------------|
|   | [1]                      | [2]                        | [3]<br>Insider           | [4]<br>Pre-Class Period  | [5]                        |
|   |                          |                            | Shareholdings            | Institutional Holdings   |                            |
|   |                          | Shares                     | That Were Not            | Not Sold into the        |                            |
|   | Date                     | Outstanding                | Available For Sale       | Class Period             | Float                      |
| - | 8/9/2007                 | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/10/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/13/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/14/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/15/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/16/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/17/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/20/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/21/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/22/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/23/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/24/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/27/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/28/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/29/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/30/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 8/31/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/3/2007                 | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/4/2007                 | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/5/2007                 | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/6/2007                 | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/7/2007                 | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/10/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/11/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/12/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/13/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/14/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/17/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/18/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/19/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/20/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/21/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/24/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/25/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/26/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/27/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 9/28/2007                | 180,604,739                | 30,577,770               | 52,987,584               | 97,039,385                 |
|   | 10/1/2007                | 182,191,961                | 30,577,770               | 42,427,988               | 109,186,203                |
|   | 10/2/2007                | 182,191,961                | 30,577,770               | 42,427,988               | 109,186,203                |
|   | 10/3/2007                | 182,191,961                | 30,577,770               | 42,427,988               | 109,186,203                |
|   | 10/4/2007                | 182,191,961                | 30,577,770<br>30,577,770 | 42,427,988<br>42,427,988 | 109,186,203                |
|   | 10/5/2007<br>10/8/2007   | 182,191,961                |                          | 42,427,988               | 109,186,203                |
|   | 10/8/2007                | 182,191,961                | 30,577,770               | 42,427,988               | 109,186,203                |
|   |                          | 182,191,961                | 30,577,770               |                          | 109,186,203                |
|   | 10/10/2007               | 182,191,961                | 30,577,770<br>30,577,770 | 42,427,988<br>42,427,988 | 109,186,203<br>109,186,203 |
|   | 10/11/2007<br>10/12/2007 | 182,191,961<br>182,191,961 | 30,577,770<br>30,577,770 | 42,427,988<br>42,427,988 | 109,186,203                |
|   | 10/12/2007               | 182,191,961                | 30,577,770               | 42,427,988               | 109,186,203                |
|   | 10/15/2007               | 182,191,961                | 30,577,770               | 42,427,988               | 109,186,203                |
|   | 10/10/2007               | 182,191,961                | 30,577,770               | 42,427,988               | 109,186,203                |
|   | 10/17/2007               | 182,191,961                | 30,577,770               | 42,427,988               | 109,186,203                |
|   | 10/10/2007               | 102,171,701                | 50,511,110               | 72,721,700               | 107,100,203                |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| F11        | [2]         | F21                | ΓΑ1                     | r <i>E</i> 1 |
|------------|-------------|--------------------|-------------------------|--------------|
| [1]        | [2]         | [3]<br>Insider     | [4]<br>Pre-Class Period | [5]          |
|            |             | Shareholdings      | Institutional Holdings  |              |
|            | Shares      | That Were Not      | Not Sold into the       |              |
| Date       | Outstanding | Available For Sale | Class Period            | Float        |
| 10/19/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 10/22/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 10/23/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 10/24/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 10/25/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 10/26/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 10/29/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 10/30/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 10/31/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/1/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/2/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/5/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/6/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/7/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/8/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/9/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/12/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/13/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/14/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/15/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/16/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/19/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/20/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/21/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/22/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/23/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/26/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/27/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/28/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/29/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 11/30/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/3/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/4/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/5/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/6/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/7/2007  | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/10/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/11/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/12/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/13/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/14/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/17/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/18/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/19/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/20/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/21/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/24/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/27/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/28/2007 | 182,191,961 | 30,577,770         | 42,427,988              | 109,186,203  |
| 12/31/2007 | 182,592,961 | 30,577,770         | 42,427,988              | 109,587,203  |
| 1/2/2008   | 182,592,961 | 30,577,770         | 29,810,027              | 122,205,164  |
|            |             |                    |                         |              |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| _ | F43       |             | F67                      | F.43                                       |             |
|---|-----------|-------------|--------------------------|--------------------------------------------|-------------|
|   | [1]       | [2]         | [3]                      | [4]                                        | [5]         |
|   |           |             | Insider<br>Shareholdings | Pre-Class Period<br>Institutional Holdings |             |
|   |           | Shares      | That Were Not            | Not Sold into the                          |             |
|   | Date      | Outstanding | Available For Sale       | Class Period                               | Float       |
| - | 1/3/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/4/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/7/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/8/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/9/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/10/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/11/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/14/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/15/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/16/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/17/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/18/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/21/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/22/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/23/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/24/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/25/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/28/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/29/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/30/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 1/31/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/1/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/4/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/5/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/6/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/7/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/8/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/11/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/12/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/13/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/14/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/15/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/18/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/19/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/20/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/21/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/22/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/25/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/26/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/27/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/28/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 2/29/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 3/3/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 3/4/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 3/5/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 3/6/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 3/7/2008  | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 3/10/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 3/11/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 3/12/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   | 3/13/2008 | 182,592,961 | 30,577,770               | 29,810,027                                 | 122,205,164 |
|   |           |             |                          |                                            |             |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| F43       | FA1         | [2]                | F 47                                       | F#3         |
|-----------|-------------|--------------------|--------------------------------------------|-------------|
| [1]       | [2]         | [3]<br>Insider     | [4]<br>Pro Closs Pariod                    | [5]         |
|           |             | Shareholdings      | Pre-Class Period<br>Institutional Holdings |             |
|           | Shares      | That Were Not      | Not Sold into the                          |             |
| Date      | Outstanding | Available For Sale | Class Period                               | Float       |
| 3/14/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/17/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/18/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/19/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/20/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/24/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/25/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/26/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/27/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/28/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 3/31/2008 | 182,592,961 | 30,577,770         | 29,810,027                                 | 122,205,164 |
| 4/1/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/2/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/3/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/4/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/7/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/8/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/9/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/10/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/11/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/14/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/15/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/16/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/17/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/18/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/21/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/22/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/23/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/24/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/25/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/28/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/29/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 4/30/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/1/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/2/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/5/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/6/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/7/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/8/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/9/2008  | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/12/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/13/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/14/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/15/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/16/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/19/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/20/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/21/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/22/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/23/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |
| 5/26/2008 | 182,592,961 | 30,577,770         | 26,648,610                                 | 125,366,581 |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| [1]       | [2]         | [3]                | [4]                           | [5]         |
|-----------|-------------|--------------------|-------------------------------|-------------|
|           |             | Insider            | <b>Pre-Class Period</b>       |             |
|           |             | Shareholdings      | <b>Institutional Holdings</b> |             |
|           | Shares      | That Were Not      | Not Sold into the             |             |
| Date      | Outstanding | Available For Sale | Class Period                  | Float       |
| 5/27/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 5/28/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 5/29/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 5/30/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/2/2008  | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/3/2008  | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/4/2008  | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/5/2008  | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/6/2008  | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/9/2008  | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/10/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/11/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/12/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/13/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/16/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/17/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/18/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/19/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/20/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/23/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/24/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/25/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/26/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/27/2008 | 182,592,961 | 30,577,770         | 26,648,610                    | 125,366,581 |
| 6/30/2008 | 182,697,961 | 25,432,770         | 26,648,610                    | 130,616,581 |
| 7/1/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/2/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/3/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/4/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/7/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/8/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/9/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/10/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/11/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/14/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/15/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/16/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/17/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/18/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/21/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/22/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/23/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/24/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/25/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/28/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/29/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/30/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 7/31/2008 | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 8/1/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 8/4/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 8/5/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
| 2.2.2000  | ,-,,,,,,,   | , <b></b> ,,       | ,,                            | ,,          |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| - | [1]        | [2]         | [3]                | [4]                           | [5]         |
|---|------------|-------------|--------------------|-------------------------------|-------------|
|   |            |             | Insider            | <b>Pre-Class Period</b>       |             |
|   |            |             | Shareholdings      | <b>Institutional Holdings</b> |             |
|   |            | Shares      | That Were Not      | Not Sold into the             |             |
| - | Date       | Outstanding | Available For Sale | Class Period                  | Float       |
|   | 8/6/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/7/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/8/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/11/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/12/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/13/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/14/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/15/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/18/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/19/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/20/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/21/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/22/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/25/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/26/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/27/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/28/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 8/29/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/1/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/2/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/3/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/4/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/5/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/8/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/9/2008   | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/10/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/11/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/12/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/15/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/16/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/17/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/18/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/19/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/22/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/23/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/24/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/25/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/26/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/29/2008  | 182,697,961 | 25,432,770         | 25,946,021                    | 131,319,170 |
|   | 9/30/2008  | 183,119,072 | 25,432,770         | 25,946,021                    | 131,740,281 |
|   | 10/1/2008  | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/2/2008  | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/3/2008  | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/6/2008  | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/7/2008  | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/8/2008  | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/9/2008  | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/10/2008 | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/13/2008 | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/14/2008 | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   | 10/15/2008 | 183,119,072 | 25,432,770         | 25,138,968                    | 132,547,334 |
|   |            |             |                    |                               |             |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| [1]                    | [2]            | [3]                      | [4]                                        | [5]                        |
|------------------------|----------------|--------------------------|--------------------------------------------|----------------------------|
|                        |                | Insider<br>Shareholdings | Pre-Class Period<br>Institutional Holdings |                            |
|                        | Shares         | That Were Not            | Not Sold into the                          |                            |
| Date                   | Outstanding    | Available For Sale       | Class Period                               | Float                      |
| 10/16/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/17/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/20/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/21/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/22/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/23/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/24/200              | 08 183,119,072 | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/27/200              | 08 183,119,072 | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/28/200              | 08 183,119,072 | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/29/200              | 08 183,119,072 | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/30/200              | 08 183,119,072 | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 10/31/200              | 08 183,119,072 | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/3/200               | 08 183,119,072 | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/4/200               | 08 183,119,072 | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/5/200               |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/6/200               |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/7/200               |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/10/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/11/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/12/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/13/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/14/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/17/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/18/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/19/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/20/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/21/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/24/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/25/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/26/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/27/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 11/28/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/1/200               |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/2/200               |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/3/200               |                | 25,432,770               | 25,138,968                                 | 132,547,334<br>132,547,334 |
| 12/4/200               |                | 25,432,770               | 25,138,968                                 |                            |
| 12/5/200               |                | 25,432,770               | 25,138,968<br>25,138,968                   | 132,547,334                |
| 12/8/200               |                | 25,432,770               |                                            | 132,547,334                |
| 12/9/200               |                | 25,432,770<br>25,432,770 | 25,138,968                                 | 132,547,334                |
| 12/10/200<br>12/11/200 |                | 25,432,770               | 25,138,968<br>25,138,968                   | 132,547,334<br>132,547,334 |
| 12/11/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/15/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/15/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/17/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/17/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/19/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/12/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/23/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/24/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/29/200              |                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12,25,200              | 100,117,072    | 20,.02,770               | 25,130,700                                 |                            |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| [1]                   | [2]                        | [3]                      | [4]                                        | [5]                        |
|-----------------------|----------------------------|--------------------------|--------------------------------------------|----------------------------|
|                       |                            | Insider<br>Shareholdings | Pre-Class Period<br>Institutional Holdings |                            |
|                       | Shares                     | That Were Not            | Not Sold into the                          |                            |
| Date                  | Outstanding                | Available For Sale       | Class Period                               | Float                      |
| 12/30/2008            | 183,119,072                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 12/31/2008            | 183,119,072                | 25,432,770               | 25,138,968                                 | 132,547,334                |
| 1/2/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/5/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/6/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/7/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/8/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/9/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/12/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/13/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/14/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/15/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/16/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/19/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/20/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/21/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/22/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/23/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/26/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/27/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/28/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/29/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 1/30/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/2/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/3/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/4/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/5/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/6/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/9/2009              | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/10/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/11/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/12/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/13/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/17/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/18/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/19/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/20/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/23/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/24/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/25/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/26/2009             | 183,119,072                | 25,432,770               | 9,462,367                                  | 148,223,935                |
| 2/27/2009             | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
| 3/2/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
| 3/3/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
| 3/4/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
| 3/5/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
| 3/6/2009              | 185,779,062                | 25,432,770<br>25,432,770 | 9,462,367<br>9,462,367                     | 150,883,925                |
| 3/9/2009<br>3/10/2009 | 185,779,062<br>185,779,062 | 25,432,770<br>25,432,770 | 9,462,367<br>9,462,367                     | 150,883,925<br>150,883,925 |
| 3/10/2009             | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
| 3/11/2009             | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
| 3/12/2007             | 103,777,002                | 25,732,110               | 7,702,307                                  | 150,005,725                |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| - | F43                    | FA1                        | F43                      | F.43                                       | F. F. T.                   |
|---|------------------------|----------------------------|--------------------------|--------------------------------------------|----------------------------|
|   | [1]                    | [2]                        | [3]<br>Insider           | [4]                                        | [5]                        |
|   |                        |                            | Shareholdings            | Pre-Class Period<br>Institutional Holdings |                            |
|   |                        | Shares                     | That Were Not            | Not Sold into the                          |                            |
|   | Date                   | Outstanding                | Available For Sale       | Class Period                               | Float                      |
| - | 3/13/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/16/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/17/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/18/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/19/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/20/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/23/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/24/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/25/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/26/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/27/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/30/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 3/31/2009              | 185,779,062                | 25,432,770               | 9,462,367                                  | 150,883,925                |
|   | 4/1/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/2/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/3/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/6/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/7/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/8/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/9/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/13/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/14/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/15/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/16/2009<br>4/17/2009 | 185,779,062                | 25,432,770               | 9,430,613<br>9,430,613                     | 150,915,679                |
|   | 4/17/2009              | 185,779,062<br>185,779,062 | 25,432,770<br>25,432,770 | 9,430,613                                  | 150,915,679<br>150,915,679 |
|   | 4/21/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/22/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/23/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/24/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/27/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/28/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/29/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 4/30/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/1/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/4/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/5/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/6/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/7/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/8/2009               | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/11/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/12/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/13/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/14/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/15/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/18/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/19/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/20/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/21/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/22/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   | 5/25/2009              | 185,779,062                | 25,432,770               | 9,430,613                                  | 150,915,679                |
|   |                        |                            |                          |                                            |                            |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| _ | f11                   | [2]                        | F21                      | [A]                     | [ <b>£</b> ]               |
|---|-----------------------|----------------------------|--------------------------|-------------------------|----------------------------|
|   | [1]                   | [2]                        | [3]<br>Insider           | [4]<br>Pre-Class Period | [5]                        |
|   |                       |                            | Shareholdings            | Institutional Holdings  |                            |
|   |                       | Shares                     | That Were Not            | Not Sold into the       |                            |
|   | Date                  | Outstanding                | Available For Sale       | Class Period            | Float                      |
|   | 5/26/2009             | 185,779,062                | 25,432,770               | 9,430,613               | 150,915,679                |
|   | 5/27/2009             | 185,779,062                | 25,432,770               | 9,430,613               | 150,915,679                |
|   | 5/28/2009             | 185,779,062                | 25,432,770               | 9,430,613               | 150,915,679                |
|   | 5/29/2009             | 185,779,062                | 25,432,770               | 9,430,613               | 150,915,679                |
|   | 6/1/2009              | 185,779,062                | 25,432,770               | 9,430,613               | 150,915,679                |
|   | 6/2/2009              | 185,779,062                | 25,432,770               | 9,430,613               | 150,915,679                |
|   | 6/3/2009              | 185,779,062                | 25,432,770               | 9,430,613               | 150,915,679                |
|   | 6/4/2009              | 185,779,062                | 25,432,770               | 9,430,613               | 150,915,679                |
|   | 6/5/2009              | 185,779,062                | 25,432,770               | 9,430,613               | 150,915,679                |
|   | 6/8/2009              | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/9/2009              | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/10/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/11/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/12/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/15/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/16/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/17/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/18/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/19/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/22/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/23/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/24/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/25/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/26/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/29/2009             | 220,279,062                | 25,432,770               | 9,430,613               | 185,415,679                |
|   | 6/30/2009             | 220,279,062                | 22,787,351               | 9,430,613               | 188,061,098                |
|   | 7/1/2009              | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/2/2009              | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/3/2009              | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/6/2009              | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/7/2009              | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/8/2009              | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/9/2009<br>7/10/2009 | 220,279,062<br>220,279,062 | 22,787,351<br>22,787,351 | 9,027,013<br>9,027,013  | 188,464,698                |
|   | 7/10/2009             |                            | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/13/2009             | 220,279,062<br>220,279,062 | 22,787,351               | 9,027,013               | 188,464,698<br>188,464,698 |
|   | 7/14/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/16/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/17/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/20/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/20/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/22/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/23/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/24/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/27/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/28/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/29/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/30/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 7/31/2009             | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 8/3/2009              | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   | 8/4/2009              | 220,279,062                | 22,787,351               | 9,027,013               | 188,464,698                |
|   |                       | , ,                        | , ,                      | - , ,                   | , - ,                      |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| [1]        | [2]         | [3]                       | [4]                           | [5]         |
|------------|-------------|---------------------------|-------------------------------|-------------|
|            |             | Insider                   | Pre-Class Period              |             |
|            |             | Shareholdings             | <b>Institutional Holdings</b> |             |
|            | Shares      | <b>That Were Not</b>      | Not Sold into the             |             |
| Date       | Outstanding | <b>Available For Sale</b> | Class Period                  | Float       |
| 8/5/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/6/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/7/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/10/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/11/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/12/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/13/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/14/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/17/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/18/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/19/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/20/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/21/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/24/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/25/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/26/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/27/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/28/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 8/31/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/1/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/2/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/3/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/4/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/7/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/8/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/9/2009   | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/10/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/11/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/14/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/15/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/16/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/17/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/18/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/21/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/22/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/23/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/24/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/25/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/28/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/29/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 9/30/2009  | 220,279,062 | 22,787,351                | 9,027,013                     | 188,464,698 |
| 10/1/2009  | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
| 10/2/2009  | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
| 10/5/2009  | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
| 10/6/2009  | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
| 10/7/2009  | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
| 10/8/2009  | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
| 10/9/2009  | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
| 10/12/2009 | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
| 10/13/2009 | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
| 10/14/2009 | 220,279,062 | 22,787,351                | 7,648,498                     | 189,843,213 |
|            |             |                           |                               |             |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| [1]        | [2]           | [3]                | Γ <i>Α</i> 1            | [5]         |
|------------|---------------|--------------------|-------------------------|-------------|
| [1]        | [2]           | [3]<br>Insider     | [4]<br>Pre-Class Period | [5]         |
|            |               | Shareholdings      | Institutional Holdings  |             |
|            | Shares        | That Were Not      | Not Sold into the       |             |
| Date       | Outstanding   | Available For Sale | Class Period            | Float       |
| 10/15/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/16/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/19/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/20/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/21/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/22/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/23/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/26/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/27/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/28/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/29/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 10/30/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/2/2009  |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/3/2009  |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/4/2009  |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/5/2009  | 220,279,062   | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/6/2009  |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/9/2009  | 220,279,062   | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/10/2009 | 220,279,062   | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/11/2009 | 220,279,062   | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/12/2009 | 220,279,062   | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/13/2009 | 220,279,062   | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/16/2009 | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/17/2009 | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/18/2009 | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/19/2009 | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/20/2009 | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/23/2009 | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/24/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/25/2009 | 220,279,062   | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/26/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/27/2009 | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 11/30/2009 | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/1/2009  | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/2/2009  |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/3/2009  | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/4/2009  | 9 220,279,062 | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/7/2009  |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/8/2009  |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/9/2009  |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/10/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/11/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/14/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/15/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/16/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/17/2009 |               | 22,787,351         | 7,648,498               | 189,843,213 |
| 12/18/2009 |               | 22,787,351         | 7,648,498               | 211,693,213 |
| 12/21/2009 |               | 22,787,351         | 7,648,498               | 211,693,213 |
| 12/22/2009 |               | 22,787,351         | 7,648,498               | 211,693,213 |
| 12/23/2009 |               | 22,787,351         | 7,648,498               | 211,693,213 |
| 12/24/2009 | 9 242,129,062 | 22,787,351         | 7,648,498               | 211,693,213 |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

|     |                    |                            |                          | <b>-</b>                                   |                            |
|-----|--------------------|----------------------------|--------------------------|--------------------------------------------|----------------------------|
|     | [1]                | [2]                        | [3]                      | [4]                                        | [5]                        |
|     |                    |                            | Insider<br>Shareholdings | Pre-Class Period<br>Institutional Holdings |                            |
|     |                    | Shares                     | That Were Not            | Not Sold into the                          |                            |
| 1   | Date               | Outstanding                | Available For Sale       | Class Period                               | Float                      |
|     | 28/2009            | 242,129,062                | 22,787,351               | 7,648,498                                  | 211,693,213                |
|     | 29/2009            | 242,129,062                | 22,787,351               | 7,648,498                                  | 211,693,213                |
|     | 30/2009            | 242,129,062                | 22,787,351               | 7,648,498                                  | 211,693,213                |
|     | 31/2009            | 242,129,062                | 6,235,439                | 7,648,498                                  | 228,245,125                |
| 1   | /4/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| 1   | /5/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| 1   | /6/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| 1   | /7/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| 1   | /8/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| 1/2 | 11/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| 1/3 | 12/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| 1/  | 13/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| 1/  | 14/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 15/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| 1/  | 18/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 19/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 20/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 21/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 22/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 25/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 26/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 27/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 28/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 29/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | /1/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 2/2/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 2/3/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 2/4/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 2/5/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 2/8/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 2/9/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 10/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 11/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 12/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 15/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 16/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 17/2010<br>18/2010 | 242,129,062                | 6,235,439<br>6,235,439   | 6,838,265                                  | 229,055,358                |
|     |                    | 242,129,062                |                          | 6,838,265                                  | 229,055,358                |
|     | 19/2010<br>22/2010 | 242,129,062<br>242,129,062 | 6,235,439<br>6,235,439   | 6,838,265<br>6,838,265                     | 229,055,358<br>229,055,358 |
|     | 23/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 24/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 25/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 26/2010            | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 3/1/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 5/2/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 3/3/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 3/4/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 3/5/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 3/8/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
|     | 3/9/2010           | 242,129,062                | 6,235,439                | 6,838,265                                  | 229,055,358                |
| J   |                    | - :-,>,                    | -,,>                     | -,, <b>-</b>                               | ,,,                        |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| <br>F47       | [0]         | [2]                | F 43                                       | [6]         |
|---------------|-------------|--------------------|--------------------------------------------|-------------|
| [1]           | [2]         | [3]<br>Insider     | [4]                                        | [5]         |
|               |             | Shareholdings      | Pre-Class Period<br>Institutional Holdings |             |
|               | Shares      | That Were Not      | Not Sold into the                          |             |
| Date          | Outstanding | Available For Sale | Class Period                               | Float       |
| <br>3/10/2010 | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/11/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/12/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/15/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/16/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/17/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/18/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/19/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/22/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/23/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/24/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/25/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/26/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/29/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/30/2010     | 242,129,062 | 6,235,439          | 6,838,265                                  | 229,055,358 |
| 3/31/2010     | 242,521,728 | 6,235,439          | 6,838,265                                  | 229,448,024 |
| 4/1/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/5/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/6/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/7/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/8/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/9/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/12/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/13/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/14/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/15/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/16/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/19/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/20/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/21/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/22/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/23/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/26/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/27/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/28/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/29/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 4/30/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/3/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/4/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/5/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/6/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/7/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/10/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/11/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/12/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/13/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/14/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/17/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/18/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/19/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/20/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| <br>F43       | [2]         | [2]                | F 47                                       | [6]         |
|---------------|-------------|--------------------|--------------------------------------------|-------------|
| [1]           | [2]         | [3]<br>Insider     | [4]<br>Pro Class Pariod                    | [5]         |
|               |             | Shareholdings      | Pre-Class Period<br>Institutional Holdings |             |
|               | Shares      | That Were Not      | Not Sold into the                          |             |
| Date          | Outstanding | Available For Sale | Class Period                               | Float       |
| <br>5/21/2010 | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/24/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/25/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/26/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/27/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/28/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 5/31/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/1/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/2/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/3/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/4/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/7/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/8/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/9/2010      | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/10/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/11/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/14/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/15/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/16/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/17/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/18/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/21/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/22/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/23/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/24/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/25/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/28/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/29/2010     | 242,521,728 | 6,235,439          | 6,614,284                                  | 229,672,005 |
| 6/30/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/1/2010      | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/2/2010      | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/5/2010      | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/6/2010      | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/7/2010      | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/8/2010      | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/9/2010      | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/12/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/13/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/14/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/15/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/16/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/19/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/20/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/21/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/22/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/23/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/26/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/27/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/28/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/29/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |
| 7/30/2010     | 245,297,294 | 6,272,439          | 6,614,284                                  | 232,410,571 |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| F43        |             | F63                      | F 43                                       |             |
|------------|-------------|--------------------------|--------------------------------------------|-------------|
| [1]        | [2]         | [3]                      | [4]                                        | [5]         |
|            |             | Insider<br>Shareholdings | Pre-Class Period<br>Institutional Holdings |             |
|            | Shares      | That Were Not            | Not Sold into the                          |             |
| Date       | Outstanding | Available For Sale       | Class Period                               | Float       |
| 8/2/2010   | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/3/2010   | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/4/2010   | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/5/2010   | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/6/2010   | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/9/2010   | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/10/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/11/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/12/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/13/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/16/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/17/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/18/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/19/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/20/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/23/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/24/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/25/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/26/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/27/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/30/2010  | 245,297,294 | 6,272,439                | 6,614,284                                  | 232,410,571 |
| 8/31/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/1/2010   | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/2/2010   | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/3/2010   | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/6/2010   | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/7/2010   | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/8/2010   | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/9/2010   | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/10/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/13/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/14/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/15/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/16/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/17/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/20/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/21/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/22/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/23/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/24/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/27/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/28/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/29/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 9/30/2010  | 245,445,202 | 6,272,439                | 6,614,284                                  | 232,558,479 |
| 10/1/2010  | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 10/4/2010  | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 10/5/2010  | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 10/6/2010  | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 10/7/2010  | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 10/8/2010  | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 10/11/2010 | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
|            |             |                          |                                            |             |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| [1]        | [2]         | [3]                | [4]                           | [5]         |
|------------|-------------|--------------------|-------------------------------|-------------|
|            |             | Insider            | Pre-Class Period              |             |
|            |             | Shareholdings      | <b>Institutional Holdings</b> |             |
|            | Shares      | That Were Not      | Not Sold into the             |             |
| Date       | Outstanding | Available For Sale | Class Period                  | Float       |
| 10/12/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/13/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/14/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/15/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/18/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/19/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/20/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/21/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/22/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/25/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/26/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/27/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/28/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 10/29/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/1/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/2/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/3/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/4/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/5/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/8/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/9/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/10/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/11/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/12/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/15/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/16/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/17/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/18/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/19/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/22/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/23/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/24/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/25/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/26/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/29/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 11/30/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/1/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/2/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/3/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/6/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/7/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/8/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/9/2010  | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/10/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/13/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/14/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/15/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/16/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/17/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/20/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
| 12/21/2010 | 245,445,202 | 6,272,439          | 6,590,784                     | 232,581,979 |
|            |             |                    |                               |             |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| F43        | [0]         | [4]                      | F 43                                       | F. 67       |
|------------|-------------|--------------------------|--------------------------------------------|-------------|
| [1]        | [2]         | [3]<br>Insider           | [4]                                        | [5]         |
|            |             | Insider<br>Shareholdings | Pre-Class Period<br>Institutional Holdings |             |
|            | Shares      | That Were Not            | Not Sold into the                          |             |
| Date       | Outstanding | Available For Sale       | Class Period                               | Float       |
| 12/22/2010 | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 12/23/2010 | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 12/24/2010 | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 12/27/2010 | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 12/28/2010 | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 12/29/2010 | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 12/30/2010 | 245,445,202 | 6,272,439                | 6,590,784                                  | 232,581,979 |
| 12/31/2010 | 245,740,889 | 6,272,439                | 6,590,784                                  | 232,877,666 |
| 1/3/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/4/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/5/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/6/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/7/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/10/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/11/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/12/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/13/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/14/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/17/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/18/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/19/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/20/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/21/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/24/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/25/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/26/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/27/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/28/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 1/31/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/1/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/2/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/3/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/4/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/7/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/8/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/9/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/10/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/11/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/14/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/15/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/16/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/17/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/18/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/21/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/22/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/23/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/24/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/25/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 2/28/2011  | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 3/1/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
| 3/2/2011   | 245,740,889 | 6,272,439                | 5,041,884                                  | 234,426,566 |
|            |             |                          |                                            |             |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| [1]       | [2]         | [3]                | [4]                           | [5]         |
|-----------|-------------|--------------------|-------------------------------|-------------|
|           |             | Insider            | <b>Pre-Class Period</b>       |             |
|           |             | Shareholdings      | <b>Institutional Holdings</b> |             |
|           | Shares      | That Were Not      | Not Sold into the             |             |
| Date      | Outstanding | Available For Sale | Class Period                  | Float       |
| 3/3/2011  | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/4/2011  | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/7/2011  | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/8/2011  | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/9/2011  | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/10/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/11/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/14/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/15/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/16/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/17/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/18/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/21/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/22/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/23/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/24/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/25/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/28/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/29/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/30/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 3/31/2011 | 245,740,889 | 6,272,439          | 5,041,884                     | 234,426,566 |
| 4/1/2011  | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/4/2011  | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/5/2011  | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/6/2011  | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/7/2011  | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/8/2011  | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/11/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/12/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/13/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/14/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/15/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/18/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/19/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/20/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/21/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/25/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/26/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/27/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/28/2011 | 245,740,889 | 6,272,439          | 5,033,171                     | 234,435,279 |
| 4/29/2011 | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/2/2011  | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/3/2011  | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/4/2011  | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/5/2011  | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/6/2011  | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/9/2011  | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/10/2011 | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/11/2011 | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/12/2011 | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
| 5/13/2011 | 246,095,926 | 6,272,439          | 5,033,171                     | 234,790,316 |
|           |             |                    |                               |             |

Exhibit E
Sino-Forest Common Stock Daily Float for the Multi-Trader Model
from March 19, 2007 to August 25, 2011

| _ | [1]                    | [2]                        | [3]                    | [4]                    | [5]                        |
|---|------------------------|----------------------------|------------------------|------------------------|----------------------------|
|   | [1]                    | [2]                        | [3]<br>Insider         | Pre-Class Period       | [5]                        |
|   |                        |                            | Shareholdings          | Institutional Holdings |                            |
|   |                        | Shares                     | That Were Not          | Not Sold into the      |                            |
|   | Date                   | Outstanding                | Available For Sale     | Class Period           | Float                      |
| _ | 5/16/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/17/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/18/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/19/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/20/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/23/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/24/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/25/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/26/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/27/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/30/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 5/31/2011              | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 6/1/2011               | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 6/2/2011               | 246,095,926                | 6,272,439              | 5,033,171              | 234,790,316                |
|   | 6/3/2011               | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/6/2011               | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/7/2011               | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/8/2011               | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/9/2011               | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/10/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/13/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/14/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/15/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/16/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/17/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/20/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/21/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/22/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/23/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/24/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/27/2011              | 246,095,926                | 6,272,439              | 4,585,567              | 235,237,920                |
|   | 6/28/2011<br>6/29/2011 | 246,095,926<br>246,095,926 | 6,272,439<br>6,272,439 | 4,585,567<br>4,585,567 | 235,237,920<br>235,237,920 |
|   | 6/30/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/1/2011               | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/4/2011               | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/5/2011               | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/6/2011               | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/7/2011               | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/8/2011               | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/11/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/12/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/13/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/14/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/15/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/18/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/19/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/20/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/21/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/22/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   | 7/25/2011              | 246,095,926                | 6,806,306              | 4,585,567              | 234,704,053                |
|   |                        |                            |                        |                        |                            |

Exhibit E Sino-Forest Common Stock Daily Float for the Multi-Trader Model from March 19, 2007 to August 25, 2011

| [1]       | [2]         | [3]                | [4]                           | [5]         |
|-----------|-------------|--------------------|-------------------------------|-------------|
|           |             | Insider            | Pre-Class Period              |             |
|           |             | Shareholdings      | <b>Institutional Holdings</b> |             |
|           | Shares      | That Were Not      | Not Sold into the             |             |
| Date      | Outstanding | Available For Sale | Class Period                  | Float       |
| 7/26/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 7/27/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 7/28/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 7/29/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/1/2011  | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/2/2011  | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/3/2011  | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/4/2011  | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/5/2011  | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/8/2011  | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/9/2011  | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/10/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/11/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/12/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/15/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/16/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/17/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/18/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/19/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/22/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/23/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/24/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |
| 8/25/2011 | 246,095,926 | 6,806,306          | 4,585,567                     | 234,704,053 |

## **Notes:**

- [1] Trading date.
- [2] Shares outstanding. Includes shares offered on offering dates. Source: Sino-Forest SEDAR filings.
- [3] Insider holdings. Source: FactSet Information Systems, Inc. and SEDAR filings.
- [4] Pre-class period institutional holdings not sold into the Class Period. Source: Quarterly institutional holdings from FactSet Information Systems, Inc.
- [5] = [2] [3] [4].

This is Exhibit "F"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this Lynday of January, 2013

A Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948
Commission Expires June 22, 2013

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |       |            | OSA Section 13                 | 38.5(1) Damages            |           |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-------|------------|--------------------------------|----------------------------|-----------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |       |            | Retai                          | ned                        |           |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]   | [10]       | [11]                           | [12]                       | [13]      |
| 3/19/2007 | 576,140            | 574,542    | 1,437                                 | 161                        | 0          | 1,437                          | 161                        | 1,597 | \$0        | \$ 8,149                       | \$ 969                     | \$ 9,118  |
| 3/20/2007 | 881,967            | 879,501    | 2,218                                 | 248                        | 0          | 2,218                          | 248                        | 2,466 | \$ 0       | \$ 13,294                      | \$ 1,571                   | \$ 14,865 |
| 3/21/2007 | 716,781            | 714,766    | 1,813                                 | 202                        | 0          | 1,813                          | 202                        | 2,015 | \$ 0       | \$ 11,373                      | \$ 1,338                   | \$ 12,711 |
| 3/22/2007 | 1,106,627          | 1,103,486  | 2,827                                 | 314                        | 0          | 2,827                          | 314                        | 3,141 | \$ 0       | \$ 19,006                      | \$ 2,220                   | \$ 21,226 |
| 3/23/2007 | 1,535,093          | 1,530,671  | 3,982                                 | 440                        | 0          | 3,982                          | 440                        | 4,422 | \$ 0       | \$ 28,043                      | \$ 3,252                   | \$ 31,295 |
| 3/26/2007 | 1,431,636          | 1,427,464  | 3,758                                 | 414                        | 0          | 3,758                          | 414                        | 4,172 | \$ 0       | \$ 30,490                      | \$ 3,498                   | \$ 33,989 |
| 3/27/2007 | 531,558            | 530,000    | 1,404                                 | 154                        | 0          | 1,404                          | 154                        | 1,558 | \$ 0       | \$ 11,247                      | \$ 1,289                   | \$ 12,536 |
| 3/28/2007 | 2,181,261          | 2,174,753  | 5,867                                 | 640                        | 0          | 5,867                          | 640                        | 6,507 | \$ 0       | \$ 45,783                      | \$ 5,216                   | \$ 50,999 |
| 3/29/2007 | 2,720,682          | 2,712,352  | 7,518                                 | 813                        | 0          | 7,518                          | 813                        | 8,331 | \$ 0       | \$ 64,526                      | \$ 7,259                   | \$ 71,785 |
| 3/30/2007 | 481,277            | 479,798    | 1,335                                 | 144                        | 0          | 1,335                          | 144                        | 1,479 | \$ 0       | \$ 11,030                      | \$ 1,241                   | \$ 12,271 |
| 4/2/2007  | 357,400            | 356,301    | 992                                   | 107                        | 0          | 992                            | 107                        | 1,099 | \$ 0       | \$ 8,036                       | \$ 904                     | \$ 8,940  |
| 4/3/2007  | 623,784            | 621,858    | 1,739                                 | 187                        | 0          | 1,739                          | 187                        | 1,926 | \$ 0       | \$ 14,110                      | \$ 1,584                   | \$ 15,695 |
| 4/4/2007  | 519,879            | 518,260    | 1,461                                 | 157                        | 0          | 1,461                          | 157                        | 1,618 | \$ 0       | \$ 11,885                      | \$ 1,332                   | \$ 13,217 |
| 4/5/2007  | 852,168            | 849,498    | 2,412                                 | 259                        | 0          | 2,412                          | 259                        | 2,670 | \$ 0       | \$ 20,386                      | \$ 2,276                   | \$ 22,662 |
| 4/9/2007  | 286,057            | 285,158    | 811                                   | 87                         | 0          | 811                            | 87                         | 898   | \$ 0       | \$ 7,086                       | \$ 789                     | \$ 7,876  |
| 4/10/2007 | 503,009            | 501,423    | 1,433                                 | 153                        | 0          | 1,433                          | 153                        | 1,586 | \$ 0       | \$ 12,886                      | \$ 1,432                   | \$ 14,318 |
| 4/11/2007 | 544,305            | 542,583    | 1,555                                 | 166                        | 0          | 1,555                          | 166                        | 1,722 | \$ 0       | \$ 14,051                      | \$ 1,559                   | \$ 15,610 |
| 4/12/2007 | 837,951            | 835,280    | 2,413                                 | 257                        | 0          | 2,413                          | 257                        | 2,671 | \$ 0       | \$ 22,718                      | \$ 2,511                   | \$ 25,229 |
| 4/13/2007 | 668,026            | 665,888    | 1,933                                 | 206                        | 0          | 1,933                          | 206                        | 2,139 | \$ 0       | \$ 17,423                      | \$ 1,925                   | \$ 19,348 |
| 4/16/2007 | 887,247            | 884,386    | 2,587                                 | 275                        | 0          | 2,587                          | 275                        | 2,861 | \$ 0       | \$ 23,212                      | \$ 2,559                   | \$ 25,772 |
| 4/17/2007 | 930,124            | 927,105    | 2,730                                 | 289                        | 0          | 2,730                          | 289                        | 3,019 | \$ 0       | \$ 24,959                      | \$ 2,743                   | \$ 27,702 |
| 4/18/2007 | 741,451            | 739,033    | 2,188                                 | 231                        | 0          | 2,188                          | 231                        | 2,419 | \$ 0       | \$ 20,265                      | \$ 2,222                   | \$ 22,487 |
| 4/19/2007 | 459,445            | 457,939    | 1,362                                 | 144                        | 0          | 1,362                          | 144                        | 1,506 | \$ 0       | \$ 12,292                      | \$ 1,347                   | \$ 13,639 |
| 4/20/2007 | 707,011            | 704,681    | 2,108                                 | 222                        | 0          | 2,108                          | 222                        | 2,330 | \$ 0       | \$ 17,885                      | \$ 1,961                   | \$ 19,846 |
| 4/23/2007 | 665,252            | 663,059    | 1,984                                 | 209                        | 0          | 1,984                          | 209                        | 2,193 | \$ 0       | \$ 16,832                      | \$ 1,842                   | \$ 18,674 |
| 4/24/2007 | 239,341            | 238,547    | 719                                   | 76                         | 0          | 719                            | 76                         | 794   | \$ 0       | \$ 6,156                       | \$ 673                     | \$ 6,829  |
| 4/25/2007 | 382,133            | 380,861    | 1,151                                 | 121                        | 0          | 1,151                          | 121                        | 1,271 | \$ 0       | \$ 10,279                      | \$ 1,121                   | \$ 11,400 |
| 4/26/2007 | 87,792             | 87,500     | 264                                   | 28                         | 0          | 264                            | 28                         | 292   | \$ 0       | \$ 2,319                       | \$ 253                     | \$ 2,572  |
| 4/27/2007 | 286,338            | 285,382    | 865                                   | 91                         | 0          | 865                            | 91                         | 956   | \$ 0       | \$ 7,564                       | \$ 825                     | \$ 8,389  |
| 4/30/2007 | 345,141            | 343,986    | 1,045                                 | 109                        | 0          | 1,045                          | 109                        | 1,155 | \$ 0       | \$ 9,055                       | \$ 986                     | \$ 10,041 |
| 5/1/2007  | 1,059,190          | 1,055,615  | 3,237                                 | 338                        | 0          | 3,237                          | 338                        | 3,575 | \$ 0       | \$ 28,208                      | \$ 3,063                   | \$ 31,271 |
| 5/2/2007  | 586,735            | 584,745    | 1,802                                 | 188                        | 0          | 1,802                          | 188                        | 1,989 | \$ 0       | \$ 15,356                      | \$ 1,666                   | \$ 17,022 |
| 5/3/2007  | 621,671            | 619,553    | 1,918                                 | 200                        | 0          | 1,918                          | 200                        | 2,118 | \$ 0       | \$ 15,947                      | \$ 1,729                   | \$ 17,676 |
| 5/4/2007  | 639,587            | 637,397    | 1,984                                 | 206                        | 0          | 1,984                          | 206                        | 2,190 | \$ 0       | \$ 17,344                      | \$ 1,874                   | \$ 19,218 |
| 5/7/2007  | 415,431            | 414,004    | 1,293                                 | 134                        | 0          | 1,293                          | 134                        | 1,427 | \$ 0       | \$ 11,459                      | \$ 1,236                   | \$ 12,695 |
| 5/8/2007  | 678,027            | 675,685    | 2,122                                 | 220                        | 0          | 2,122                          | 220                        | 2,341 | \$ 0       | \$ 18,593                      | \$ 2,003                   | \$ 20,595 |
| 5/9/2007  | 623,788            | 621,623    | 1,962                                 | 203                        | 0          | 1,962                          | 203                        | 2,164 | \$ 0       | \$ 16,758                      | \$ 1,804                   | \$ 18,562 |
| 5/10/2007 | 901,732            | 898,581    | 2,856                                 | 295                        | 0          | 2,856                          | 295                        | 3,151 | \$ 0       | \$ 25,004                      | \$ 2,682                   | \$ 27,686 |
| 5/11/2007 | 738,607            | 736,012    | 2,353                                 | 242                        | 0          | 2,353                          | 242                        | 2,595 | \$ 0       | \$ 20,617                      | \$ 2,207                   | \$ 22,824 |
| 5/14/2007 | 496,238            | 494,488    | 1,586                                 | 163                        | 0          | 1,586                          | 163                        | 1,750 | \$ 0       | \$ 13,030                      | \$ 1,396                   | \$ 14,426 |
| 5/15/2007 | 1,454,535          | 1,449,354  | 4,700                                 | 481                        | 0          | 4,700                          | 481                        | 5,181 | \$ 0       | \$ 35,971                      | \$ 3,851                   | \$ 39,821 |
| 5/16/2007 | 1,373,541          | 1,368,599  | 4,484                                 | 458                        | 0          | 4,484                          | 458                        | 4,942 | \$ 0       | \$ 34,995                      | \$ 3,729                   | \$ 38,724 |
| 5/17/2007 | 1,228,774          | 1,224,299  | 4,062                                 | 413                        | 0          | 4,062                          | 413                        | 4,475 | \$ 0       | \$ 34,415                      | \$ 3,642                   | \$ 38,058 |
| 5/18/2007 | 533,931            | 531,979    | 1,772                                 | 180                        | 0          | 1,772                          | 180                        | 1,952 | \$ 0       | \$ 15,194                      | \$ 1,605                   | \$ 16,799 |
| 5/21/2007 | 4,922              | 4,905      | 16                                    | 2                          | 0          | 16                             | 2                          | 17    | \$ 0       | \$ 135                         | \$ 14                      | \$ 149    |
| 5/22/2007 | 1,145,368          | 1,141,141  | 3,838                                 | 388                        | 0          | 3,838                          | 388                        | 4,226 | \$ 0       | \$ 34,516                      | \$ 3,628                   | \$ 38,144 |
| 5/23/2007 | 1,362,951          | 1,357,868  | 4,617                                 | 466                        | 0          | 4,617                          | 466                        | 5,083 | \$ 0       | \$ 38,384                      | \$ 4,031                   | \$ 42,415 |
| 5/24/2007 | 740,937            | 738,159    | 2,524                                 | 254                        | 0          | 2,524                          | 254                        | 2,778 | \$ 0       | \$ 20,428                      | \$ 2,143                   | \$ 22,572 |
| 5/25/2007 | 420,401            | 418,837    | 1,421                                 | 143                        | 0          | 1,421                          | 143                        | 1,564 | \$ 0       | \$ 11,461                      | \$ 1,201                   | \$ 12,662 |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |        |            | OSA Section 13                 | 38.5(1) Damages            |            |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|--------|------------|--------------------------------|----------------------------|------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |        |            | Retai                          | ned                        |            |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total  | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total      |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]    | [10]       | [11]                           | [12]                       | [13]       |
| 5/28/2007 | 79,395             | 79,096     | 272                                   | 27                         | 0          | 272                            | 27                         | 299    | \$0        | \$ 2,183                       | \$ 229                     | \$ 2,412   |
| 5/29/2007 | 898,475            | 895,068    | 3,097                                 | 310                        | 0          | 3,097                          | 310                        | 3,408  | \$ 0       | \$ 24,821                      | \$ 2,595                   | \$ 27,416  |
| 5/30/2007 | 851,576            | 848,326    | 2,955                                 | 295                        | 0          | 2,955                          | 295                        | 3,250  | \$ 0       | \$ 23,737                      | \$ 2,476                   | \$ 26,213  |
| 5/31/2007 | 683,781            | 681,159    | 2,383                                 | 238                        | 0          | 2,383                          | 238                        | 2,621  | \$ 0       | \$ 19,576                      | \$ 2,036                   | \$ 21,612  |
| 6/1/2007  | 707,803            | 705,070    | 2,485                                 | 248                        | 0          | 2,485                          | 248                        | 2,733  | \$ 0       | \$ 20,661                      | \$ 2,144                   | \$ 22,805  |
| 6/4/2007  | 1,042,564          | 1,038,506  | 3,691                                 | 367                        | 0          | 3,691                          | 367                        | 4,058  | \$ 0       | \$ 33,789                      | \$ 3,483                   | \$ 37,272  |
| 6/5/2007  | 1,224,412          | 1,219,604  | 4,375                                 | 433                        | 0          | 4,375                          | 433                        | 4,808  | \$ 0       | \$ 40,312                      | \$ 4,140                   | \$ 44,452  |
| 6/6/2007  | 878,303            | 874,827    | 3,164                                 | 312                        | 0          | 3,164                          | 312                        | 3,477  | \$ 0       | \$ 29,155                      | \$ 2,987                   | \$ 32,142  |
| 6/7/2007  | 976,081            | 972,188    | 3,544                                 | 349                        | 0          | 3,544                          | 349                        | 3,893  | \$ 0       | \$ 31,587                      | \$ 3,231                   | \$ 34,818  |
| 6/8/2007  | 1,215,588          | 1,210,692  | 4,459                                 | 438                        | 0          | 4,459                          | 438                        | 4,896  | \$ 0       | \$ 39,787                      | \$ 4,056                   | \$ 43,843  |
| 6/11/2007 | 825,589            | 822,242    | 3,048                                 | 298                        | 0          | 3,048                          | 298                        | 3,346  | \$ 0       | \$ 28,084                      | \$ 2,853                   | \$ 30,937  |
| 6/12/2007 | 16,938,208         | 16,857,206 | 73,793                                | 7,209                      | 0          | 73,793                         | 7,209                      | 81,003 | \$ 0       | \$ 683,607                     | \$ 69,273                  | \$ 752,880 |
| 6/13/2007 | 1,090,871          | 1,086,390  | 4,083                                 | 398                        | 254        | 4,083                          | 398                        | 4,735  | \$ 132     | \$ 41,418                      | \$ 4,174                   | \$ 45,724  |
| 6/14/2007 | 3,516,095          | 3,501,305  | 13,486                                | 1,304                      | 840        | 13,486                         | 1,304                      | 15,630 | \$ 1,353   | \$ 151,502                     | \$ 15,094                  | \$ 167,949 |
| 6/15/2007 | 3,703,520          | 3,687,568  | 14,557                                | 1,395                      | 909        | 14,557                         | 1,395                      | 16,861 | \$ 2,081   | \$ 173,436                     | \$ 17,101                  | \$ 192,618 |
| 6/18/2007 | 974,839            | 970,624    | 3,848                                 | 368                        | 240        | 3,848                          | 368                        | 4,456  | \$ 656     | \$ 47,536                      | \$ 4,672                   | \$ 52,864  |
| 6/19/2007 | 1,152,624          | 1,147,596  | 4,591                                 | 438                        | 287        | 4,591                          | 438                        | 5,316  | \$ 743     | \$ 56,071                      | \$ 5,498                   | \$ 62,312  |
| 6/20/2007 | 1,175,907          | 1,170,726  | 4,731                                 | 450                        | 296        | 4,731                          | 450                        | 5,477  | \$ 619     | \$ 55,417                      | \$ 5,426                   | \$ 61,461  |
| 6/21/2007 | 1,316,703          | 1,310,853  | 5,343                                 | 507                        | 335        | 5,343                          | 507                        | 6,185  | \$ 656     | \$ 61,897                      | \$ 6,044                   | \$ 68,597  |
| 6/22/2007 | 1,784,589          | 1,776,565  | 7,332                                 | 692                        | 460        | 7,332                          | 692                        | 8,484  | \$ 699     | \$ 81,705                      | \$ 7,954                   | \$ 90,357  |
| 6/25/2007 | 820,833            | 817,123    | 3,390                                 | 320                        | 213        | 3,390                          | 320                        | 3,923  | \$ 293     | \$ 37,308                      | \$ 3,626                   | \$ 41,228  |
| 6/26/2007 | 1,160,125          | 1,154,841  | 4,830                                 | 454                        | 303        | 4,830                          | 454                        | 5,587  | \$ 176     | \$ 49,285                      | \$ 4,789                   | \$ 54,250  |
| 6/27/2007 | 933,834            | 929,556    | 3,911                                 | 367                        | 246        | 3,911                          | 367                        | 4,524  | \$ 179     | \$ 40,495                      | \$ 3,925                   | \$ 44,599  |
| 6/28/2007 | 826,699            | 822,889    | 3,484                                 | 326                        | 219        | 3,484                          | 326                        | 4,029  | \$ 114     | \$ 35,343                      | \$ 3,421                   | \$ 38,878  |
| 6/29/2007 | 438,752            | 436,724    | 1,855                                 | 173                        | 117        | 1,855                          | 173                        | 2,145  | \$ 98      | \$ 19,407                      | \$ 1,875                   | \$ 21,380  |
| 7/2/2007  | 6,721              | 6,690      | 28                                    | 3                          | 2          | 28                             | 3                          | 33     | \$ 1       | \$ 297                         | \$ 29                      | \$ 327     |
| 7/3/2007  | 1,063,740          | 1,058,793  | 4,525                                 | 422                        | 285        | 4,525                          | 422                        | 5,232  | \$ 518     | \$ 51,784                      | \$ 4,977                   | \$ 57,279  |
| 7/4/2007  | 345,446            | 343,835    | 1,473                                 | 137                        | 93         | 1,473                          | 137                        | 1,703  | \$ 202     | \$ 17,388                      | \$ 1,669                   | \$ 19,259  |
| 7/5/2007  | 979,876            | 975,286    | 4,200                                 | 391                        | 264        | 4,200                          | 391                        | 4,855  | \$ 695     | \$ 51,463                      | \$ 4,923                   | \$ 57,081  |
| 7/6/2007  | 1,379,088          | 1,372,566  | 5,969                                 | 554                        | 376        | 5,969                          | 554                        | 6,898  | \$ 985     | \$ 73,080                      | \$ 6,971                   | \$ 81,036  |
| 7/9/2007  | 638,680            | 635,647    | 2,775                                 | 257                        | 175        | 2,775                          | 257                        | 3,207  | \$ 453     | \$ 33,894                      | \$ 3,229                   | \$ 37,576  |
| 7/10/2007 | 1,826,685          | 1,817,913  | 8,031                                 | 741                        | 507        | 8,031                          | 741                        | 9,278  | \$ 1,307   | \$ 98,006                      | \$ 9,300                   | \$ 108,613 |
| 7/11/2007 | 1,271,491          | 1,265,338  | 5,634                                 | 518                        | 356        | 5,634                          | 518                        | 6,508  | \$ 1,231   | \$ 73,717                      | \$ 6,963                   | \$ 81,910  |
| 7/12/2007 | 867,575            | 863,355    | 3,865                                 | 355                        | 244        | 3,865                          | 355                        | 4,464  | \$ 889     | \$ 51,267                      | \$ 4,832                   | \$ 56,988  |
| 7/13/2007 | 604,294            | 601,356    | 2,690                                 | 247                        | 170        | 2,690                          | 247                        | 3,107  | \$ 588     | \$ 35,200                      | \$ 3,314                   | \$ 39,102  |
| 7/16/2007 | 616,383            | 613,378    | 2,752                                 | 252                        | 174        | 2,752                          | 252                        | 3,178  | \$ 546     | \$ 35,130                      | \$ 3,306                   | \$ 38,982  |
| 7/17/2007 | 1,911,015          | 1,901,538  | 8,685                                 | 792                        | 549        | 8,685                          | 792                        | 10,026 | \$ 1,907   | \$ 113,716                     | \$ 10,649                  | \$ 126,271 |
| 7/18/2007 | 1,770,287          | 1,761,411  | 8,136                                 | 740                        | 515        | 8,136                          | 740                        | 9,391  | \$ 1,974   | \$ 109,467                     | \$ 10,205                  | \$ 121,646 |
| 7/19/2007 | 385,260            | 383,324    | 1,775                                 | 161                        | 112        | 1,775                          | 161                        | 2,048  | \$ 488     | \$ 24,784                      | \$ 2,307                   | \$ 27,578  |
| 7/20/2007 | 1,488,677          | 1,481,126  | 6,924                                 | 627                        | 439        | 6,924                          | 627                        | 7,990  | \$ 1,936   | \$ 97,177                      | \$ 9,014                   | \$ 108,127 |
| 7/23/2007 | 578,540            | 575,594    | 2,701                                 | 244                        | 171        | 2,701                          | 244                        | 3,117  | \$ 692     | \$ 36,907                      | \$ 3,421                   | \$ 41,021  |
| 7/24/2007 | 400,606            | 398,561    | 1,875                                 | 169                        | 119        | 1,875                          | 169                        | 2,164  | \$ 408     | \$ 24,480                      | \$ 2,270                   | \$ 27,158  |
| 7/25/2007 | 717,488            | 713,810    | 3,374                                 | 304                        | 214        | 3,374                          | 304                        | 3,892  | \$ 608     | \$ 42,054                      | \$ 3,898                   | \$ 46,560  |
| 7/26/2007 | 1,093,335          | 1,087,707  | 5,164                                 | 465                        | 328        | 5,164                          | 465                        | 5,956  | \$ 790     | \$ 62,138                      | \$ 5,752                   | \$ 68,681  |
| 7/27/2007 | 1,023,744          | 1,018,427  | 4,879                                 | 438                        | 310        | 4,879                          | 438                        | 5,627  | \$ 818     | \$ 59,831                      | \$ 5,524                   | \$ 66,173  |
| 7/30/2007 | 1,788,848          | 1,779,452  | 8,624                                 | 771                        | 549        | 8,624                          | 771                        | 9,944  | \$ 1,448   | \$ 105,770                     | \$ 9,727                   | \$ 116,945 |
| 7/31/2007 | 1,406,734          | 1,399,280  | 6,843                                 | 610                        | 436        | 6,843                          | 610                        | 7,889  | \$ 1,041   | \$ 82,215                      | \$ 7,542                   | \$ 90,798  |
| 8/1/2007  | 1,143,106          | 1,137,017  | 5,592                                 | 497                        | 356        | 5,592                          | 497                        | 6,446  | \$ 591     | \$ 63,100                      | \$ 5,785                   | \$ 69,476  |
| 8/2/2007  | 740,169            | 736,202    | 3,643                                 | 324                        | 232        | 3,643                          | 324                        | 4,199  | \$ 427     | \$ 41,766                      | \$ 3,821                   | \$ 46,015  |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | ler Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |        |            | OSA Section 13                 | 38.5(1) Damages            |            |
|------------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|--------|------------|--------------------------------|----------------------------|------------|
|            | Investor           |            | Retai                                 | ined                       |            | Reta                           | ined                       |        |            | Retai                          | ned                        |            |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total  | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total      |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]    | [10]       | [11]                           | [12]                       | [13]       |
| 8/3/2007   | 347,042            | 345,178    | 1,712                                 | 152                        | 109        | 1,712                          | 152                        | 1,973  | \$ 169     | \$ 19,126                      | \$ 1,750                   | \$ 21,045  |
| 8/6/2007   | 6,539              | 6,504      | 32                                    | 3                          | 2          | 32                             | 3                          | 37     | \$ 3       | \$ 354                         | \$ 32                      | \$ 390     |
| 8/7/2007   | 735,712            | 731,742    | 3,647                                 | 323                        | 233        | 3,647                          | 323                        | 4,203  | \$ 349     | \$ 40,569                      | \$ 3,706                   | \$ 44,624  |
| 8/8/2007   | 1,256,867          | 1,250,031  | 6,281                                 | 555                        | 401        | 6,281                          | 555                        | 7,237  | \$ 798     | \$ 72,945                      | \$ 6,638                   | \$ 80,380  |
| 8/9/2007   | 1,024,838          | 1,019,245  | 5,139                                 | 453                        | 328        | 5,139                          | 453                        | 5,921  | \$ 374     | \$ 55,320                      | \$ 5,034                   | \$ 60,729  |
| 8/10/2007  | 1,236,138          | 1,229,319  | 6,268                                 | 551                        | 401        | 6,268                          | 551                        | 7,219  | \$ 180     | \$ 63,141                      | \$ 5,743                   | \$ 69,064  |
| 8/13/2007  | 1,294,974          | 1,287,801  | 6,595                                 | 578                        | 422        | 6,595                          | 578                        | 7,595  | \$ 337     | \$ 68,745                      | \$ 6,228                   | \$ 75,310  |
| 8/14/2007  | 1,157,302          | 1,150,824  | 5,958                                 | 521                        | 381        | 5,958                          | 521                        | 6,860  | \$ 294     | \$ 61,923                      | \$ 5,597                   | \$ 67,813  |
| 8/15/2007  | 1,132,886          | 1,126,495  | 5,879                                 | 513                        | 376        | 5,879                          | 513                        | 6,768  | \$ 143     | \$ 58,810                      | \$ 5,309                   | \$ 64,261  |
| 8/16/2007  | 1,479,705          | 1,471,284  | 7,747                                 | 674                        | 0          | 7,747                          | 674                        | 8,421  | \$ 0       | \$ 72,933                      | \$ 6,578                   | \$ 79,511  |
| 8/17/2007  | 2,037,682          | 2,025,943  | 10,803                                | 936                        | 0          | 10,803                         | 936                        | 11,739 | \$ 0       | \$ 98,676                      | \$ 8,871                   | \$ 107,548 |
| 8/20/2007  | 1,101,239          | 1,095,159  | 5,596                                 | 483                        | 0          | 5,596                          | 483                        | 6,079  | \$ 0       | \$ 51,338                      | \$ 4,601                   | \$ 55,939  |
| 8/21/2007  | 1,122,824          | 1,116,255  | 6,048                                 | 521                        | 0          | 6,048                          | 521                        | 6,569  | \$ 0       | \$ 55,364                      | \$ 4,951                   | \$ 60,315  |
| 8/22/2007  | 2,404,229          | 2,389,950  | 13,152                                | 1,127                      | 846        | 13,152                         | 1,127                      | 15,125 | \$ 2,310   | \$ 162,476                     | \$ 14,318                  | \$ 179,104 |
| 8/23/2007  | 1,313,461          | 1,305,602  | 7,240                                 | 619                        | 466        | 7,240                          | 619                        | 8,325  | \$ 788     | \$ 81,915                      | \$ 7,218                   | \$ 89,920  |
| 8/24/2007  | 1,005,361          | 999,310    | 5,575                                 | 476                        | 359        | 5,575                          | 476                        | 6,410  | \$ 941     | \$ 68,263                      | \$ 5,989                   | \$ 75,193  |
| 8/27/2007  | 570,139            | 566,696    | 3,173                                 | 270                        | 204        | 3,173                          | 270                        | 3,647  | \$ 572     | \$ 39,416                      | \$ 3,453                   | \$ 43,442  |
| 8/28/2007  | 1,244,110          | 1,236,539  | 6,978                                 | 593                        | 450        | 6,978                          | 593                        | 8,021  | \$ 1,269   | \$ 86,836                      | \$ 7,587                   | \$ 95,692  |
| 8/29/2007  | 905,554            | 900,011    | 5,109                                 | 434                        | 330        | 5,109                          | 434                        | 5,872  | \$ 989     | \$ 64,500                      | \$ 5,622                   | \$ 71,111  |
| 8/30/2007  | 348,200            | 346,064    | 1,968                                 | 167                        | 127        | 1,968                          | 167                        | 2,262  | \$ 404     | \$ 25,205                      | \$ 2,195                   | \$ 27,803  |
| 8/31/2007  | 1,146,065          | 1,138,987  | 6,526                                 | 552                        | 421        | 6,526                          | 552                        | 7,499  | \$ 1,492   | \$ 85,908                      | \$ 7,457                   | \$ 94,856  |
| 9/3/2007   | 1,044              | 1,037      | 6                                     | 1                          | 0          | 6                              | 1                          | 7      | \$ 1       | \$ 78                          | \$ 7                       | \$ 86      |
| 9/4/2007   | 620,322            | 616,476    | 3,547                                 | 300                        | 229        | 3,547                          | 300                        | 4,075  | \$ 887     | \$ 47,858                      | \$ 4,146                   | \$ 52,890  |
| 9/5/2007   | 2,398,080          | 2,382,997  | 13,913                                | 1,170                      | 900        | 13,913                         | 1,170                      | 15,982 | \$ 4,049   | \$ 196,509                     | \$ 16,924                  | \$ 217,482 |
| 9/6/2007   | 1,560,740          | 1,550,851  | 9,125                                 | 765                        | 591        | 9,125                          | 765                        | 10,480 | \$ 2,623   | \$ 128,332                     | \$ 11,016                  | \$ 141,970 |
| 9/7/2007   | 1,198,059          | 1,190,400  | 7,068                                 | 591                        | 458        | 7,068                          | 591                        | 8,117  | \$ 2,088   | \$ 100,256                     | \$ 8,582                   | \$ 110,925 |
| 9/10/2007  | 2,463,868          | 2,447,856  | 14,783                                | 1,229                      | 959        | 14,783                         | 1,229                      | 16,971 | \$ 4,430   | \$ 210,576                     | \$ 17,928                  | \$ 232,934 |
| 9/11/2007  | 1,437,050          | 1,427,628  | 8,701                                 | 721                        | 565        | 8,701                          | 721                        | 9,987  | \$ 2,881   | \$ 128,111                     | \$ 10,866                  | \$ 141,857 |
| 9/12/2007  | 1,052,105          | 1,045,161  | 6,414                                 | 530                        | 417        | 6,414                          | 530                        | 7,361  | \$ 2,058   | \$ 93,418                      | \$ 7,907                   | \$ 103,384 |
| 9/13/2007  | 1,668,586          | 1,657,455  | 10,284                                | 847                        | 669        | 10,284                         | 847                        | 11,799 | \$ 3,577   | \$ 153,988                     | \$ 12,979                  | \$ 170,545 |
| 9/14/2007  | 1,488,105          | 1,478,089  | 9,256                                 | 760                        | 602        | 9,256                          | 760                        | 10,618 | \$ 3,505   | \$ 142,945                     | \$ 12,003                  | \$ 158,454 |
| 9/17/2007  | 1,928,818          | 1,915,698  | 12,129                                | 992                        | 790        | 12,129                         | 992                        | 13,911 | \$ 4,543   | \$ 186,467                     | \$ 15,593                  | \$ 206,604 |
| 9/18/2007  | 2,602,132          | 2,584,102  | 16,674                                | 1,356                      | 1,088      | 16,674                         | 1,356                      | 19,118 | \$ 7,126   | \$ 269,689                     | \$ 22,399                  | \$ 299,214 |
| 9/19/2007  | 1,618,905          | 1,607,574  | 10,482                                | 849                        | 685        | 10,482                         | 849                        | 12,016 | \$ 5,264   | \$ 181,484                     | \$ 14,999                  | \$ 201,748 |
| 9/20/2007  | 2,400,034          | 2,382,967  | 15,794                                | 1,273                      | 1,033      | 15,794                         | 1,273                      | 18,100 | \$ 8,676   | \$ 284,671                     | \$ 23,385                  | \$ 316,732 |
| 9/21/2007  | 3,926,085          | 3,897,443  | 26,523                                | 2,119                      | 1,739      | 26,523                         | 2,119                      | 30,381 | \$ 13,405  | \$ 459,757                     | \$ 37,467                  | \$ 510,629 |
| 9/24/2007  | 1,112,175          | 1,104,005  | 7,567                                 | 603                        | 496        | 7,567                          | 603                        | 8,667  | \$ 4,169   | \$ 136,391                     | \$ 11,080                  | \$ 151,640 |
| 9/25/2007  | 2,662,981          | 2,643,072  | 18,447                                | 1,462                      | 1,212      | 18,447                         | 1,462                      | 21,121 | \$ 9,453   | \$ 321,428                     | \$ 25,974                  | \$ 356,855 |
| 9/26/2007  | 646,818            | 641,962    | 4,500                                 | 356                        | 296        | 4,500                          | 356                        | 5,152  | \$ 2,283   | \$ 78,048                      | \$ 6,299                   | \$ 86,630  |
| 9/27/2007  | 1,325,202          | 1,315,169  | 9,299                                 | 734                        | 612        | 9,299                          | 734                        | 10,645 | \$ 4,495   | \$ 157,849                     | \$ 12,707                  | \$ 175,052 |
| 9/28/2007  | 1,144,175          | 1,135,446  | 8,091                                 | 637                        | 533        | 8,091                          | 637                        | 9,261  | \$ 4,271   | \$ 142,767                     | \$ 11,455                  | \$ 158,493 |
| 10/1/2007  | 1,284,176          | 1,274,311  | 9,147                                 | 718                        | 602        | 9,147                          | 718                        | 10,468 | \$ 5,428   | \$ 170,448                     | \$ 13,628                  | \$ 189,503 |
| 10/2/2007  | 1,875,602          | 1,861,037  | 13,508                                | 1,057                      | 890        | 13,508                         | 1,057                      | 15,455 | \$ 8,130   | \$ 253,334                     | \$ 20,179                  | \$ 281,643 |
| 10/3/2007  | 1,797,644          | 1,783,538  | 13,086                                | 1,020                      | 863        | 13,086                         | 1,020                      | 14,970 | \$ 7,262   | \$ 235,998                     | \$ 18,745                  | \$ 262,005 |
| 10/4/2007  | 2,237,372          | 2,219,588  | 16,504                                | 1,281                      | 1,090      | 16,504                         | 1,281                      | 18,875 | \$ 9,518   | \$ 302,912                     | \$ 23,947                  | \$ 336,376 |
| 10/5/2007  | 681,509            | 676,071    | 5,047                                 | 391                        | 334        | 5,047                          | 391                        | 5,771  | \$ 3,068   | \$ 95,003                      | \$ 7,497                   | \$ 105,568 |
| 10/8/2007  | 9,356              | 9,281      | 69                                    | 5                          | 5          | 69                             | 5                          | 79     | \$ 42      | \$ 1,296                       | \$ 102                     | \$ 1,440   |
| 10/9/2007  | 1,541,392          | 1,528,980  | 11,521                                | 890                        | 762        | 11,521                         | 890                        | 13,173 | \$ 7,025   | \$ 217,107                     | \$ 17,080                  | \$ 241,212 |
| 10/10/2007 | 2,011,444          | 1,995,060  | 15,213                                | 1,171                      | 1,007      | 15,213                         | 1,171                      | 17,391 | \$ 9,709   | \$ 293,072                     | \$ 22,957                  | \$ 325,737 |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |        |            | OSA Section 13                 | 38.5(1) Damages            |              |
|------------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|--------|------------|--------------------------------|----------------------------|--------------|
|            | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |        |            | Retai                          | ned                        |              |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total  | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total        |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]    | [10]       | [11]                           | [12]                       | [13]         |
| 10/11/2007 | 3,770,130          | 3,738,734  | 29,167                                | 2,228                      | 1,935      | 29,167                         | 2,228                      | 33,330 | \$ 19,522  | \$ 575,008                     | \$ 44,687                  | \$ 639,217   |
| 10/12/2007 | 1,333,132          | 1,321,947  | 10,394                                | 792                        | 690        | 10,394                         | 792                        | 11,875 | \$ 7,217   | \$ 208,746                     | \$ 16,175                  | \$ 232,138   |
| 10/15/2007 | 1,610,175          | 1,596,535  | 12,677                                | 963                        | 842        | 12,677                         | 963                        | 14,482 | \$ 8,144   | \$ 244,588                     | \$ 18,906                  | \$ 271,638   |
| 10/16/2007 | 2,170,664          | 2,152,046  | 17,309                                | 1,309                      | 1,151      | 17,309                         | 1,309                      | 19,769 | \$ 10,499  | \$ 324,446                     | \$ 24,984                  | \$ 359,930   |
| 10/17/2007 | 1,634,164          | 1,620,066  | 13,110                                | 988                        | 873        | 13,110                         | 988                        | 14,971 | \$ 7,540   | \$ 239,447                     | \$ 18,388                  | \$ 265,375   |
| 10/18/2007 | 6,505,114          | 6,446,546  | 54,513                                | 4,055                      | 3,641      | 54,513                         | 4,055                      | 62,210 | \$ 33,064  | \$ 1,019,620                   | \$ 77,244                  | \$ 1,129,928 |
| 10/19/2007 | 3,997,443          | 3,960,630  | 34,283                                | 2,530                      | 2,295      | 34,283                         | 2,530                      | 39,107 | \$ 19,988  | \$ 628,541                     | \$ 47,255                  | \$ 695,784   |
| 10/22/2007 | 2,118,490          | 2,098,716  | 18,420                                | 1,354                      | 1,234      | 18,420                         | 1,354                      | 21,008 | \$ 10,245  | \$ 330,168                     | \$ 24,729                  | \$ 365,143   |
| 10/23/2007 | 2,702,096          | 2,676,463  | 23,887                                | 1,746                      | 1,603      | 23,887                         | 1,746                      | 27,235 | \$ 12,904  | \$ 422,171                     | \$ 31,459                  | \$ 466,534   |
| 10/24/2007 | 1,578,843          | 1,563,726  | 14,090                                | 1,027                      | 946        | 14,090                         | 1,027                      | 16,063 | \$ 7,977   | \$ 254,389                     | \$ 18,889                  | \$ 281,256   |
| 10/25/2007 | 2,346,002          | 2,323,228  | 21,234                                | 1,540                      | 1,428      | 21,234                         | 1,540                      | 24,202 | \$ 12,022  | \$ 383,152                     | \$ 28,319                  | \$ 423,493   |
| 10/26/2007 | 1,065,166          | 1,054,804  | 9,663                                 | 699                        | 650        | 9,663                          | 699                        | 11,013 | \$ 6,098   | \$ 183,640                     | \$ 13,531                  | \$ 203,270   |
| 10/29/2007 | 1,267,426          | 1,255,015  | 11,576                                | 836                        | 779        | 11,576                         | 836                        | 13,191 | \$ 7,996   | \$ 230,169                     | \$ 16,904                  | \$ 255,069   |
| 10/30/2007 | 1,526,949          | 1,511,786  | 14,145                                | 1,018                      | 953        | 14,145                         | 1,018                      | 16,116 | \$ 9,988   | \$ 284,373                     | \$ 20,818                  | \$ 315,179   |
| 10/31/2007 | 2,145,738          | 2,124,177  | 20,119                                | 1,442                      | 1,357      | 20,119                         | 1,442                      | 22,918 | \$ 14,466  | \$ 408,092                     | \$ 29,744                  | \$ 452,302   |
| 11/1/2007  | 2,934,636          | 2,904,578  | 28,059                                | 1,999                      | 1,895      | 28,059                         | 1,999                      | 31,954 | \$ 17,723  | \$ 532,390                     | \$ 38,620                  | \$ 588,733   |
| 11/2/2007  | 1,390,612          | 1,376,292  | 13,370                                | 950                        | 904        | 13,370                         | 950                        | 15,224 | \$ 7,936   | \$ 246,060                     | \$ 17,810                  | \$ 271,806   |
| 11/5/2007  | 2,417,295          | 2,391,981  | 23,642                                | 1,672                      | 1,600      | 23,642                         | 1,672                      | 26,914 | \$ 13,954  | \$ 433,689                     | \$ 31,242                  | \$ 478,885   |
| 11/6/2007  | 2,397,928          | 2,372,442  | 23,810                                | 1,676                      | 1,614      | 23,810                         | 1,676                      | 27,099 | \$ 15,491  | \$ 457,725                     | \$ 32,788                  | \$ 506,003   |
| 11/7/2007  | 1,415,306          | 1,400,145  | 14,166                                | 994                        | 961        | 14,166                         | 994                        | 16,121 | \$ 8,666   | \$ 264,112                     | \$ 18,876                  | \$ 291,654   |
| 11/8/2007  | 1,659,663          | 1,641,695  | 16,794                                | 1,175                      | 1,140      | 16,794                         | 1,175                      | 19,108 | \$ 9,906   | \$ 307,559                     | \$ 21,916                  | \$ 339,381   |
| 11/9/2007  | 948,050            | 937,728    | 9,648                                 | 673                        | 655        | 9,648                          | 673                        | 10,977 | \$ 5,596   | \$ 175,244                     | \$ 12,466                  | \$ 193,305   |
| 11/12/2007 | 2,537,683          | 2,509,666  | 26,198                                | 1,820                      | 1,781      | 26,198                         | 1,820                      | 29,799 | \$ 10,725  | \$ 409,831                     | \$ 29,092                  | \$ 449,648   |
| 11/13/2007 | 2,348,944          | 2,322,607  | 24,634                                | 1,703                      | 1,677      | 24,634                         | 1,703                      | 28,014 | \$ 10,801  | \$ 395,714                     | \$ 27,942                  | \$ 434,458   |
| 11/14/2007 | 989,675            | 978,515    | 10,440                                | 720                        | 711        | 10,440                         | 720                        | 11,871 | \$ 5,362   | \$ 179,183                     | \$ 12,611                  | \$ 197,155   |
| 11/15/2007 | 770,888            | 762,170    | 8,157                                 | 562                        | 556        | 8,157                          | 562                        | 9,274  | \$ 3,852   | \$ 135,025                     | \$ 9,495                   | \$ 148,372   |
| 11/16/2007 | 1,686,984          | 1,667,674  | 18,069                                | 1,240                      | 1,232      | 18,069                         | 1,240                      | 20,542 | \$ 7,456   | \$ 283,206                     | \$ 19,871                  | \$ 310,534   |
| 11/19/2007 | 2,651,835          | 2,621,045  | 28,821                                | 1,969                      | 1,968      | 28,821                         | 1,969                      | 32,758 | \$ 8,207   | \$ 397,547                     | \$ 27,842                  | \$ 433,596   |
| 11/20/2007 | 2,086,246          | 2,061,712  | 22,971                                | 1,563                      | 1,570      | 22,971                         | 1,563                      | 26,104 | \$ 7,915   | \$ 336,838                     | \$ 23,458                  | \$ 368,211   |
| 11/21/2007 | 2,463,831          | 2,434,434  | 27,533                                | 1,864                      | 1,885      | 27,533                         | 1,864                      | 31,282 | \$ 9,499   | \$ 403,733                     | \$ 27,977                  | \$ 441,209   |
| 11/22/2007 | 471,941            | 466,291    | 5,292                                 | 358                        | 362        | 5,292                          | 358                        | 6,012  | \$ 1,645   | \$ 74,950                      | \$ 5,193                   | \$ 81,788    |
| 11/23/2007 | 861,373            | 851,009    | 9,708                                 | 656                        | 665        | 9,708                          | 656                        | 11,029 | \$ 3,937   | \$ 150,905                     | \$ 10,416                  | \$ 165,257   |
| 11/26/2007 | 1,519,004          | 1,500,561  | 17,280                                | 1,163                      | 1,185      | 17,280                         | 1,163                      | 19,628 | \$ 5,532   | \$ 246,991                     | \$ 17,029                  | \$ 269,552   |
| 11/27/2007 | 1,714,035          | 1,693,013  | 19,700                                | 1,322                      | 1,352      | 19,700                         | 1,322                      | 22,374 | \$ 7,407   | \$ 297,546                     | \$ 20,418                  | \$ 325,371   |
| 11/28/2007 | 1,844,437          | 1,821,554  | 21,448                                | 1,434                      | 1,473      | 21,448                         | 1,434                      | 24,355 | \$ 9,324   | \$ 342,180                     | \$ 23,367                  | \$ 374,871   |
| 11/29/2007 | 1,703,225          | 1,681,873  | 20,018                                | 1,333                      | 1,376      | 20,018                         | 1,333                      | 22,727 | \$ 8,999   | \$ 323,561                     | \$ 22,014                  | \$ 354,575   |
| 11/30/2007 | 4,594,953          | 4,535,722  | 55,564                                | 3,667                      | 3,829      | 55,564                         | 3,667                      | 63,060 | \$ 28,867  | \$ 953,679                     | \$ 64,204                  | \$ 1,046,750 |
| 12/3/2007  | 1,002,864          | 989,849    | 12,210                                | 804                        | 842        | 12,210                         | 804                        | 13,856 | \$ 5,564   | \$ 198,218                     | \$ 13,333                  | \$ 217,115   |
| 12/4/2007  | 866,229            | 854,927    | 10,605                                | 697                        | 731        | 10,605                         | 697                        | 12,034 | \$ 4,564   | \$ 168,234                     | \$ 11,302                  | \$ 184,100   |
| 12/5/2007  | 1,281,923          | 1,265,069  | 15,817                                | 1,037                      | 1,092      | 15,817                         | 1,037                      | 17,946 | \$ 7,107   | \$ 255,188                     | \$ 17,093                  | \$ 279,387   |
| 12/6/2007  | 789,621            | 779,189    | 9,791                                 | 641                        | 676        | 9,791                          | 641                        | 11,108 | \$ 4,124   | \$ 153,946                     | \$ 10,301                  | \$ 168,370   |
| 12/7/2007  | 686,041            | 676,942    | 8,541                                 | 558                        | 590        | 8,541                          | 558                        | 9,689  | \$ 3,356   | \$ 130,787                     | \$ 8,744                   | \$ 142,887   |
| 12/10/2007 | 1,311,703          | 1,294,182  | 16,449                                | 1,073                      | 1,137      | 16,449                         | 1,073                      | 18,658 | \$ 7,378   | \$ 265,048                     | \$ 17,655                  | \$ 290,081   |
| 12/11/2007 | 1,598,157          | 1,576,571  | 20,268                                | 1,317                      | 1,402      | 20,268                         | 1,317                      | 22,987 | \$ 9,155   | \$ 327,399                     | \$ 21,737                  | \$ 358,290   |
| 12/12/2007 | 636,179            | 627,558    | 8,095                                 | 526                        | 560        | 8,095                          | 526                        | 9,181  | \$ 3,439   | \$ 127,604                     | \$ 8,466                   | \$ 139,509   |
| 12/13/2007 | 757,363            | 747,048    | 9,687                                 | 628                        | 671        | 9,687                          | 628                        | 10,986 | \$ 3,715   | \$ 146,892                     | \$ 9,739                   | \$ 160,346   |
| 12/14/2007 | 1,120,023          | 1,104,672  | 14,418                                | 933                        | 999        | 14,418                         | 933                        | 16,350 | \$ 4,813   | \$ 208,252                     | \$ 13,794                  | \$ 226,859   |
| 12/17/2007 | 1,699,697          | 1,676,156  | 22,115                                | 1,426                      | 1,533      | 22,115                         | 1,426                      | 25,074 | \$ 5,887   | \$ 297,747                     | \$ 19,687                  | \$ 323,322   |
| 12/18/2007 | 1,946,922          | 1,919,632  | 25,643                                | 1,647                      | 1,779      | 25,643                         | 1,647                      | 29,069 | \$ 8,078   | \$ 363,192                     | \$ 23,891                  | \$ 395,161   |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|                        |                    |                    | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |        |            | OSA Section 1.                 | 38.5(1) Damages            |                          |
|------------------------|--------------------|--------------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|--------|------------|--------------------------------|----------------------------|--------------------------|
|                        | Investor           |                    | Reta                                  | ined                       |            | Reta                           | ined                       |        |            | Retai                          | ned                        |                          |
| Date                   | Purchase<br>Volume | In-and-Out         | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total  | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                    |
| [1]                    | [2]                | [3]                | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]    | [10]       | [11]                           | [12]                       | [13]                     |
| 12/19/2007             | 1,174,932          | 1,158,347          | 15,586                                | 998                        | 1,082      | 15,586                         | 998                        | 17,667 | \$ 4,372   | \$ 212,957                     | \$ 13,987                  | \$ 231,316               |
| 12/20/2007             | 1,095,442          | 1,079,871          | 14,635                                | 935                        | 1,017      | 14,635                         | 935                        | 16,587 | \$ 4,250   | \$ 202,015                     | \$ 13,236                  | \$ 219,501               |
| 12/21/2007             | 902,227            | 889,337            | 12,117                                | 773                        | 842        | 12,117                         | 773                        | 13,733 | \$ 4,699   | \$ 184,222                     | \$ 12,021                  | \$ 200,943               |
| 12/24/2007             | 228,081            | 224,818            | 3,068                                 | 196                        | 213        | 3,068                          | 196                        | 3,476  | \$ 1,183   | \$ 46,546                      | \$ 3,036                   | \$ 50,765                |
| 12/27/2007             | 669,914            | 660,319            | 9,021                                 | 575                        | 627        | 9,021                          | 575                        | 10,222 | \$ 3,807   | \$ 141,562                     | \$ 9,214                   | \$ 154,584               |
| 12/28/2007             | 1,206,477          | 1,189,039          | 16,396                                | 1,042                      | 1,141      | 16,396                         | 1,042                      | 18,579 | \$ 7,221   | \$ 261,576                     | \$ 16,979                  | \$ 285,777               |
| 12/31/2007             | 570,966            | 562,673            | 7,798                                 | 495                        | 543        | 7,798                          | 495                        | 8,835  | \$ 3,788   | \$ 129,469                     | \$ 8,387                   | \$ 141,644               |
| 1/2/2008               | 1,361,950          | 1,342,033          | 18,731                                | 1,186                      | 1,304      | 18,731                         | 1,186                      | 21,222 | \$ 9,209   | \$ 312,500                     | \$ 20,193                  | \$ 341,903               |
| 1/3/2008               | 1,362,452          | 1,342,364          | 18,895                                | 1,193                      | 1,317      | 18,895                         | 1,193                      | 21,405 | \$ 9,520   | \$ 318,447                     | \$ 20,522                  | \$ 348,489               |
| 1/4/2008               | 509,084            | 501,559            | 7,079                                 | 447                        | 493        | 7,079                          | 447                        | 8,019  | \$ 3,404   | \$ 116,965                     | \$ 7,534                   | \$ 127,904               |
| 1/7/2008               | 651,303            | 641,671            | 9,061                                 | 571                        | 632        | 9,061                          | 571                        | 10,264 | \$ 3,949   | \$ 143,834                     | \$ 9,262                   | \$ 157,044               |
| 1/8/2008               | 824,815            | 812,519            | 11,568                                | 728                        | 807        | 11,568                         | 728                        | 13,103 | \$ 5,131   | \$ 184,891                     | \$ 11,886                  | \$ 201,908               |
| 1/9/2008               | 2,331,234          | 2,296,039          | 33,120                                | 2,075                      | 2,312      | 33,120                         | 2,075                      | 37,507 | \$ 15,540  | \$ 541,278                     | \$ 34,634                  | \$ 591,452               |
| 1/10/2008              | 579,968            | 571,186            | 8,264                                 | 517                        | 577        | 8,264                          | 517                        | 9,359  | \$ 3,781   | \$ 133,663                     | \$ 8,545                   | \$ 145,989               |
| 1/11/2008              | 553,354            | 544,947            | 7,912                                 | 495                        | 553        | 7,912                          | 495                        | 8,960  | \$ 3,609   | \$ 127,805                     | \$ 8,163                   | \$ 139,577               |
| 1/14/2008              | 1,476,668          | 1,454,197          | 21,152                                | 1,319                      | 1,479      | 21,152                         | 1,319                      | 23,949 | \$ 11,031  | \$ 361,337                     | \$ 22,991                  | \$ 395,359               |
| 1/15/2008              | 1,214,275          | 1,195,567          | 17,612                                | 1,096                      | 1,232      | 17,612                         | 1,096                      | 19,940 | \$ 7,317   | \$ 274,095                     | \$ 17,436                  | \$ 298,848               |
| 1/16/2008              | 1,437,023          | 1,414,710          | 21,009                                | 1,304                      | 1,470      | 21,009                         | 1,304                      | 23,784 | \$ 6,588   | \$ 296,294                     | \$ 18,841                  | \$ 321,723               |
| 1/17/2008              | 883,244            | 869,461            | 12,979                                | 804                        | 909        | 12,979                         | 804                        | 14,692 | \$ 4,198   | \$ 184,857                     | \$ 11,734                  | \$ 200,789               |
| 1/18/2008              | 1,011,636          | 995,754            | 14,957                                | 925                        | 1,048      | 14,957                         | 925                        | 16,930 | \$ 4,411   | \$ 206,905                     | \$ 13,118                  | \$ 224,435               |
| 1/21/2008              | 610,988            | 601,358            | 9,070                                 | 560                        | 636        | 9,070                          | 560                        | 10,266 | \$ 1,354   | \$ 106,602                     | \$ 6,781                   | \$ 114,736               |
| 1/22/2008              | 2,795,097          | 2,750,369          | 42,138                                | 2,590                      | 2,957      | 42,138                         | 2,590                      | 47,685 | \$ 7,776   | \$ 516,317                     | \$ 32,636                  | \$ 556,728               |
| 1/23/2008              | 994,060            | 978,063            | 15,072                                | 925                        | 1,058      | 15,072                         | 925                        | 17,055 | \$ 3,470   | \$ 194,477                     | \$ 12,254                  | \$ 210,201               |
| 1/24/2008              | 578,252            | 568,914            | 8,799                                 | 539                        | 618        | 8,799                          | 539                        | 9,956  | \$ 2,496   | \$ 120,216                     | \$ 7,556                   | \$ 130,268               |
| 1/25/2008              | 498,039            | 489,975            | 7,599                                 | 465                        | 534        | 7,599                          | 465                        | 8,598  | \$ 2,097   | \$ 102,988                     | \$ 6,468                   | \$ 111,554               |
| 1/28/2008              | 660,587            | 649,852            | 10,117                                | 619                        | 711        | 10,117                         | 619                        | 11,446 | \$ 2,395   | \$ 131,444                     | \$ 8,255                   | \$ 142,094               |
| 1/29/2008              | 1,046,822          | 1,029,709          | 16,128                                | 985                        | 1,134      | 16,128                         | 985                        | 18,246 | \$ 3,718   | \$ 208,101                     | \$ 13,046                  | \$ 224,865               |
| 1/30/2008              | 1,724,762          | 1,696,295          | 26,834                                | 1,633                      | 1,888      | 26,834                         | 1,633                      | 30,355 | \$ 6,814   | \$ 355,093                     | \$ 22,177                  | \$ 384,084               |
| 1/31/2008              | 895,211            | 880,363            | 13,997                                | 851                        | 985        | 13,997                         | 851                        | 15,833 | \$ 3,920   | \$ 190,407                     | \$ 11,864                  | \$ 206,191               |
| 2/1/2008               | 4,134,630          | 4,064,429          | 66,208                                | 3,993                      | 4,668      | 66,208                         | 3,993                      | 74,869 | \$ 22,827  | \$ 960,873                     | \$ 59,327                  | \$ 1,043,026             |
| 2/4/2008               | 949,201            | 933,008            | 15,274                                | 920                        | 1,077      | 15,274                         | 920                        | 17,271 | \$ 5,883   | \$ 230,380                     | \$ 14,187                  | \$ 250,449               |
| 2/5/2008               | 1,379,118          | 1,355,405          | 22,370                                | 1,343                      | 1,579      | 22,370                         | 1,343                      | 25,292 | \$ 7,373   | \$ 319,724                     | \$ 19,664                  | \$ 346,762               |
| 2/6/2008               | 518,749            | 509,803            | 8,439                                 | 506                        | 596        | 8,439                          | 506                        | 9,542  | \$ 2,788   | \$ 120,708                     | \$ 7,417                   | \$ 130,914               |
| 2/7/2008               | 644,381            | 633,269            | 10,484                                | 628                        | 740        | 10,484                         | 628                        | 11,852 | \$ 3,509   | \$ 150,576                     | \$ 9,241                   | \$ 163,326               |
| 2/8/2008               | 327,127            | 321,454            | 5,352                                 | 321                        | 378        | 5,352                          | 321                        | 6,051  | \$ 1,894   | \$ 78,322                      | \$ 4,802                   | \$ 85,018                |
| 2/11/2008              | 410,921            | 403,787            | 6,731                                 | 403                        | 476        | 6,731                          | 403                        | 7,610  | \$ 2,254   | \$ 96,682                      | \$ 5,925                   | \$ 104,862               |
| 2/12/2008              | 1,128,301          | 1,108,562          | 18,626                                | 1,112                      | 1,316      | 18,626                         | 1,112                      | 21,055 | \$ 5,661   | \$ 259,331                     | \$ 15,873                  | \$ 280,865               |
| 2/13/2008              | 722,321            | 709,634            | 11,973                                | 714                        | 847        | 11,973                         | 714                        | 13,534 | \$ 3,843   | \$ 169,577                     | \$ 10,361                  | \$ 183,782               |
| 2/14/2008<br>2/15/2008 | 1,106,476          | 1,086,951          | 18,428                                | 1,097                      | 1,304      | 18,428                         | 1,097                      | 20,829 | \$ 5,801   | \$ 259,337                     | \$ 15,816                  | \$ 280,955               |
|                        | 474,019            | 465,643            | 7,906                                 | 470                        | 559        | 7,906                          | 470                        | 8,936  | \$ 2,590   | \$ 112,685                     | \$ 6,864                   | \$ 122,139               |
| 2/18/2008              | 538                | 528                | 9                                     | 1                          | 1          | 9                              | 1                          | 10.762 | \$3        | \$ 128<br>\$ 124 207           | \$ 8                       | \$ 139                   |
| 2/19/2008<br>2/20/2008 | 568,040            | 557,951<br>605,503 | 9,523                                 | 566<br>708                 | 674<br>844 | 9,523                          | 566<br>708                 | 10,763 | \$ 3,019   | \$ 134,307<br>\$ 162,068       | \$ 8,175                   | \$ 145,502<br>\$ 176,294 |
|                        | 708,139            | 695,503            | 11,928                                |                            |            | 11,928                         | 708<br>565                 | 13,480 | \$ 3,411   | \$ 162,968<br>\$ 139,370       | \$ 9,915<br>\$ 8,307       |                          |
| 2/21/2008              | 564,168            | 554,068            | 9,534                                 | 565                        | 675        | 9,534                          | 565                        | 10,775 | \$ 3,302   | \$ 138,370                     | \$ 8,397                   | \$ 150,069               |
| 2/22/2008              | 1,039,186          | 1,020,475          | 17,666                                | 1,045                      | 1,252      | 17,666                         | 1,045                      | 19,962 | \$ 5,319   | \$ 245,070                     | \$ 14,861                  | \$ 265,250               |
| 2/25/2008              | 425,116            | 417,449            | 7,239                                 | 428                        | 513        | 7,239                          | 428                        | 8,179  | \$ 2,406   | \$ 103,603<br>\$ 126,522       | \$ 6,273                   | \$ 112,282               |
| 2/26/2008              | 560,854            | 550,717            | 9,572                                 | 565                        | 678        | 9,572                          | 565                        | 10,816 | \$ 3,148   | \$ 136,523                     | \$ 8,258                   | \$ 147,929               |
| 2/27/2008              | 343,316            | 337,088            | 5,881                                 | 347                        | 417        | 5,881                          | 347                        | 6,645  | \$ 1,997   | \$ 84,762                      | \$ 5,123                   | \$ 91,882                |
| 2/28/2008              | 279,845            | 274,770            | 4,792                                 | 283                        | 340        | 4,792                          | 283                        | 5,415  | \$ 1,536   | \$ 67,774                      | \$ 4,096                   | \$ 73,405                |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         |            | OSA Section 13                 | 38.5(1) Damages            |              |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|------------|--------------------------------|----------------------------|--------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |         |            | Retai                          | ned                        |              |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total        |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]       | [11]                           | [12]                       | [13]         |
| 2/29/2008 | 410,734            | 403,266    | 7,053                                 | 416                        | 500        | 7,053                          | 416                        | 7,968   | \$ 2,261   | \$ 99,743                      | \$ 6,023                   | \$ 108,026   |
| 3/3/2008  | 1,746,563          | 1,714,439  | 30,341                                | 1,783                      | 2,153      | 30,341                         | 1,783                      | 34,277  | \$ 10,077  | \$ 433,957                     | \$ 26,116                  | \$ 470,150   |
| 3/4/2008  | 1,015,734          | 996,956    | 17,737                                | 1,040                      | 1,259      | 17,737                         | 1,040                      | 20,037  | \$ 5,793   | \$ 252,266                     | \$ 15,156                  | \$ 273,215   |
| 3/5/2008  | 1,469,031          | 1,441,632  | 25,885                                | 1,514                      | 1,839      | 25,885                         | 1,514                      | 29,238  | \$ 9,545   | \$ 383,428                     | \$ 22,952                  | \$ 415,926   |
| 3/6/2008  | 1,006,397          | 987,522    | 17,834                                | 1,041                      | 1,268      | 17,834                         | 1,041                      | 20,143  | \$ 5,248   | \$ 245,438                     | \$ 14,691                  | \$ 265,377   |
| 3/7/2008  | 1,515,520          | 1,486,851  | 27,092                                | 1,577                      | 1,927      | 27,092                         | 1,577                      | 30,597  | \$ 6,706   | \$ 354,979                     | \$ 21,215                  | \$ 382,900   |
| 3/10/2008 | 1,032,222          | 1,012,585  | 18,558                                | 1,079                      | 1,321      | 18,558                         | 1,079                      | 20,957  | \$ 3,500   | \$ 227,755                     | \$ 13,610                  | \$ 244,865   |
| 3/11/2008 | 704,285            | 690,830    | 12,717                                | 738                        | 905        | 12,717                         | 738                        | 14,360  | \$ 3,304   | \$ 168,785                     | \$ 10,052                  | \$ 182,142   |
| 3/12/2008 | 446,872            | 438,314    | 8,089                                 | 469                        | 576        | 8,089                          | 469                        | 9,135   | \$ 1,878   | \$ 104,213                     | \$ 6,206                   | \$ 112,297   |
| 3/13/2008 | 1,273,915          | 1,249,347  | 23,225                                | 1,344                      | 1,655      | 23,225                         | 1,344                      | 26,223  | \$ 5,444   | \$ 299,889                     | \$ 17,817                  | \$ 323,150   |
| 3/14/2008 | 889,036            | 871,799    | 16,296                                | 941                        | 1,161      | 16,296                         | 941                        | 18,399  | \$ 2,950   | \$ 198,198                     | \$ 11,775                  | \$ 212,923   |
| 3/17/2008 | 703,892            | 690,191    | 12,954                                | 747                        | 924        | 12,954                         | 747                        | 14,625  | \$ 2,226   | \$ 155,869                     | \$ 9,251                   | \$ 167,346   |
| 3/18/2008 | 2,052,404          | 2,011,988  | 38,219                                | 2,197                      | 2,727      | 38,219                         | 2,197                      | 43,143  | \$ 6,464   | \$ 458,343                     | \$ 27,104                  | \$ 491,911   |
| 3/19/2008 | 8,067,347          | 7,900,872  | 157,558                               | 8,918                      | 11,288     | 157,558                        | 8,918                      | 177,763 | \$ 6,095   | \$ 1,601,147                   | \$ 93,720                  | \$ 1,700,962 |
| 3/20/2008 | 1,166,534          | 1,142,308  | 22,931                                | 1,295                      | 1,644      | 22,931                         | 1,295                      | 25,870  | \$ 756     | \$ 231,194                     | \$ 13,507                  | \$ 245,457   |
| 3/24/2008 | 789,033            | 772,568    | 15,586                                | 879                        | 1,118      | 15,586                         | 879                        | 17,582  | \$ 1,430   | \$ 169,918                     | \$ 9,888                   | \$ 181,237   |
| 3/25/2008 | 1,236,934          | 1,210,942  | 24,607                                | 1,385                      | 1,765      | 24,607                         | 1,385                      | 27,758  | \$ 2,401   | \$ 270,245                     | \$ 15,687                  | \$ 288,334   |
| 3/26/2008 | 598,576            | 585,960    | 11,944                                | 671                        | 857        | 11,944                         | 671                        | 13,473  | \$ 1,586   | \$ 137,028                     | \$ 7,935                   | \$ 146,549   |
| 3/27/2008 | 1,111,978          | 1,088,383  | 22,342                                | 1,253                      | 1,604      | 22,342                         | 1,253                      | 25,200  | \$ 2,422   | \$ 248,719                     | \$ 14,387                  | \$ 265,529   |
| 3/28/2008 | 572,045            | 559,868    | 11,531                                | 646                        | 828        | 11,531                         | 646                        | 13,005  | \$ 1,068   | \$ 125,828                     | \$ 7,275                   | \$ 134,171   |
| 3/31/2008 | 1,044,643          | 1,022,271  | 21,187                                | 1,185                      | 1,522      | 21,187                         | 1,185                      | 23,894  | \$ 2,344   | \$ 236,488                     | \$ 13,638                  | \$ 252,471   |
| 4/1/2008  | 1,187,289          | 1,161,703  | 24,233                                | 1,353                      | 1,742      | 24,233                         | 1,353                      | 27,328  | \$ 3,833   | \$ 286,490                     | \$ 16,459                  | \$ 306,781   |
| 4/2/2008  | 1,699,529          | 1,662,557  | 35,024                                | 1,949                      | 2,520      | 35,024                         | 1,949                      | 39,492  | \$ 6,980   | \$ 434,019                     | \$ 24,826                  | \$ 465,825   |
| 4/3/2008  | 2,418,942          | 2,365,606  | 50,536                                | 2,800                      | 3,640      | 50,536                         | 2,800                      | 56,976  | \$ 11,939  | \$ 652,020                     | \$ 37,094                  | \$ 701,053   |
| 4/4/2008  | 497,289            | 486,294    | 10,418                                | 577                        | 751        | 10,418                         | 577                        | 11,745  | \$ 2,372   | \$ 133,166                     | \$ 7,571                   | \$ 143,108   |
| 4/7/2008  | 432,929            | 423,333    | 9,092                                 | 503                        | 655        | 9,092                          | 503                        | 10,250  | \$ 2,254   | \$ 118,765                     | \$ 6,743                   | \$ 127,762   |
| 4/8/2008  | 1,160,868          | 1,134,971  | 24,543                                | 1,355                      | 1,769      | 24,543                         | 1,355                      | 27,667  | \$ 5,113   | \$ 307,078                     | \$ 17,419                  | \$ 329,611   |
| 4/9/2008  | 5,541,634          | 5,414,065  | 120,960                               | 6,609                      | 8,743      | 120,960                        | 6,609                      | 136,312 | \$ 19,583  | \$ 1,434,821                   | \$ 80,688                  | \$ 1,535,092 |
| 4/10/2008 | 344,810            | 336,857    | 7,541                                 | 412                        | 545        | 7,541                          | 412                        | 8,498   | \$ 1,101   | \$ 87,793                      | \$ 4,937                   | \$ 93,831    |
| 4/11/2008 | 605,252            | 591,246    | 13,281                                | 724                        | 960        | 13,281                         | 724                        | 14,966  | \$ 1,565   | \$ 149,440                     | \$ 8,403                   | \$ 159,408   |
| 4/14/2008 | 696,229            | 680,059    | 15,335                                | 835                        | 1,109      | 15,335                         | 835                        | 17,280  | \$ 1,730   | \$ 171,475                     | \$ 9,631                   | \$ 182,837   |
| 4/15/2008 | 187,035            | 182,686    | 4,124                                 | 225                        | 298        | 4,124                          | 225                        | 4,647   | \$ 349     | \$ 44,508                      | \$ 2,502                   | \$ 47,359    |
| 4/16/2008 | 409,901            | 400,361    | 9,048                                 | 492                        | 655        | 9,048                          | 492                        | 10,195  | \$ 753     | \$ 97,467                      | \$ 5,475                   | \$ 103,695   |
| 4/17/2008 | 2,051,572          | 2,003,198  | 45,886                                | 2,488                      | 3,323      | 45,886                         | 2,488                      | 51,696  | \$ 2,625   | \$ 477,756                     | \$ 26,766                  | \$ 507,148   |
| 4/18/2008 | 557,971            | 544,774    | 12,519                                | 678                        | 907        | 12,519                         | 678                        | 14,104  | \$ 1,297   | \$ 138,363                     | \$ 7,730                   | \$ 147,389   |
| 4/21/2008 | 566,877            | 553,427    | 12,760                                | 690                        | 924        | 12,760                         | 690                        | 14,375  | \$ 693     | \$ 132,343                     | \$ 7,401                   | \$ 140,436   |
| 4/22/2008 | 181,984            | 177,667    | 4,096                                 | 222                        | 297        | 4,096                          | 222                        | 4,614   | \$ 264     | \$ 43,051                      | \$ 2,406                   | \$ 45,721    |
| 4/23/2008 | 361,395            | 352,797    | 8,156                                 | 441                        | 591        | 8,156                          | 441                        | 9,188   | \$ 378     | \$ 83,700                      | \$ 4,678                   | \$ 88,756    |
| 4/24/2008 | 1,076,468          | 1,050,694  | 24,455                                | 1,319                      | 1,773      | 24,455                         | 1,319                      | 27,547  | \$ 1,436   | \$ 255,106                     | \$ 14,222                  | \$ 270,764   |
| 4/25/2008 | 723,022            | 705,638    | 16,495                                | 889                        | 1,196      | 16,495                         | 889                        | 18,580  | \$ 1,184   | \$ 175,038                     | \$ 9,740                   | \$ 185,962   |
| 4/28/2008 | 659,683            | 643,765    | 15,105                                | 813                        | 1,096      | 15,105                         | 813                        | 17,014  | \$ 1,238   | \$ 162,408                     | \$ 9,023                   | \$ 172,669   |
| 4/29/2008 | 853,083            | 832,401    | 19,628                                | 1,055                      | 1,425      | 19,628                         | 1,055                      | 22,107  | \$ 1,510   | \$ 209,663                     | \$ 11,633                  | \$ 222,806   |
| 4/30/2008 | 976,423            | 952,617    | 22,594                                | 1,212                      | 1,641      | 22,594                         | 1,212                      | 25,447  | \$ 1,296   | \$ 235,244                     | \$ 13,040                  | \$ 249,580   |
| 5/1/2008  | 863,893            | 842,741    | 20,077                                | 1,075                      | 1,458      | 20,077                         | 1,075                      | 22,611  | \$ 1,196   | \$ 209,640                     | \$ 11,602                  | \$ 222,437   |
| 5/2/2008  | 487,175            | 475,215    | 11,352                                | 607                        | 825        | 11,352                         | 607                        | 12,785  | \$ 1,270   | \$ 126,713                     | \$ 6,992                   | \$ 134,974   |
| 5/5/2008  | 537,307            | 524,079    | 12,557                                | 671                        | 912        | 12,557                         | 671                        | 14,141  | \$ 1,652   | \$ 143,545                     | \$ 7,907                   | \$ 153,104   |
| 5/6/2008  | 612,311            | 597,181    | 14,364                                | 767                        | 1,044      | 14,364                         | 767                        | 16,175  | \$ 2,725   | \$ 175,691                     | \$ 9,649                   | \$ 188,065   |
| 5/7/2008  | 1,028,627          | 1,003,061  | 24,272                                | 1,294                      | 1,765      | 24,272                         | 1,294                      | 27,331  | \$ 5,190   | \$ 304,902                     | \$ 16,702                  | \$ 326,794   |
| 5/8/2008  | 813,965            | 793,641    | 19,297                                | 1,027                      | 1,404      | 19,297                         | 1,027                      | 21,728  | \$ 4,155   | \$ 242,786                     | \$ 13,279                  | \$ 260,221   |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|                                                       |            | ler Model Sales of<br>Purchase Volume                   | Investor                                             |                                                                    | Damage                                                                                                                     | d Shares                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                        | OSA Section 1.                                                                                                                                                                                                                                           | 38.5(1) Damages                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------|------------|---------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| estor                                                 |            | Retai                                                   | ined                                                 |                                                                    | Retai                                                                                                                      | ined                                                                                                                                                        |                                                                                                                                                                                       |                                                                                                                                                                                                                        | Retai                                                                                                                                                                                                                                                    | ned                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                         |
| chase                                                 | In-and-Out | Sold During<br>6/3 - 8/25/2011                          | Still Held on<br>8/25/2011                           | In-and-Out                                                         | Sold During<br>6/3 - 8/25/2011                                                                                             | Still Held on<br>8/25/2011                                                                                                                                  | Total                                                                                                                                                                                 | In-and-Out                                                                                                                                                                                                             | Sold During<br>6/3 - 8/25/2011                                                                                                                                                                                                                           | Still Held on<br>8/25/2011                                                                                                                                                                                                                                                                               | Total                                                                                                                                                                                                                                                                                                                                   |
| [2]                                                   | [3]        | [4]                                                     | [5]                                                  | [6]                                                                | [7]                                                                                                                        | [8]                                                                                                                                                         | [9]                                                                                                                                                                                   | [10]                                                                                                                                                                                                                   | [11]                                                                                                                                                                                                                                                     | [12]                                                                                                                                                                                                                                                                                                     | [13]                                                                                                                                                                                                                                                                                                                                    |
| 386,446                                               | 376,779    | 9,179                                                   | 488                                                  | 668                                                                | 9,179                                                                                                                      | 488                                                                                                                                                         | 10,335                                                                                                                                                                                | \$ 1,696                                                                                                                                                                                                               | \$ 111,629                                                                                                                                                                                                                                               | \$ 6,107                                                                                                                                                                                                                                                                                                 | \$ 119,433                                                                                                                                                                                                                                                                                                                              |
| 689,321                                               | 672,009    | 16,439                                                  | 873                                                  | 1,196                                                              | 16,439                                                                                                                     | 873                                                                                                                                                         | 18,508                                                                                                                                                                                | \$ 2,130                                                                                                                                                                                                               | \$ 187,426                                                                                                                                                                                                                                               | \$ 10,260                                                                                                                                                                                                                                                                                                | \$ 199,816                                                                                                                                                                                                                                                                                                                              |
| ,912,316                                              | 1,863,758  | 46,117                                                  | 2,441                                                | 3,359                                                              | 46,117                                                                                                                     | 2,441                                                                                                                                                       | 51,918                                                                                                                                                                                | \$ 8,398                                                                                                                                                                                                               | \$ 559,007                                                                                                                                                                                                                                               | \$ 30,442                                                                                                                                                                                                                                                                                                | \$ 597,848                                                                                                                                                                                                                                                                                                                              |
| 644,393                                               | 627,978    | 15,591                                                  | 824                                                  | 1,136                                                              | 15,591                                                                                                                     | 824                                                                                                                                                         | 17,551                                                                                                                                                                                | \$ 2,692                                                                                                                                                                                                               | \$ 186,955                                                                                                                                                                                                                                               | \$ 10,172                                                                                                                                                                                                                                                                                                | \$ 199,819                                                                                                                                                                                                                                                                                                                              |
| ,559,388                                              | 1,519,320  | 38,062                                                  | 2,007                                                | 2,775                                                              | 38,062                                                                                                                     | 2,007                                                                                                                                                       | 42,844                                                                                                                                                                                | \$ 11,823                                                                                                                                                                                                              | \$ 528,352                                                                                                                                                                                                                                               | \$ 28,558                                                                                                                                                                                                                                                                                                | \$ 568,733                                                                                                                                                                                                                                                                                                                              |
| 648,811                                               | 632,076    | 15,898                                                  | 837                                                  | 1,160                                                              | 15,898                                                                                                                     | 837                                                                                                                                                         | 17,895                                                                                                                                                                                | \$ 4,743                                                                                                                                                                                                               | \$ 217,986                                                                                                                                                                                                                                               | \$ 11,772                                                                                                                                                                                                                                                                                                | \$ 234,501                                                                                                                                                                                                                                                                                                                              |
| 814                                                   | 793        | 20                                                      | 1                                                    | 1                                                                  | 20                                                                                                                         | 1                                                                                                                                                           | 22                                                                                                                                                                                    | \$ 6                                                                                                                                                                                                                   | \$ 274                                                                                                                                                                                                                                                   | \$ 15                                                                                                                                                                                                                                                                                                    | \$ 294                                                                                                                                                                                                                                                                                                                                  |
| ,471,000                                              | 5,330,174  | 133,774                                                 | 7,051                                                | 9,755                                                              | 133,774                                                                                                                    | 7,051                                                                                                                                                       | 150,581                                                                                                                                                                               | \$ 32,875                                                                                                                                                                                                              | \$ 1,737,931                                                                                                                                                                                                                                             | \$ 94,059                                                                                                                                                                                                                                                                                                | \$ 1,864,865                                                                                                                                                                                                                                                                                                                            |
| 351,750                                               | 342,682    | 8,614                                                   | 454                                                  | 628                                                                | 8,614                                                                                                                      | 454                                                                                                                                                         | 9,696                                                                                                                                                                                 | \$ 2,243                                                                                                                                                                                                               | \$ 113,627                                                                                                                                                                                                                                               | \$ 6,143                                                                                                                                                                                                                                                                                                 | \$ 122,013                                                                                                                                                                                                                                                                                                                              |
| 541,839                                               | 527,821    | 13,317                                                  | 701                                                  | 971                                                                | 13,317                                                                                                                     | 701                                                                                                                                                         | 14,989                                                                                                                                                                                | \$ 3,731                                                                                                                                                                                                               | \$ 179,263                                                                                                                                                                                                                                               | \$ 9,678                                                                                                                                                                                                                                                                                                 | \$ 192,671                                                                                                                                                                                                                                                                                                                              |
| 550,147                                               | 535,871    | 13,563                                                  | 713                                                  | 990                                                                | 13,563                                                                                                                     | 713                                                                                                                                                         | 15,265                                                                                                                                                                                | \$ 3,632                                                                                                                                                                                                               | \$ 180,269                                                                                                                                                                                                                                               | \$ 9,725                                                                                                                                                                                                                                                                                                 | \$ 193,626                                                                                                                                                                                                                                                                                                                              |
| 89,356                                                | 87,036     | 2,204                                                   | 116                                                  | 161                                                                | 2,204                                                                                                                      | 116                                                                                                                                                         | 2,481                                                                                                                                                                                 | \$ 631                                                                                                                                                                                                                 | \$ 29,849                                                                                                                                                                                                                                                | \$ 1,609                                                                                                                                                                                                                                                                                                 | \$ 32,088                                                                                                                                                                                                                                                                                                                               |
| ,183,050                                              | 1,152,129  | 29,380                                                  | 1,541                                                | 2,145                                                              | 29,380                                                                                                                     | 1,541                                                                                                                                                       | 33,066                                                                                                                                                                                | \$ 10,232                                                                                                                                                                                                              | \$ 422,824                                                                                                                                                                                                                                               | \$ 22,715                                                                                                                                                                                                                                                                                                | \$ 455,771                                                                                                                                                                                                                                                                                                                              |
| 917,202                                               | 893,110    | 22,894                                                  | 1,199                                                | 1,672                                                              | 22,894                                                                                                                     | 1,199                                                                                                                                                       | 25,765                                                                                                                                                                                | \$ 9,113                                                                                                                                                                                                               | \$ 345,040                                                                                                                                                                                                                                               | \$ 18,486                                                                                                                                                                                                                                                                                                | \$ 372,640                                                                                                                                                                                                                                                                                                                              |
| ,269,937                                              | 1,236,329  | 31,939                                                  | 1,669                                                | 2,334                                                              | 31,939                                                                                                                     | 1,669                                                                                                                                                       | 35,942                                                                                                                                                                                | \$ 12,955                                                                                                                                                                                                              | \$ 484,558                                                                                                                                                                                                                                               | \$ 25,898                                                                                                                                                                                                                                                                                                | \$ 523,410                                                                                                                                                                                                                                                                                                                              |
| ,365,389                                              | 2,301,954  | 60,298                                                  | 3,137                                                | 4,411                                                              | 60,298                                                                                                                     | 3,137                                                                                                                                                       | 67,847                                                                                                                                                                                | \$ 27,969                                                                                                                                                                                                              | \$ 962,446                                                                                                                                                                                                                                               | \$ 51,162                                                                                                                                                                                                                                                                                                | \$ 1,041,577                                                                                                                                                                                                                                                                                                                            |
| ,040,243                                              | 1,984,859  | 52,654                                                  | 2,729                                                | 3,856                                                              | 52,654                                                                                                                     | 2,729                                                                                                                                                       | 59,239                                                                                                                                                                                | \$ 21,322                                                                                                                                                                                                              | \$ 797,776                                                                                                                                                                                                                                               | \$ 42,300                                                                                                                                                                                                                                                                                                | \$ 861,398                                                                                                                                                                                                                                                                                                                              |
| ,034,956                                              | 1,006,699  | 26,868                                                  | 1,390                                                | 1,968                                                              | 26,868                                                                                                                     | 1,390                                                                                                                                                       | 30,226                                                                                                                                                                                | \$ 9,940                                                                                                                                                                                                               | \$ 394,182                                                                                                                                                                                                                                               | \$ 20,877                                                                                                                                                                                                                                                                                                | \$ 424,999                                                                                                                                                                                                                                                                                                                              |
| ,099,898                                              | 2,041,869  | 55,185                                                  | 2,844                                                | 4,047                                                              | 55,185                                                                                                                     | 2,844                                                                                                                                                       | 62,075                                                                                                                                                                                | \$ 21,609                                                                                                                                                                                                              | \$ 825,630                                                                                                                                                                                                                                               | \$ 43,542                                                                                                                                                                                                                                                                                                | \$ 890,782                                                                                                                                                                                                                                                                                                                              |
| ,085,193                                              | 2,026,882  | 55,463                                                  | 2,848                                                | 4,071                                                              | 55,463                                                                                                                     | 2,848                                                                                                                                                       | 62,382                                                                                                                                                                                | \$ 22,431                                                                                                                                                                                                              | \$ 839,227                                                                                                                                                                                                                                               | \$ 44,081                                                                                                                                                                                                                                                                                                | \$ 905,739                                                                                                                                                                                                                                                                                                                              |
| ,348,901                                              | 1,310,890  | 36,160                                                  | 1,852                                                | 2,656                                                              | 36,160                                                                                                                     | 1,852                                                                                                                                                       | 40,667                                                                                                                                                                                | \$ 14,447                                                                                                                                                                                                              | \$ 544,607                                                                                                                                                                                                                                               | \$ 28,539                                                                                                                                                                                                                                                                                                | \$ 587,593                                                                                                                                                                                                                                                                                                                              |
| ,056,988                                              | 1,027,023  | 28,508                                                  | 1,457                                                | 2,095                                                              | 28,508                                                                                                                     | 1,457                                                                                                                                                       | 32,061                                                                                                                                                                                | \$ 9,887                                                                                                                                                                                                               | \$ 408,843                                                                                                                                                                                                                                               | \$ 21,408                                                                                                                                                                                                                                                                                                | \$ 440,138                                                                                                                                                                                                                                                                                                                              |
| 478,463                                               | 464,862    | 12,940                                                  | 661                                                  | 951                                                                | 12,940                                                                                                                     | 661                                                                                                                                                         | 14,552                                                                                                                                                                                | \$ 4,127                                                                                                                                                                                                               | \$ 180,660                                                                                                                                                                                                                                               | \$ 9,458                                                                                                                                                                                                                                                                                                 | \$ 194,245                                                                                                                                                                                                                                                                                                                              |
| ,904,458                                              | 1,849,729  | 52,078                                                  | 2,651                                                | 3,831                                                              | 52,078                                                                                                                     | 2,651                                                                                                                                                       | 58,559                                                                                                                                                                                | \$ 14,173                                                                                                                                                                                                              | \$ 693,730                                                                                                                                                                                                                                               | \$ 36,235                                                                                                                                                                                                                                                                                                | \$ 744,139                                                                                                                                                                                                                                                                                                                              |
| 366,251                                               | 355,704    | 10,036                                                  | 511                                                  | 738                                                                | 10,036                                                                                                                     | 511                                                                                                                                                         | 11,285                                                                                                                                                                                | \$ 2,872                                                                                                                                                                                                               | \$ 135,599                                                                                                                                                                                                                                               | \$ 7,075                                                                                                                                                                                                                                                                                                 | \$ 145,546                                                                                                                                                                                                                                                                                                                              |
| 325,335                                               | 315,949    | 8,932                                                   | 454                                                  | 657                                                                | 8,932                                                                                                                      | 454                                                                                                                                                         | 10,044                                                                                                                                                                                | \$ 2,774                                                                                                                                                                                                               | \$ 123,635                                                                                                                                                                                                                                               | \$ 6,443                                                                                                                                                                                                                                                                                                 | \$ 132,852                                                                                                                                                                                                                                                                                                                              |
| 203,684                                               | 197,800    | 5,599                                                   | 285                                                  | 412                                                                | 5,599                                                                                                                      | 285                                                                                                                                                         | 6,296                                                                                                                                                                                 | \$ 1,870                                                                                                                                                                                                               | \$ 79,288                                                                                                                                                                                                                                                | \$ 4,128                                                                                                                                                                                                                                                                                                 | \$ 85,287                                                                                                                                                                                                                                                                                                                               |
| 945,756                                               | 918,290    | 26,140                                                  | 1,326                                                | 1,924                                                              | 26,140                                                                                                                     | 1,326                                                                                                                                                       | 29,390                                                                                                                                                                                | \$ 8,813                                                                                                                                                                                                               | \$ 371,215                                                                                                                                                                                                                                               | \$ 19,295                                                                                                                                                                                                                                                                                                | \$ 399,322                                                                                                                                                                                                                                                                                                                              |
| 267,909                                               | 260,116    | 7,416                                                   | 376                                                  | 546                                                                | 7,416                                                                                                                      | 376                                                                                                                                                         | 8,339                                                                                                                                                                                 | \$ 2,501                                                                                                                                                                                                               | \$ 105,321                                                                                                                                                                                                                                               | \$ 5,472                                                                                                                                                                                                                                                                                                 | \$ 113,294                                                                                                                                                                                                                                                                                                                              |
| 344,428                                               | 334,390    | 9,554                                                   | 484                                                  | 703                                                                | 9,554                                                                                                                      | 484                                                                                                                                                         | 10,741                                                                                                                                                                                | \$ 2,983                                                                                                                                                                                                               | \$ 132,424                                                                                                                                                                                                                                               | \$ 6,879                                                                                                                                                                                                                                                                                                 | \$ 142,287                                                                                                                                                                                                                                                                                                                              |
| 323,548                                               | 314,101    | 8,991                                                   | 455                                                  | 662                                                                | 8,991                                                                                                                      | 455                                                                                                                                                         | 10,109                                                                                                                                                                                | \$ 2,563                                                                                                                                                                                                               | \$ 121,299                                                                                                                                                                                                                                               | \$ 6,302                                                                                                                                                                                                                                                                                                 | \$ 130,164                                                                                                                                                                                                                                                                                                                              |
| 697,889                                               | 677,431    | 19,473                                                  | 985                                                  | 1,435                                                              | 19,473                                                                                                                     | 985                                                                                                                                                         | 21,892                                                                                                                                                                                | \$ 6,068                                                                                                                                                                                                               | \$ 269,718                                                                                                                                                                                                                                               | \$ 13,986                                                                                                                                                                                                                                                                                                | \$ 289,772                                                                                                                                                                                                                                                                                                                              |
| 435,794                                               | 422,990    | 12,189                                                  | 616                                                  | 898                                                                | 12,189                                                                                                                     | 616                                                                                                                                                         | 13,703                                                                                                                                                                                | \$ 3,610                                                                                                                                                                                                               | \$ 166,266                                                                                                                                                                                                                                               | \$ 8,618                                                                                                                                                                                                                                                                                                 | \$ 178,494                                                                                                                                                                                                                                                                                                                              |
| 637,343                                               | 618,546    | 17,893                                                  | 903                                                  | 1,319                                                              | 17,893                                                                                                                     | 903                                                                                                                                                         | 20,115                                                                                                                                                                                | \$ 5,763                                                                                                                                                                                                               | \$ 250,343                                                                                                                                                                                                                                               | \$ 12,953                                                                                                                                                                                                                                                                                                | \$ 269,059                                                                                                                                                                                                                                                                                                                              |
| 828,360                                               | 803,813    | 23,369                                                  | 1,178                                                | 1,723                                                              | 23,369                                                                                                                     | 1,178                                                                                                                                                       | 26,270                                                                                                                                                                                | \$ 5,927                                                                                                                                                                                                               | \$ 305,226                                                                                                                                                                                                                                               | \$ 15,797                                                                                                                                                                                                                                                                                                | \$ 326,950                                                                                                                                                                                                                                                                                                                              |
| 423,272                                               | 410,699    | 11,970                                                  | 603                                                  | 883                                                                | 11,970                                                                                                                     | 603                                                                                                                                                         | 13,456                                                                                                                                                                                | \$ 3,001                                                                                                                                                                                                               | \$ 155,864                                                                                                                                                                                                                                               | \$ 8,061                                                                                                                                                                                                                                                                                                 | \$ 166,926                                                                                                                                                                                                                                                                                                                              |
| 740,716                                               | 718,627    | 21,031                                                  | 1,058                                                | 1,551                                                              | 21,031                                                                                                                     | 1,058                                                                                                                                                       | 23,640                                                                                                                                                                                | \$ 5,275                                                                                                                                                                                                               | \$ 273,842                                                                                                                                                                                                                                               | \$ 14,145                                                                                                                                                                                                                                                                                                | \$ 293,262                                                                                                                                                                                                                                                                                                                              |
| 1,695                                                 | 1,647      | 46                                                      | 2                                                    | 3                                                                  | 46                                                                                                                         | 2                                                                                                                                                           | 51                                                                                                                                                                                    | \$ 11                                                                                                                                                                                                                  | \$ 593                                                                                                                                                                                                                                                   | \$ 31                                                                                                                                                                                                                                                                                                    | \$ 636                                                                                                                                                                                                                                                                                                                                  |
| 841,679                                               | 816,482    | 23,992                                                  | 1,205                                                | 1,770                                                              | 23,992                                                                                                                     | 1,205                                                                                                                                                       | 26,968                                                                                                                                                                                | \$ 4,444                                                                                                                                                                                                               | \$ 291,048                                                                                                                                                                                                                                               | \$ 15,040                                                                                                                                                                                                                                                                                                | \$ 310,532                                                                                                                                                                                                                                                                                                                              |
| 761,152                                               | 738,255    | 21,804                                                  | 1,094                                                | 1,610                                                              | 21,804                                                                                                                     | 1,094                                                                                                                                                       | 24,507                                                                                                                                                                                | \$ 2,962                                                                                                                                                                                                               | \$ 249,891                                                                                                                                                                                                                                               | \$ 12,918                                                                                                                                                                                                                                                                                                | \$ 265,770                                                                                                                                                                                                                                                                                                                              |
| 249,875                                               | 242,348    | 7,168                                                   | 359                                                  | 529                                                                | 7,168                                                                                                                      | 359                                                                                                                                                         | 8,056                                                                                                                                                                                 | \$ 995                                                                                                                                                                                                                 | \$ 82,436                                                                                                                                                                                                                                                | \$ 4,259                                                                                                                                                                                                                                                                                                 | \$ 87,689                                                                                                                                                                                                                                                                                                                               |
| 641,855                                               | 622,490    | 18,441                                                  | 924                                                  | 1,362                                                              | 18,441                                                                                                                     | 924                                                                                                                                                         | 20,726                                                                                                                                                                                | \$ 2,628                                                                                                                                                                                                               | \$ 213,008                                                                                                                                                                                                                                               | \$ 10,992                                                                                                                                                                                                                                                                                                | \$ 226,628                                                                                                                                                                                                                                                                                                                              |
| 953,041                                               | 924,081    | 27,581                                                  | 1,379                                                | 2,038                                                              | 27,581                                                                                                                     | 1,379                                                                                                                                                       | 30,997                                                                                                                                                                                | \$ 3,749                                                                                                                                                                                                               | \$ 316,097                                                                                                                                                                                                                                               | \$ 16,288                                                                                                                                                                                                                                                                                                | \$ 336,135                                                                                                                                                                                                                                                                                                                              |
| ,410,924                                              | 1,367,718  | 41,154                                                  | 2,053                                                | 3,042                                                              | 41,154                                                                                                                     | 2,053                                                                                                                                                       | 46,249                                                                                                                                                                                | \$ 5,597                                                                                                                                                                                                               | \$ 471,655                                                                                                                                                                                                                                               | \$ 24,245                                                                                                                                                                                                                                                                                                | \$ 501,497                                                                                                                                                                                                                                                                                                                              |
|                                                       |            |                                                         |                                                      |                                                                    |                                                                                                                            |                                                                                                                                                             |                                                                                                                                                                                       |                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                          | \$ 97,058                                                                                                                                                                                                                                                                                                                               |
|                                                       |            |                                                         |                                                      | ,                                                                  | ,                                                                                                                          |                                                                                                                                                             | ,                                                                                                                                                                                     |                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                          | \$ 396,185                                                                                                                                                                                                                                                                                                                              |
|                                                       |            |                                                         |                                                      |                                                                    |                                                                                                                            |                                                                                                                                                             |                                                                                                                                                                                       |                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                          | \$ 125,547                                                                                                                                                                                                                                                                                                                              |
|                                                       |            |                                                         |                                                      |                                                                    |                                                                                                                            |                                                                                                                                                             |                                                                                                                                                                                       |                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                          | \$ 122,143<br>\$ 505,015                                                                                                                                                                                                                                                                                                                |
| 271,764<br>,149,463<br>355,797<br>370,033<br>,511,199 |            | 263,432<br>1,113,988<br>344,798<br>358,569<br>1,463,989 | 1,113,988 33,793<br>344,798 10,478<br>358,569 10,921 | 1,113,988 33,793 1,682<br>344,798 10,478 521<br>358,569 10,921 543 | 1,113,988     33,793     1,682     2,500       344,798     10,478     521     775       358,569     10,921     543     808 | 1,113,988     33,793     1,682     2,500     33,793       344,798     10,478     521     775     10,478       358,569     10,921     543     808     10,921 | 1,113,988     33,793     1,682     2,500     33,793     1,682       344,798     10,478     521     775     10,478     521       358,569     10,921     543     808     10,921     543 | 1,113,988     33,793     1,682     2,500     33,793     1,682     37,974       344,798     10,478     521     775     10,478     521     11,774       358,569     10,921     543     808     10,921     543     12,272 | 1,113,988     33,793     1,682     2,500     33,793     1,682     37,974     \$3,574       344,798     10,478     521     775     10,478     521     11,774     \$1,287       358,569     10,921     543     808     10,921     543     12,272     \$768 | 1,113,988     33,793     1,682     2,500     33,793     1,682     37,974     \$ 3,574     \$ 373,440       344,798     10,478     521     775     10,478     521     11,774     \$ 1,287     \$ 118,200       358,569     10,921     543     808     10,921     543     12,272     \$ 768     \$ 115,448 | 1,113,988     33,793     1,682     2,500     33,793     1,682     37,974     \$3,574     \$373,440     \$19,170       344,798     10,478     521     775     10,478     521     11,774     \$1,287     \$118,200     \$6,060       358,569     10,921     543     808     10,921     543     12,272     \$768     \$115,448     \$5,927 |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |        |            | OSA Section 13                 | 38.5(1) Damages            |            |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|--------|------------|--------------------------------|----------------------------|------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |        |            | Retai                          | ned                        |            |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total  | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total      |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]    | [10]       | [11]                           | [12]                       | [13]       |
| 7/17/2008 | 2,678,664          | 2,593,806  | 80,867                                | 3,990                      | 5,994      | 80,867                         | 3,990                      | 90,852 | \$ 3,536   | \$ 825,712                     | \$ 42,133                  | \$ 871,381 |
| 7/18/2008 | 2,067,481          | 2,001,183  | 63,191                                | 3,107                      | 4,688      | 63,191                         | 3,107                      | 70,986 | \$ 1,594   | \$ 629,426                     | \$ 32,028                  | \$ 663,048 |
| 7/21/2008 | 509,886            | 493,497    | 15,622                                | 767                        | 1,159      | 15,622                         | 767                        | 17,548 | \$ 46      | \$ 150,917                     | \$ 7,681                   | \$ 158,645 |
| 7/22/2008 | 639,773            | 619,126    | 19,682                                | 966                        | 1,461      | 19,682                         | 966                        | 22,108 | \$ 88      | \$ 190,530                     | \$ 9,685                   | \$ 200,303 |
| 7/23/2008 | 520,896            | 504,037    | 16,071                                | 788                        | 1,193      | 16,071                         | 788                        | 18,052 | \$ 119     | \$ 156,219                     | \$ 7,933                   | \$ 164,271 |
| 7/24/2008 | 564,777            | 546,441    | 17,480                                | 856                        | 0          | 17,480                         | 856                        | 18,336 | \$ 0       | \$ 167,991                     | \$ 8,526                   | \$ 176,517 |
| 7/25/2008 | 450,439            | 435,779    | 13,976                                | 684                        | 1,038      | 13,976                         | 684                        | 15,698 | \$ 93      | \$ 135,717                     | \$ 6,880                   | \$ 142,691 |
| 7/28/2008 | 512,132            | 495,448    | 15,907                                | 778                        | 1,182      | 15,907                         | 778                        | 17,866 | \$ 118     | \$ 154,621                     | \$ 7,831                   | \$ 162,571 |
| 7/29/2008 | 1,124,536          | 1,087,608  | 35,210                                | 1,718                      | 2,617      | 35,210                         | 1,718                      | 39,545 | \$ 1,858   | \$ 363,740                     | \$ 18,349                  | \$ 383,947 |
| 7/30/2008 | 1,270,824          | 1,228,797  | 40,076                                | 1,951                      | 2,980      | 40,076                         | 1,951                      | 45,007 | \$ 4,530   | \$ 446,466                     | \$ 22,419                  | \$ 473,415 |
| 7/31/2008 | 705,958            | 682,521    | 22,350                                | 1,087                      | 1,662      | 22,350                         | 1,087                      | 25,099 | \$ 3,059   | \$ 256,137                     | \$ 12,835                  | \$ 272,031 |
| 8/1/2008  | 1,245,884          | 1,204,267  | 39,691                                | 1,926                      | 2,954      | 39,691                         | 1,926                      | 44,571 | \$ 4,076   | \$ 436,621                     | \$ 21,859                  | \$ 462,557 |
| 8/4/2008  | 768                | 743        | 24                                    | 1                          | 2          | 24                             | 1                          | 28     | \$ 3       | \$ 269                         | \$ 13                      | \$ 285     |
| 8/5/2008  | 1,089,392          | 1,052,756  | 34,944                                | 1,693                      | 2,602      | 34,944                         | 1,693                      | 39,238 | \$ 3,617   | \$ 384,744                     | \$ 19,225                  | \$ 407,586 |
| 8/6/2008  | 373,357            | 360,775    | 12,001                                | 581                        | 894        | 12,001                         | 581                        | 13,476 | \$ 760     | \$ 125,657                     | \$ 6,285                   | \$ 132,701 |
| 8/7/2008  | 797,759            | 771,167    | 25,365                                | 1,226                      | 1,890      | 25,365                         | 1,226                      | 28,481 | \$ 2,324   | \$ 275,224                     | \$ 13,731                  | \$ 291,280 |
| 8/8/2008  | 180,638            | 174,563    | 5,794                                 | 280                        | 432        | 5,794                          | 280                        | 6,506  | \$ 492     | \$ 62,350                      | \$ 3,111                   | \$ 65,953  |
| 8/11/2008 | 417,460            | 403,290    | 13,517                                | 653                        | 1,007      | 13,517                         | 653                        | 15,177 | \$ 544     | \$ 137,338                     | \$ 6,859                   | \$ 144,741 |
| 8/12/2008 | 1,602,134          | 1,547,277  | 52,337                                | 2,520                      | 3,902      | 52,337                         | 2,520                      | 58,760 | \$ 11,863  | \$ 662,606                     | \$ 32,786                  | \$ 707,256 |
| 8/13/2008 | 801,202            | 773,631    | 26,306                                | 1,265                      | 1,962      | 26,306                         | 1,265                      | 29,533 | \$ 6,357   | \$ 338,299                     | \$ 16,709                  | \$ 361,366 |
| 8/14/2008 | 450,575            | 435,051    | 14,813                                | 712                        | 1,105      | 14,813                         | 712                        | 16,629 | \$ 4,741   | \$ 206,048                     | \$ 10,149                  | \$ 220,937 |
| 8/15/2008 | 352,947            | 340,750    | 11,638                                | 559                        | 868        | 11,638                         | 559                        | 13,066 | \$ 3,760   | \$ 162,359                     | \$ 7,992                   | \$ 174,110 |
| 8/18/2008 | 384,523            | 371,292    | 12,625                                | 606                        | 942        | 12,625                         | 606                        | 14,173 | \$ 4,155   | \$ 177,129                     | \$ 8,712                   | \$ 189,996 |
| 8/19/2008 | 704,896            | 680,395    | 23,380                                | 1,121                      | 1,745      | 23,380                         | 1,121                      | 26,246 | \$ 7,051   | \$ 319,377                     | \$ 15,700                  | \$ 342,128 |
| 8/20/2008 | 442,831            | 427,434    | 14,693                                | 704                        | 1,097      | 14,693                         | 704                        | 16,494 | \$ 4,860   | \$ 206,439                     | \$ 10,134                  | \$ 221,433 |
| 8/21/2008 | 746,027            | 719,945    | 24,891                                | 1,191                      | 1,859      | 24,891                         | 1,191                      | 27,941 | \$ 8,569   | \$ 354,209                     | \$ 17,364                  | \$ 380,142 |
| 8/22/2008 | 870,918            | 840,899    | 28,650                                | 1,369                      | 2,140      | 28,650                         | 1,369                      | 32,159 | \$ 10,766  | \$ 419,724                     | \$ 20,531                  | \$ 451,021 |
| 8/25/2008 | 624,404            | 602,394    | 21,007                                | 1,003                      | 1,570      | 21,007                         | 1,003                      | 23,579 | \$ 7,048   | \$ 296,412                     | \$ 14,496                  | \$ 317,956 |
| 8/26/2008 | 794,261            | 766,460    | 26,536                                | 1,265                      | 1,984      | 26,536                         | 1,265                      | 29,784 | \$ 8,609   | \$ 370,448                     | \$ 18,097                  | \$ 397,154 |
| 8/27/2008 | 278,988            | 269,095    | 9,442                                 | 450                        | 706        | 9,442                          | 450                        | 10,598 | \$ 3,431   | \$ 136,726                     | \$ 6,670                   | \$ 146,826 |
| 8/28/2008 | 348,429            | 336,051    | 11,815                                | 563                        | 883        | 11,815                         | 563                        | 13,261 | \$ 4,753   | \$ 177,233                     | \$ 8,634                   | \$ 190,620 |
| 8/29/2008 | 311,282            | 300,232    | 10,548                                | 502                        | 789        | 10,548                         | 502                        | 11,838 | \$ 4,370   | \$ 159,906                     | \$ 7,784                   | \$ 172,060 |
| 9/1/2008  | 3,470              | 3,347      | 118                                   | 6                          | 9          | 118                            | 6                          | 132    | \$ 49      | \$ 1,785                       | \$ 87                      | \$ 1,921   |
| 9/2/2008  | 290,287            | 279,970    | 9,849                                 | 468                        | 737        | 9,849                          | 468                        | 11,054 | \$ 3,712   | \$ 144,385                     | \$ 7,031                   | \$ 155,128 |
| 9/3/2008  | 835,506            | 805,630    | 28,521                                | 1,355                      | 2,134      | 28,521                         | 1,355                      | 32,010 | \$ 11,160  | \$ 423,544                     | \$ 20,589                  | \$ 455,292 |
| 9/4/2008  | 1,232,133          | 1,189,252  | 40,942                                | 1,940                      | 3,065      | 40,942                         | 1,940                      | 45,946 | \$ 13,363  | \$ 572,370                     | \$ 27,793                  | \$ 613,525 |
| 9/5/2008  | 442,741            | 426,773    | 15,246                                | 722                        | 1,142      | 15,246                         | 722                        | 17,109 | \$ 3,699   | \$ 196,061                     | \$ 9,533                   | \$ 209,293 |
| 9/8/2008  | 260,296            | 250,878    | 8,993                                 | 426                        | 673        | 8,993                          | 426                        | 10,092 | \$ 1,919   | \$ 112,139                     | \$ 5,455                   | \$ 119,512 |
| 9/9/2008  | 463,576            | 446,789    | 16,029                                | 758                        | 1,201      | 16,029                         | 758                        | 17,988 | \$ 2,569   | \$ 188,507                     | \$ 9,177                   | \$ 200,253 |
| 9/10/2008 | 421,950            | 406,624    | 14,634                                | 692                        | 1,096      | 14,634                         | 692                        | 16,422 | \$ 3,880   | \$ 192,585                     | \$ 9,342                   | \$ 205,808 |
| 9/11/2008 | 216,535            | 208,665    | 7,515                                 | 355                        | 563        | 7,515                          | 355                        | 8,433  | \$ 1,965   | \$ 98,528                      | \$ 4,779                   | \$ 105,272 |
| 9/12/2008 | 363,095            | 349,873    | 12,627                                | 596                        | 946        | 12,627                         | 596                        | 14,169 | \$ 3,822   | \$ 172,481                     | \$ 8,353                   | \$ 184,656 |
| 9/15/2008 | 389,349            | 375,138    | 13,570                                | 640                        | 1,017      | 13,570                         | 640                        | 15,228 | \$ 3,600   | \$ 178,587                     | \$ 8,651                   | \$ 190,837 |
| 9/16/2008 | 294,401            | 283,640    | 10,277                                | 485                        | 770        | 10,277                         | 485                        | 11,532 | \$ 1,972   | \$ 125,174                     | \$ 6,073                   | \$ 133,218 |
| 9/17/2008 | 618,880            | 596,181    | 21,677                                | 1,021                      | 1,625      | 21,677                         | 1,021                      | 24,324 | \$ 2,389   | \$ 240,403                     | \$ 11,683                  | \$ 254,475 |
| 9/18/2008 | 1,665,318          | 1,603,674  | 58,878                                | 2,766                      | 4,417      | 58,878                         | 2,766                      | 66,061 | \$ 10,335  | \$ 704,179                     | \$ 34,047                  | \$ 748,562 |
| 9/19/2008 | 1,491,183          | 1,435,511  | 53,180                                | 2,492                      | 3,992      | 53,180                         | 2,492                      | 59,663 | \$ 10,299  | \$ 648,790                     | \$ 31,270                  | \$ 690,359 |
| 9/22/2008 | 268,024            | 258,002    | 9,573                                 | 448                        | 719        | 9,573                          | 448                        | 10,740 | \$ 1,294   | \$ 109,327                     | \$ 5,277                   | \$ 115,897 |
| 9/23/2008 | 1,071,824          | 1,031,507  | 38,516                                | 1,801                      | 2,893      | 38,516                         | 1,801                      | 43,209 | \$ 4,455   | \$ 429,834                     | \$ 20,723                  | \$ 455,012 |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         |            | OSA Section 13                 | 38.5(1) Damages            |              |
|------------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|------------|--------------------------------|----------------------------|--------------|
|            | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |         |            | Retai                          | ned                        |              |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total        |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]       | [11]                           | [12]                       | [13]         |
| 9/24/2008  | 598,162            | 575,587    | 21,568                                | 1,007                      | 1,620      | 21,568                         | 1,007                      | 24,195  | \$ 2,366   | \$ 238,968                     | \$ 11,511                  | \$ 252,845   |
| 9/25/2008  | 908,872            | 874,541    | 32,801                                | 1,529                      | 2,465      | 32,801                         | 1,529                      | 36,796  | \$ 3,032   | \$ 355,892                     | \$ 17,128                  | \$ 376,052   |
| 9/26/2008  | 1,935,554          | 1,861,351  | 70,908                                | 3,295                      | 5,333      | 70,908                         | 3,295                      | 79,537  | \$ 2,880   | \$ 720,417                     | \$ 34,627                  | \$ 757,924   |
| 9/29/2008  | 2,547,127          | 2,448,065  | 94,682                                | 4,380                      | 0          | 94,682                         | 4,380                      | 99,062  | \$ 0       | \$ 772,585                     | \$ 37,271                  | \$ 809,856   |
| 9/30/2008  | 1,498,458          | 1,439,689  | 56,177                                | 2,592                      | 0          | 56,177                         | 2,592                      | 58,769  | \$ 0       | \$ 481,419                     | \$ 23,119                  | \$ 504,538   |
| 10/1/2008  | 650,286            | 624,732    | 24,428                                | 1,126                      | 0          | 24,428                         | 1,126                      | 25,554  | \$ 0       | \$ 200,545                     | \$ 9,636                   | \$ 210,181   |
| 10/2/2008  | 746,614            | 717,153    | 28,165                                | 1,296                      | 0          | 28,165                         | 1,296                      | 29,461  | \$ 0       | \$ 204,469                     | \$ 9,865                   | \$ 214,334   |
| 10/3/2008  | 1,628,810          | 1,563,950  | 62,013                                | 2,846                      | 0          | 62,013                         | 2,846                      | 64,860  | \$ 0       | \$ 480,582                     | \$ 23,054                  | \$ 503,635   |
| 10/6/2008  | 1,941,332          | 1,863,522  | 74,406                                | 3,404                      | 0          | 74,406                         | 3,404                      | 77,810  | \$ 0       | \$ 428,549                     | \$ 20,794                  | \$ 449,344   |
| 10/7/2008  | 1,406,949          | 1,350,083  | 54,383                                | 2,482                      | 0          | 54,383                         | 2,482                      | 56,865  | \$ 0       | \$ 281,138                     | \$ 13,697                  | \$ 294,836   |
| 10/8/2008  | 1,380,988          | 1,324,750  | 53,789                                | 2,449                      | 0          | 53,789                         | 2,449                      | 56,237  | \$ 0       | \$ 313,562                     | \$ 15,132                  | \$ 328,693   |
| 10/9/2008  | 1,932,893          | 1,853,164  | 76,269                                | 3,461                      | 0          | 76,269                         | 3,461                      | 79,729  | \$ 0       | \$ 391,218                     | \$ 18,962                  | \$ 410,180   |
| 10/10/2008 | 1,533,247          | 1,469,375  | 61,106                                | 2,765                      | 0          | 61,106                         | 2,765                      | 63,871  | \$ 0       | \$ 260,277                     | \$ 12,746                  | \$ 273,023   |
| 10/13/2008 | 8,336              | 7,992      | 329                                   | 15                         | 0          | 329                            | 15                         | 344     | \$ 0       | \$ 1,401                       | \$ 69                      | \$ 1,470     |
| 10/14/2008 | 777,374            | 744,859    | 31,109                                | 1,406                      | 0          | 31,109                         | 1,406                      | 32,515  | \$ 0       | \$ 162,995                     | \$ 7,858                   | \$ 170,853   |
| 10/15/2008 | 1,738,097          | 1,664,784  | 70,150                                | 3,163                      | 0          | 70,150                         | 3,163                      | 73,313  | \$ 0       | \$ 333,871                     | \$ 16,158                  | \$ 350,029   |
| 10/16/2008 | 1,461,867          | 1,399,908  | 59,289                                | 2,669                      | 0          | 59,289                         | 2,669                      | 61,958  | \$ 0       | \$ 279,807                     | \$ 13,529                  | \$ 293,336   |
| 10/17/2008 | 1,114,985          | 1,067,608  | 45,338                                | 2,039                      | 0          | 45,338                         | 2,039                      | 47,378  | \$ 0       | \$ 227,116                     | \$ 10,929                  | \$ 238,045   |
| 10/20/2008 | 1,379,962          | 1,321,058  | 56,372                                | 2,532                      | 0          | 56,372                         | 2,532                      | 58,904  | \$ 0       | \$ 276,746                     | \$ 13,316                  | \$ 290,063   |
| 10/21/2008 | 980,870            | 939,094    | 39,979                                | 1,797                      | 0          | 39,979                         | 1,797                      | 41,776  | \$ 0       | \$ 181,877                     | \$ 8,803                   | \$ 190,680   |
| 10/22/2008 | 1,606,833          | 1,537,789  | 66,082                                | 2,962                      | 0          | 66,082                         | 2,962                      | 69,044  | \$ 0       | \$ 284,103                     | \$ 13,770                  | \$ 297,874   |
| 10/23/2008 | 1,630,177          | 1,559,499  | 67,653                                | 3,024                      | 0          | 67,653                         | 3,024                      | 70,677  | \$ 0       | \$ 328,744                     | \$ 15,751                  | \$ 344,496   |
| 10/24/2008 | 1,612,043          | 1,541,501  | 67,533                                | 3,010                      | 0          | 67,533                         | 3,010                      | 70,543  | \$ 0       | \$ 304,518                     | \$ 14,626                  | \$ 319,144   |
| 10/27/2008 | 909,811            | 869,802    | 38,304                                | 1,705                      | 0          | 38,304                         | 1,705                      | 40,008  | \$ 0       | \$ 153,566                     | \$ 7,430                   | \$ 160,996   |
| 10/28/2008 | 983,641            | 940,149    | 41,642                                | 1,850                      | 0          | 41,642                         | 1,850                      | 43,492  | \$ 0       | \$ 185,687                     | \$ 8,897                   | \$ 194,583   |
| 10/29/2008 | 2,328,231          | 2,223,931  | 99,880                                | 4,419                      | 0          | 99,880                         | 4,419                      | 104,299 | \$ 0       | \$ 550,247                     | \$ 25,893                  | \$ 576,140   |
| 10/30/2008 | 1,566,844          | 1,496,023  | 67,827                                | 2,993                      | 0          | 67,827                         | 2,993                      | 70,820  | \$ 0       | \$ 427,248                     | \$ 19,900                  | \$ 447,148   |
| 10/31/2008 | 1,428,636          | 1,363,544  | 62,347                                | 2,744                      | 0          | 62,347                         | 2,744                      | 65,091  | \$ 0       | \$ 401,453                     | \$ 18,631                  | \$ 420,084   |
| 11/3/2008  | 1,367,400          | 1,304,924  | 59,848                                | 2,628                      | 0          | 59,848                         | 2,628                      | 62,476  | \$ 0       | \$ 347,654                     | \$ 16,186                  | \$ 363,841   |
| 11/4/2008  | 760,814            | 725,906    | 33,441                                | 1,467                      | 0          | 33,441                         | 1,467                      | 34,908  | \$ 0       | \$ 189,243                     | \$ 8,813                   | \$ 198,056   |
| 11/5/2008  | 989,647            | 944,171    | 43,569                                | 1,908                      | 0          | 43,569                         | 1,908                      | 45,477  | \$ 0       | \$ 241,326                     | \$ 11,233                  | \$ 252,559   |
| 11/6/2008  | 4,902,020          | 4,669,909  | 222,455                               | 9,656                      | 0          | 222,455                        | 9,656                      | 232,111 | \$ 0       | \$ 1,192,087                   | \$ 55,125                  | \$ 1,247,212 |
| 11/7/2008  | 599,371            | 570,850    | 27,336                                | 1,185                      | 0          | 27,336                         | 1,185                      | 28,521  | \$ 0       | \$ 133,091                     | \$ 6,186                   | \$ 139,277   |
| 11/10/2008 | 796,401            | 758,332    | 36,489                                | 1,580                      | 0          | 36,489                         | 1,580                      | 38,069  | \$ 0       | \$ 164,154                     | \$ 7,662                   | \$ 171,815   |
| 11/11/2008 | 682,064            | 649,337    | 31,370                                | 1,357                      | 0          | 31,370                         | 1,357                      | 32,727  | \$ 0       | \$ 127,323                     | \$ 5,982                   | \$ 133,305   |
| 11/12/2008 | 3,545,460          | 3,372,006  | 166,306                               | 7,148                      | 0          | 165,708                        | 7,148                      | 172,856 | \$ 0       | \$ 472,082                     | \$ 22,796                  | \$ 494,878   |
| 11/13/2008 | 1,190,060          | 1,131,432  | 56,217                                | 2,411                      | 0          | 55,197                         | 2,411                      | 57,609  | \$ 0       | \$ 100,614                     | \$ 5,134                   | \$ 105,748   |
| 11/14/2008 | 2,922,576          | 2,776,234  | 140,352                               | 5,990                      | 0          | 138,371                        | 5,990                      | 144,361 | \$ 0       | \$ 314,724                     | \$ 15,507                  | \$ 330,231   |
| 11/17/2008 | 1,155,325          | 1,097,143  | 55,805                                | 2,377                      | 0          | 55,018                         | 2,377                      | 57,395  | \$ 0       | \$ 113,031                     | \$ 5,631                   | \$ 118,661   |
| 11/18/2008 | 2,332,760          | 2,214,427  | 113,518                               | 4,815                      | 0          | 111,473                        | 4,815                      | 116,288 | \$ 0       | \$ 206,483                     | \$ 10,396                  | \$ 216,880   |
| 11/19/2008 | 1,217,476          | 1,154,898  | 60,037                                | 2,541                      | 0          | 58,902                         | 2,541                      | 61,444  | \$ 0       | \$ 103,307                     | \$ 5,233                   | \$ 108,540   |
| 11/20/2008 | 1,716,565          | 1,627,505  | 85,453                                | 3,606                      | 0          | 73,890                         | 3,606                      | 77,496  | \$ 0       | \$ 106,317                     | \$ 5,622                   | \$ 111,940   |
| 11/21/2008 | 1,514,615          | 1,435,737  | 75,691                                | 3,186                      | 0          | 65,247                         | 3,186                      | 68,434  | \$0        | \$ 76,537                      | \$ 4,107                   | \$ 80,644    |
| 11/24/2008 | 1,124,433          | 1,065,170  | 56,874                                | 2,389                      | 0          | 49,027                         | 2,389                      | 51,416  | \$ 0       | \$ 58,977                      | \$ 3,152                   | \$ 62,129    |
| 11/25/2008 | 1,654,595          | 1,566,662  | 84,397                                | 3,535                      | 0          | 72,752                         | 3,535                      | 76,288  | \$ 0       | \$ 67,140                      | \$ 3,673                   | \$ 70,814    |
| 11/26/2008 | 3,554,954          | 3,362,211  | 185,039                               | 7,703                      | 0          | 159,508                        | 7,703                      | 167,211 | \$ 0       | \$ 161,526                     | \$ 8,697                   | \$ 170,223   |
| 11/27/2008 | 567,768            | 536,843    | 29,690                                | 1,235                      | 0          | 28,928                         | 1,235                      | 30,163  | \$ 0       | \$ 42,935                      | \$ 2,197                   | \$ 45,132    |
| 11/28/2008 | 933,216            | 882,565    | 48,632                                | 2,019                      | 0          | 48,213                         | 2,019                      | 50,232  | \$ 0       | \$ 116,730                     | \$ 5,551                   | \$ 122,281   |
| 12/1/2008  | 1,077,594          | 1,018,670  | 56,578                                | 2,345                      | 0          | 55,522                         | 2,345                      | 57,867  | \$ 0       | \$ 90,664                      | \$ 4,547                   | \$ 95,211    |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|                     |                    |            |                                |                            | Damage     | d Shares                       |                            | OSA Section 138.5(1) Damages  Retained |              | 38.5(1) Damages                |                            |                          |
|---------------------|--------------------|------------|--------------------------------|----------------------------|------------|--------------------------------|----------------------------|----------------------------------------|--------------|--------------------------------|----------------------------|--------------------------|
|                     | Investor           |            | Reta                           | ined                       |            | Reta                           | ined                       |                                        |              | Retain                         | ned                        |                          |
| Date                | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                                  | In-and-Out   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                    |
| [1]                 | [2]                | [3]        | [4]                            | [5]                        | [6]        | [7]                            | [8]                        | [9]                                    | [10]         | [11]                           | [12]                       | [13]                     |
| 12/2/2008           | 2,474,563          | 2,337,047  | 132,066                        | 5,450                      | 0          | 130,236                        | 5,450                      | 135,686                                | \$0          | \$ 272,614                     | \$ 13,129                  | \$ 285,744               |
| 12/3/2008           | 1,157,197          | 1,092,674  | 61,970                         | 2,552                      | 0          | 60,899                         | 2,552                      | 63,451                                 | \$ 0         | \$ 116,333                     | \$ 5,664                   | \$ 121,996               |
| 12/4/2008           | 730,920            | 690,071    | 39,236                         | 1,614                      | 0          | 38,693                         | 1,614                      | 40,307                                 | \$ 0         | \$ 80,215                      | \$ 3,855                   | \$ 84,070                |
| 12/5/2008           | 567,844            | 535,733    | 30,843                         | 1,267                      | 0          | 30,417                         | 1,267                      | 31,684                                 | \$ 0         | \$ 70,053                      | \$ 3,319                   | \$ 73,372                |
| 12/8/2008           | 634,058            | 598,084    | 34,555                         | 1,418                      | 0          | 34,555                         | 1,418                      | 35,973                                 | \$ 0         | \$ 120,867                     | \$ 5,459                   | \$ 126,326               |
| 12/9/2008           | 612,569            | 577,694    | 33,502                         | 1,374                      | 0          | 33,502                         | 1,374                      | 34,875                                 | \$ 0         | \$ 114,166                     | \$ 5,164                   | \$ 119,330               |
| 12/10/2008          | 1,270,757          | 1,197,895  | 69,998                         | 2,864                      | 0          | 69,998                         | 2,864                      | 72,862                                 | \$ 0         | \$ 338,634                     | \$ 14,860                  | \$ 353,495               |
| 12/11/2008          | 565,021            | 532,510    | 31,235                         | 1,277                      | 0          | 31,235                         | 1,277                      | 32,511                                 | \$ 0         | \$ 147,045                     | \$ 6,459                   | \$ 153,504               |
| 12/12/2008          | 532,670            | 501,925    | 29,539                         | 1,206                      | 0          | 29,539                         | 1,206                      | 30,746                                 | \$ 0         | \$ 134,632                     | \$ 5,921                   | \$ 140,554               |
| 12/15/2008          | 932,570            | 878,461    | 51,989                         | 2,120                      | 0          | 51,989                         | 2,120                      | 54,109                                 | \$ 0         | \$ 211,997                     | \$ 9,388                   | \$ 221,384               |
| 12/16/2008          | 794,462            | 748,158    | 44,492                         | 1,811                      | 0          | 44,492                         | 1,811                      | 46,304                                 | \$ 0         | \$ 193,883                     | \$ 8,530                   | \$ 202,413               |
| 12/17/2008          | 17,592             | 16,573     | 980                            | 40                         | 0          | 980                            | 40                         | 1,019                                  | \$ 0         | \$ 4,122                       | \$ 182                     | \$ 4,304                 |
| 12/18/2008          | 832,652            | 783,885    | 46,863                         | 1,905                      | 0          | 46,863                         | 1,905                      | 48,768                                 | \$ 0         | \$ 215,457                     | \$ 9,428                   | \$ 224,885               |
| 12/19/2008          | 844,806            | 795,161    | 47,708                         | 1,937                      | 0          | 47,708                         | 1,937                      | 49,644                                 | \$ 0         | \$ 274,683                     | \$ 11,831                  | \$ 286,514               |
| 12/22/2008          | 446,090            | 419,886    | 25,183                         | 1,021                      | 0          | 25,183                         | 1,021                      | 26,204                                 | \$ 0         | \$ 112,254                     | \$ 4,912                   | \$ 117,167               |
| 12/23/2008          | 487,458            | 458,619    | 27,715                         | 1,123                      | 0          | 27,715                         | 1,123                      | 28,838                                 | \$ 0         | \$ 124,929                     | \$ 5,458                   | \$ 130,386               |
| 12/24/2008          | 1,767,514          | 1,661,902  | 101,511                        | 4,101                      | 0          | 101,511                        | 4,101                      | 105,612                                | \$ 0         | \$ 427,110                     | \$ 18,698                  | \$ 445,808               |
| 12/29/2008          | 301,162            | 283,145    | 17,318                         | 699                        | 0          | 17,318                         | 699                        | 18,017                                 | \$ 0         | \$ 83,081                      | \$ 3,601                   | \$ 86,682                |
| 12/30/2008          | 558,988            | 525,432    | 32,255                         | 1,301                      | 0          | 32,255                         | 1,301                      | 33,556                                 | \$ 0         | \$ 168,614                     | \$ 7,260                   | \$ 175,874               |
| 12/31/2008          | 2,454,841          | 2,305,355  | 143,713                        | 5,773                      | 0          | 143,713                        | 5,773                      | 149,486                                | \$ 0         | \$ 722,505                     | \$ 31,053                  | \$ 753,558               |
| 1/2/2009            | 252,745            | 237,380    | 14,771                         | 593                        | 0          | 14,771                         | 593                        | 15,364                                 | \$ 0         | \$ 77,954                      | \$ 3,339                   | \$ 81,293                |
| 1/5/2009            | 279,199            | 262,202    | 16,341                         | 656                        | 0          | 16,341                         | 656                        | 16,997                                 | \$ 0         | \$ 83,462                      | \$ 3,581                   | \$ 87,042                |
| 1/6/2009            | 294,711            | 276,739    | 17,278                         | 693                        | 0          | 17,278                         | 693                        | 17,972                                 | \$ 0         | \$ 101,898                     | \$ 4,332                   | \$ 106,230               |
| 1/7/2009            | 759,645            | 713,154    | 44,700                         | 1,791                      | 0          | 44,700                         | 1,791                      | 46,491                                 | \$ 0         | \$ 227,405                     | \$ 9,742                   | \$ 237,147               |
| 1/8/2009            | 902,442            | 846,944    | 53,363                         | 2,135                      | 0          | 53,363                         | 2,135                      | 55,498                                 | \$ 0         | \$ 288,550                     | \$ 12,297                  | \$ 300,847               |
| 1/9/2009            | 498,536            | 467,798    | 29,556                         | 1,182                      | 0          | 29,556                         | 1,182                      | 30,738                                 | \$ 0         | \$ 152,432                     | \$ 6,511                   | \$ 158,942               |
| 1/12/2009           | 361,693            | 339,352    | 21,482                         | 858                        | 0          | 21,482                         | 858                        | 22,341                                 | \$ 0         | \$ 95,754                      | \$ 4,128                   | \$ 99,882                |
| 1/13/2009           | 310,545            | 291,334    | 18,473                         | 738                        | 0          | 18,473                         | 738                        | 19,210                                 | \$0          | \$ 83,261                      | \$ 3,585                   | \$ 86,847                |
| 1/14/2009           | 169,343            | 158,880    | 10,061                         | 402                        | 0          | 10,061                         | 402                        | 10,463                                 | \$ 0         | \$ 41,627                      | \$ 1,804                   | \$ 43,431                |
| 1/15/2009           | 376,563            | 353,242    | 22,426                         | 895                        | 0          | 22,426                         | 895                        | 23,321                                 | \$ 0         | \$ 93,232                      | \$ 4,036                   | \$ 97,267                |
| 1/16/2009           | 402,309            | 377,301    | 24,049                         | 959                        | 0          | 24,049                         | 959                        | 25,008                                 | \$ 0         | \$ 109,115                     | \$ 4,689                   | \$ 113,805               |
| 1/19/2009           | 66,062             | 61,954     | 3,951                          | 158                        | 0          | 3,951                          | 158                        | 4,108                                  | \$0          | \$ 16,740                      | \$ 723                     | \$ 17,463                |
| 1/20/2009           | 158,312            | 148,486    | 9,449                          | 377                        | 0          | 9,449                          | 377                        | 9,826                                  | \$ 0         | \$ 37,014                      | \$ 1,608                   | \$ 38,623                |
| 1/21/2009           | 282,002            | 264,453    | 16,876                         | 673                        | 0          | 16,876                         | 673                        | 17,549                                 | \$0          | \$ 70,159                      | \$ 3,033                   | \$ 73,191                |
| 1/22/2009           | 188,413            | 176,666    | 11,297                         | 450                        | 0          | 11,297                         | 450                        | 11,747                                 | \$0          | \$ 46,964                      | \$ 2,029                   | \$ 48,993                |
| 1/23/2009           | 159,978            | 149,990    | 9,606                          | 383                        | 0          | 9,606                          | 383                        | 9,988                                  | \$0          | \$ 38,012                      | \$ 1,649                   | \$ 39,660                |
| 1/26/2009           | 57,901             | 54,285     | 3,478                          | 139                        | 0          | 3,478                          | 139                        | 3,616                                  | \$0          | \$ 14,110                      | \$ 611                     | \$ 14,721                |
| 1/27/2009           | 82,566             | 77,410     | 4,959                          | 197                        | 0          | 4,959                          | 197                        | 5,156                                  | \$0          | \$ 20,219                      | \$ 875                     | \$ 21,094                |
| 1/28/2009           | 132,453            | 124,189    | 7,947                          | 316                        | 0          | 7,947                          | 316                        | 8,263                                  | \$ 0         | \$ 33,117                      | \$ 1,430                   | \$ 34,547                |
| 1/29/2009           | 142,080            | 133,206    | 8,534                          | 340                        | 0          | 8,534                          | 340                        | 8,874                                  | \$0          | \$ 33,515                      | \$ 1,454                   | \$ 34,969                |
| 1/30/2009           | 620,529            | 581,621    | 37,420                         | 1,488                      | 0          | 37,420                         | 1,488                      | 38,908                                 | \$0          | \$ 163,048                     | \$ 7,008                   | \$ 170,056               |
| 2/2/2009            | 271,485            | 254,483    | 16,352                         | 650                        | 0          | 16,352                         | 650                        | 17,002                                 | \$0          | \$ 62,910                      | \$ 2,729                   | \$ 65,640                |
| 2/3/2009            | 221,050            | 207,184    | 13,336                         | 530                        | 0          | 13,336                         | 530                        | 13,866                                 | \$0          | \$ 57,175                      | \$ 2,458                   | \$ 59,633                |
| 2/4/2009            | 464,439            | 435,205    | 28,118                         | 1,117                      | 0          | 28,118                         | 1,117                      | 29,235                                 | \$0          | \$ 130,951                     | \$ 5,593                   | \$ 136,544               |
| 2/5/2009            | 168,529            | 157,912    | 10,212                         | 405                        | 0          | 10,212                         | 405                        | 10,617                                 | \$0          | \$ 50,826                      | \$ 2,160                   | \$ 52,986                |
| 2/6/2009            | 470,793            | 441,065    | 28,594                         | 1,134                      | 0          | 28,594                         | 1,134                      | 29,728                                 | \$0          | \$ 180,061                     | \$ 7,542                   | \$ 187,603               |
| 2/9/2009            | 696,790            | 652,634    | 42,473                         | 1,683                      | 0          | 42,473                         | 1,683                      | 44,156                                 | \$0          | \$ 251,744                     | \$ 10,568                  | \$ 262,312               |
| 2/9/2009 2/10/2009  | 354,566            | 332,060    | 21,649                         | 857                        | 0          | 21,649                         | 1,683<br>857               | 22,506                                 | \$ 0<br>\$ 0 | \$ 231,744<br>\$ 123,335       | \$ 5,187                   | \$ 262,312<br>\$ 128,522 |
| 2/10/2009 2/11/2009 | 398,844            | 373,473    | 21,649 24,405                  | 857<br>966                 | 0          | 21,649                         | 857<br>966                 | 25,371                                 | \$ 0<br>\$ 0 | \$ 123,335<br>\$ 142,455       | \$ 5,187<br>\$ 5,979       | \$ 128,522<br>\$ 148,433 |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         |            | OSA Section 13                 | 38.5(1) Damages            |            |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|------------|--------------------------------|----------------------------|------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |         |            | Retai                          | ned                        |            |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total      |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]       | [11]                           | [12]                       | [13]       |
| 2/12/2009 | 945,285            | 885,113    | 57,885                                | 2,288                      | 0          | 57,885                         | 2,288                      | 60,172  | \$0        | \$ 356,403                     | \$ 14,892                  | \$ 371,294 |
| 2/13/2009 | 134,368            | 125,775    | 8,266                                 | 327                        | 0          | 8,266                          | 327                        | 8,592   | \$ 0       | \$ 50,811                      | \$ 2,123                   | \$ 52,934  |
| 2/17/2009 | 197,058            | 184,444    | 12,135                                | 479                        | 0          | 12,135                         | 479                        | 12,615  | \$ 0       | \$ 74,718                      | \$ 3,120                   | \$ 77,839  |
| 2/18/2009 | 536,478            | 502,045    | 33,125                                | 1,308                      | 0          | 33,125                         | 1,308                      | 34,433  | \$ 0       | \$ 175,800                     | \$ 7,399                   | \$ 183,199 |
| 2/19/2009 | 111,919            | 104,734    | 6,912                                 | 273                        | 0          | 6,912                          | 273                        | 7,185   | \$ 0       | \$ 36,615                      | \$ 1,541                   | \$ 38,156  |
| 2/20/2009 | 370,412            | 346,573    | 22,935                                | 905                        | 0          | 22,935                         | 905                        | 23,839  | \$ 0       | \$ 118,276                     | \$ 4,983                   | \$ 123,259 |
| 2/23/2009 | 220,819            | 206,596    | 13,684                                | 540                        | 0          | 13,684                         | 540                        | 14,223  | \$ 0       | \$ 61,674                      | \$ 2,622                   | \$ 64,295  |
| 2/24/2009 | 1,476,341          | 1,380,594  | 92,122                                | 3,624                      | 0          | 92,122                         | 3,624                      | 95,746  | \$ 0       | \$ 336,894                     | \$ 14,528                  | \$ 351,423 |
| 2/25/2009 | 495,828            | 463,765    | 30,850                                | 1,213                      | 0          | 30,850                         | 1,213                      | 32,063  | \$ 0       | \$ 121,459                     | \$ 5,201                   | \$ 126,660 |
| 2/26/2009 | 345,087            | 322,690    | 21,550                                | 847                        | 0          | 21,550                         | 847                        | 22,396  | \$ 0       | \$ 80,963                      | \$ 3,479                   | \$ 84,441  |
| 2/27/2009 | 300,110            | 280,591    | 18,782                                | 738                        | 0          | 18,782                         | 738                        | 19,519  | \$ 0       | \$ 68,685                      | \$ 2,957                   | \$ 71,641  |
| 3/2/2009  | 598,634            | 559,535    | 37,623                                | 1,476                      | 0          | 37,494                         | 1,476                      | 38,970  | \$ 0       | \$ 101,112                     | \$ 4,486                   | \$ 105,598 |
| 3/3/2009  | 637,530            | 595,740    | 40,213                                | 1,576                      | 0          | 39,672                         | 1,576                      | 41,248  | \$ 0       | \$ 86,535                      | \$ 3,939                   | \$ 90,474  |
| 3/4/2009  | 1,268,969          | 1,185,117  | 80,695                                | 3,157                      | 0          | 80,695                         | 3,157                      | 83,852  | \$ 0       | \$ 238,609                     | \$ 10,446                  | \$ 249,055 |
| 3/5/2009  | 1,153,226          | 1,076,422  | 73,918                                | 2,887                      | 0          | 73,918                         | 2,887                      | 76,804  | \$ 0       | \$ 257,003                     | \$ 11,053                  | \$ 268,056 |
| 3/6/2009  | 370,481            | 345,756    | 23,797                                | 929                        | 0          | 23,797                         | 929                        | 24,725  | \$ 0       | \$ 82,024                      | \$ 3,528                   | \$ 85,552  |
| 3/9/2009  | 479,206            | 447,268    | 30,739                                | 1,199                      | 0          | 30,739                         | 1,199                      | 31,938  | \$ 0       | \$ 103,186                     | \$ 4,447                   | \$ 107,633 |
| 3/10/2009 | 472,465            | 440,783    | 30,493                                | 1,188                      | 0          | 30,493                         | 1,188                      | 31,682  | \$ 0       | \$ 120,658                     | \$ 5,121                   | \$ 125,779 |
| 3/11/2009 | 499,439            | 465,866    | 32,314                                | 1,258                      | 0          | 32,314                         | 1,258                      | 33,573  | \$ 0       | \$ 123,016                     | \$ 5,234                   | \$ 128,250 |
| 3/12/2009 | 184,316            | 171,933    | 11,919                                | 464                        | 0          | 11,919                         | 464                        | 12,383  | \$ 0       | \$ 47,757                      | \$ 2,023                   | \$ 49,780  |
| 3/13/2009 | 456,416            | 425,645    | 29,619                                | 1,152                      | 0          | 29,619                         | 1,152                      | 30,772  | \$ 0       | \$ 110,682                     | \$ 4,712                   | \$ 115,394 |
| 3/16/2009 | 289,940            | 270,361    | 18,846                                | 733                        | 0          | 18,846                         | 733                        | 19,579  | \$ 0       | \$ 59,872                      | \$ 2,586                   | \$ 62,458  |
| 3/17/2009 | 566,463            | 528,099    | 36,929                                | 1,435                      | 0          | 36,929                         | 1,435                      | 38,363  | \$ 0       | \$ 114,730                     | \$ 4,963                   | \$ 119,693 |
| 3/18/2009 | 436,447            | 406,825    | 28,515                                | 1,107                      | 0          | 28,515                         | 1,107                      | 29,622  | \$ 0       | \$ 89,730                      | \$ 3,874                   | \$ 93,604  |
| 3/19/2009 | 292,913            | 273,102    | 19,071                                | 740                        | 0          | 19,071                         | 740                        | 19,811  | \$ 0       | \$ 57,722                      | \$ 2,501                   | \$ 60,223  |
| 3/20/2009 | 379,568            | 353,801    | 24,805                                | 962                        | 0          | 24,720                         | 962                        | 25,683  | \$ 0       | \$ 65,175                      | \$ 2,866                   | \$ 68,041  |
| 3/23/2009 | 579,535            | 540,097    | 37,966                                | 1,471                      | 0          | 37,966                         | 1,471                      | 39,438  | \$ 0       | \$ 119,091                     | \$ 5,134                   | \$ 124,225 |
| 3/24/2009 | 189,317            | 176,374    | 12,461                                | 483                        | 0          | 12,461                         | 483                        | 12,944  | \$ 0       | \$ 38,090                      | \$ 1,646                   | \$ 39,735  |
| 3/25/2009 | 491,474            | 457,790    | 32,428                                | 1,255                      | 0          | 32,428                         | 1,255                      | 33,684  | \$ 0       | \$ 98,151                      | \$ 4,242                   | \$ 102,394 |
| 3/26/2009 | 1,108,396          | 1,032,125  | 73,433                                | 2,838                      | 0          | 73,433                         | 2,838                      | 76,271  | \$ 0       | \$ 250,163                     | \$ 10,669                  | \$ 260,831 |
| 3/27/2009 | 555,105            | 516,737    | 36,941                                | 1,427                      | 0          | 36,941                         | 1,427                      | 38,368  | \$ 0       | \$ 127,324                     | \$ 5,419                   | \$ 132,743 |
| 3/30/2009 | 434,811            | 404,692    | 29,000                                | 1,119                      | 0          | 29,000                         | 1,119                      | 30,119  | \$ 0       | \$ 91,833                      | \$ 3,938                   | \$ 95,771  |
| 3/31/2009 | 1,388,364          | 1,291,531  | 93,242                                | 3,591                      | 0          | 93,242                         | 3,591                      | 96,833  | \$ 0       | \$ 367,993                     | \$ 15,436                  | \$ 383,430 |
| 4/1/2009  | 479,091            | 445,672    | 32,181                                | 1,238                      | 0          | 32,181                         | 1,238                      | 33,419  | \$ 0       | \$ 129,580                     | \$ 5,423                   | \$ 135,002 |
| 4/2/2009  | 1,496,183          | 1,390,996  | 101,297                               | 3,889                      | 0          | 101,297                        | 3,889                      | 105,186 | \$ 0       | \$ 537,542                     | \$ 22,009                  | \$ 559,550 |
| 4/3/2009  | 552,852            | 513,872    | 37,540                                | 1,440                      | 0          | 37,540                         | 1,440                      | 38,980  | \$ 0       | \$ 173,304                     | \$ 7,156                   | \$ 180,460 |
| 4/6/2009  | 671,714            | 624,565    | 45,409                                | 1,740                      | 0          | 45,409                         | 1,740                      | 47,150  | \$ 0       | \$ 224,165                     | \$ 9,204                   | \$ 233,369 |
| 4/7/2009  | 1,107,578          | 1,028,972  | 75,710                                | 2,896                      | 0          | 75,710                         | 2,896                      | 78,606  | \$ 0       | \$ 328,316                     | \$ 13,581                  | \$ 341,897 |
| 4/8/2009  | 291,090            | 270,360    | 19,967                                | 764                        | 0          | 19,967                         | 764                        | 20,731  | \$ 0       | \$ 79,798                      | \$ 3,321                   | \$ 83,119  |
| 4/9/2009  | 198,475            | 184,342    | 13,613                                | 520                        | 0          | 13,613                         | 520                        | 14,133  | \$ 0       | \$ 60,801                      | \$ 2,508                   | \$ 63,308  |
| 4/13/2009 | 211,224            | 196,155    | 14,514                                | 555                        | 0          | 14,514                         | 555                        | 15,068  | \$ 0       | \$ 68,308                      | \$ 2,806                   | \$ 71,115  |
| 4/14/2009 | 476,862            | 442,800    | 32,808                                | 1,253                      | 0          | 32,808                         | 1,253                      | 34,061  | \$ 0       | \$ 175,736                     | \$ 7,153                   | \$ 182,889 |
| 4/15/2009 | 448,856            | 416,726    | 30,948                                | 1,181                      | 0          | 30,948                         | 1,181                      | 32,129  | \$ 0       | \$ 159,584                     | \$ 6,507                   | \$ 166,090 |
| 4/16/2009 | 607,119            | 563,510    | 42,008                                | 1,602                      | 0          | 42,008                         | 1,602                      | 43,609  | \$ 0       | \$ 216,189                     | \$ 8,807                   | \$ 224,997 |
| 4/17/2009 | 513,827            | 476,769    | 35,698                                | 1,360                      | 0          | 35,698                         | 1,360                      | 37,058  | \$ 0       | \$ 194,783                     | \$ 7,900                   | \$ 202,683 |
| 4/20/2009 | 500,270            | 464,307    | 34,644                                | 1,319                      | 0          | 34,644                         | 1,319                      | 35,963  | \$ 0       | \$ 175,867                     | \$ 7,160                   | \$ 183,027 |
| 4/21/2009 | 408,048            | 378,596    | 28,373                                | 1,079                      | 0          | 28,373                         | 1,079                      | 29,452  | \$ 0       | \$ 140,058                     | \$ 5,709                   | \$ 145,767 |
| 4/22/2009 | 365,284            | 338,873    | 25,444                                | 967                        | 0          | 25,444                         | 967                        | 26,411  | \$ 0       | \$ 129,418                     | \$ 5,262                   | \$ 134,680 |
| 4/23/2009 | 987,422            | 915,477    | 69,313                                | 2,632                      | 0          | 69,313                         | 2,632                      | 71,945  | \$ 0       | \$ 357,404                     | \$ 14,498                  | \$ 371,902 |

Exhibit F Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |           |            | OSA Section 13                 | 38.5(1) Damages            |               |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-----------|------------|--------------------------------|----------------------------|---------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |           |            | Retai                          | ned                        |               |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total         |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]       | [10]       | [11]                           | [12]                       | [13]          |
| 4/24/2009 | 563,737            | 522,502    | 39,729                                | 1,507                      | 0          | 39,729                         | 1,507                      | 41,236    | \$0        | \$ 212,800                     | \$ 8,604                   | \$ 221,404    |
| 4/27/2009 | 248,936            | 230,747    | 17,524                                | 665                        | 0          | 17,524                         | 665                        | 18,189    | \$ 0       | \$ 93,691                      | \$ 3,787                   | \$ 97,478     |
| 4/28/2009 | 241,993            | 224,266    | 17,079                                | 647                        | 0          | 17,079                         | 647                        | 17,727    | \$ 0       | \$ 96,606                      | \$ 3,890                   | \$ 100,496    |
| 4/29/2009 | 307,773            | 285,190    | 21,758                                | 824                        | 0          | 21,758                         | 824                        | 22,582    | \$ 0       | \$ 125,680                     | \$ 5,053                   | \$ 130,732    |
| 4/30/2009 | 489,718            | 453,714    | 34,690                                | 1,313                      | 0          | 34,690                         | 1,313                      | 36,004    | \$ 0       | \$ 194,138                     | \$ 7,813                   | \$ 201,951    |
| 5/1/2009  | 316,006            | 292,720    | 22,438                                | 849                        | 0          | 22,438                         | 849                        | 23,287    | \$ 0       | \$ 145,312                     | \$ 5,798                   | \$ 151,111    |
| 5/4/2009  | 414,628            | 384,006    | 29,506                                | 1,116                      | 0          | 29,506                         | 1,116                      | 30,622    | \$ 0       | \$ 196,106                     | \$ 7,810                   | \$ 203,915    |
| 5/5/2009  | 648,219            | 600,209    | 46,263                                | 1,748                      | 0          | 46,263                         | 1,748                      | 48,010    | \$ 0       | \$ 307,936                     | \$ 12,251                  | \$ 320,186    |
| 5/6/2009  | 1,118,428          | 1,035,109  | 80,291                                | 3,028                      | 0          | 80,291                         | 3,028                      | 83,319    | \$ 0       | \$ 638,810                     | \$ 25,162                  | \$ 663,971    |
| 5/7/2009  | 1,423,267          | 1,316,449  | 102,944                               | 3,874                      | 0          | 102,944                        | 3,874                      | 106,818   | \$ 0       | \$ 753,157                     | \$ 29,711                  | \$ 782,868    |
| 5/8/2009  | 624,495            | 577,560    | 45,235                                | 1,701                      | 0          | 45,235                         | 1,701                      | 46,935    | \$ 0       | \$ 361,251                     | \$ 14,182                  | \$ 375,433    |
| 5/11/2009 | 387,632            | 358,398    | 28,175                                | 1,059                      | 0          | 28,175                         | 1,059                      | 29,234    | \$ 0       | \$ 200,497                     | \$ 7,907                   | \$ 208,405    |
| 5/12/2009 | 1,419,670          | 1,311,797  | 103,974                               | 3,898                      | 0          | 103,974                        | 3,898                      | 107,872   | \$ 0       | \$ 738,850                     | \$ 29,078                  | \$ 767,929    |
| 5/13/2009 | 646,506            | 597,303    | 47,426                                | 1,776                      | 0          | 47,426                         | 1,776                      | 49,202    | \$ 0       | \$ 321,837                     | \$ 12,682                  | \$ 334,519    |
| 5/14/2009 | 2,963,231          | 2,733,906  | 221,081                               | 8,243                      | 0          | 221,081                        | 8,243                      | 229,325   | \$ 0       | \$ 1,641,750                   | \$ 64,125                  | \$ 1,705,876  |
| 5/15/2009 | 248,043            | 228,826    | 18,526                                | 691                        | 0          | 18,526                         | 691                        | 19,217    | \$ 0       | \$ 139,984                     | \$ 5,461                   | \$ 145,445    |
| 5/18/2009 | 2,052              | 1,895      | 152                                   | 6                          | 0          | 152                            | 6                          | 157       | \$ 0       | \$ 1,147                       | \$ 45                      | \$ 1,191      |
| 5/19/2009 | 315,072            | 290,621    | 23,573                                | 878                        | 0          | 23,573                         | 878                        | 24,451    | \$ 0       | \$ 184,244                     | \$ 7,174                   | \$ 191,417    |
| 5/20/2009 | 635,298            | 585,959    | 47,568                                | 1,770                      | 0          | 47,568                         | 1,770                      | 49,339    | \$ 0       | \$ 388,442                     | \$ 15,082                  | \$ 403,525    |
| 5/21/2009 | 693,758            | 639,551    | 52,264                                | 1,943                      | 0          | 52,264                         | 1,943                      | 54,207    | \$ 0       | \$ 416,329                     | \$ 16,165                  | \$ 432,493    |
| 5/22/2009 | 3,524,726          | 3,244,488  | 270,245                               | 9,993                      | 0          | 270,245                        | 9,993                      | 280,238   | \$ 0       | \$ 1,744,658                   | \$ 68,041                  | \$ 1,812,699  |
| 5/25/2009 | 1,232,750          | 1,134,065  | 95,172                                | 3,513                      | 0          | 95,172                         | 3,513                      | 98,685    | \$ 0       | \$ 632,496                     | \$ 24,584                  | \$ 657,080    |
| 5/26/2009 | 1,560,528          | 1,434,614  | 121,443                               | 4,471                      | 0          | 121,443                        | 4,471                      | 125,914   | \$ 0       | \$ 850,797                     | \$ 32,905                  | \$ 883,702    |
| 5/27/2009 | 1,197,412          | 1,100,202  | 93,764                                | 3,446                      | 0          | 93,764                         | 3,446                      | 97,210    | \$ 0       | \$ 638,129                     | \$ 24,669                  | \$ 662,798    |
| 5/28/2009 | 887,085            | 814,809    | 69,718                                | 2,559                      | 0          | 69,718                         | 2,559                      | 72,276    | \$ 0       | \$ 503,059                     | \$ 19,367                  | \$ 522,426    |
| 5/29/2009 | 1,505,543          | 1,381,999  | 119,180                               | 4,364                      | 0          | 119,180                        | 4,364                      | 123,544   | \$ 0       | \$ 936,232                     | \$ 35,824                  | \$ 972,056    |
| 6/1/2009  | 615,883            | 565,020    | 49,069                                | 1,795                      | 0          | 49,069                         | 1,795                      | 50,864    | \$ 0       | \$ 419,812                     | \$ 15,992                  | \$ 435,804    |
| 6/2/2009  | 1,040,400          | 954,241    | 83,122                                | 3,036                      | 0          | 83,122                         | 3,036                      | 86,158    | \$ 0       | \$ 721,133                     | \$ 27,412                  | \$ 748,545    |
| 6/3/2009  | 524,893            | 481,178    | 42,176                                | 1,539                      | 0          | 42,176                         | 1,539                      | 43,715    | \$ 0       | \$ 343,966                     | \$ 13,097                  | \$ 357,063    |
| 6/4/2009  | 512,578            | 469,798    | 41,275                                | 1,505                      | 0          | 41,275                         | 1,505                      | 42,780    | \$ 0       | \$ 361,387                     | \$ 13,710                  | \$ 375,097    |
| 6/5/2009  | 1,864,383          | 1,707,191  | 151,677                               | 5,515                      | 12,094     | 151,677                        | 5,515                      | 169,286   | \$ 4,838   | \$ 1,519,119                   | \$ 57,187                  | \$ 1,581,143  |
| 6/8/2009  | 35,278,848         | 31,717,982 | 3,436,049                             | 124,817                    | 0          | 3,436,049                      | 124,817                    | 3,560,866 | \$ 0       | \$ 32,936,134                  | \$ 1,240,557               | \$ 34,176,692 |
| 6/9/2009  | 852,903            | 780,503    | 69,865                                | 2,535                      | 0          | 69,865                         | 2,535                      | 72,400    | \$ 0       | \$ 631,258                     | \$ 23,803                  | \$ 655,061    |
| 6/10/2009 | 1,250,955          | 1,144,211  | 103,011                               | 3,732                      | 0          | 103,011                        | 3,732                      | 106,744   | \$ 0       | \$ 882,336                     | \$ 33,287                  | \$ 915,622    |
| 6/11/2009 | 1,599,251          | 1,461,910  | 132,549                               | 4,793                      | 0          | 132,549                        | 4,793                      | 137,341   | \$ 0       | \$ 1,214,858                   | \$ 45,621                  | \$ 1,260,479  |
| 6/12/2009 | 505,583            | 462,069    | 41,996                                | 1,518                      | 0          | 41,996                         | 1,518                      | 43,513    | \$ 0       | \$ 376,089                     | \$ 14,127                  | \$ 390,216    |
| 6/15/2009 | 743,885            | 679,658    | 61,989                                | 2,238                      | 0          | 61,989                         | 2,238                      | 64,227    | \$ 0       | \$ 550,170                     | \$ 20,653                  | \$ 570,824    |
| 6/16/2009 | 1,272,539          | 1,162,550  | 106,163                               | 3,827                      | 0          | 106,163                        | 3,827                      | 109,989   | \$ 0       | \$ 983,631                     | \$ 36,808                  | \$ 1,020,438  |
| 6/17/2009 | 701,445            | 640,397    | 58,926                                | 2,122                      | 0          | 58,926                         | 2,122                      | 61,048    | \$ 0       | \$ 525,341                     | \$ 19,669                  | \$ 545,010    |
| 6/18/2009 | 674,834            | 615,950    | 56,839                                | 2,045                      | 0          | 56,839                         | 2,045                      | 58,884    | \$ 0       | \$ 483,998                     | \$ 18,139                  | \$ 502,136    |
| 6/19/2009 | 3,096,734          | 2,822,860  | 264,398                               | 9,477                      | 0          | 264,398                        | 9,477                      | 273,875   | \$ 0       | \$ 2,357,160                   | \$ 87,838                  | \$ 2,444,998  |
| 6/22/2009 | 1,183,602          | 1,078,819  | 101,162                               | 3,620                      | 0          | 101,162                        | 3,620                      | 104,783   | \$ 0       | \$ 848,261                     | \$ 31,639                  | \$ 879,901    |
| 6/23/2009 | 759,427            | 691,718    | 65,372                                | 2,337                      | 0          | 65,372                         | 2,337                      | 67,709    | \$ 0       | \$ 527,887                     | \$ 19,702                  | \$ 547,589    |
| 6/24/2009 | 716,120            | 652,086    | 61,826                                | 2,209                      | 0          | 61,826                         | 2,209                      | 64,034    | \$ 0       | \$ 510,378                     | \$ 19,014                  | \$ 529,392    |
| 6/25/2009 | 784,798            | 714,389    | 67,983                                | 2,426                      | 0          | 67,983                         | 2,426                      | 70,410    | \$ 0       | \$ 570,728                     | \$ 21,227                  | \$ 591,955    |
| 6/26/2009 | 430,554            | 391,858    | 37,364                                | 1,333                      | 0          | 37,364                         | 1,333                      | 38,696    | \$ 0       | \$ 309,935                     | \$ 11,527                  | \$ 321,461    |
| 6/29/2009 | 387,766            | 352,858    | 33,706                                | 1,202                      | 0          | 33,706                         | 1,202                      | 34,908    | \$ 0       | \$ 270,833                     | \$ 10,081                  | \$ 280,914    |
| 6/30/2009 | 820,726            | 746,595    | 71,582                                | 2,549                      | 0          | 71,582                         | 2,549                      | 74,131    | \$ 0       | \$ 540,803                     | \$ 20,163                  | \$ 560,966    |
| 7/1/2009  | 8,479              | 7,740      | 714                                   | 25                         | 0          | 714                            | 25                         | 739       | \$ 0       | \$ 5,394                       | \$ 201                     | \$ 5,595      |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | ler Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         |            | OSA Section 13                 | 38.5(1) Damages            |                          |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|------------|--------------------------------|----------------------------|--------------------------|
|           | Investor           |            | Retai                                 | ined                       |            | Reta                           | ined                       |         |            | Retai                          | ned                        |                          |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                    |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]       | [11]                           | [12]                       | [13]                     |
| 7/2/2009  | 688,926            | 626,478    | 60,303                                | 2,146                      | 0          | 60,303                         | 2,146                      | 62,449  | \$0        | \$ 461,622                     | \$ 17,186                  | \$ 478,808               |
| 7/3/2009  | 151,017            | 137,315    | 13,230                                | 471                        | 0          | 13,230                         | 471                        | 13,701  | \$ 0       | \$ 103,132                     | \$ 3,836                   | \$ 106,968               |
| 7/6/2009  | 779,176            | 708,261    | 68,481                                | 2,434                      | 0          | 68,481                         | 2,434                      | 70,915  | \$ 0       | \$ 501,627                     | \$ 18,691                  | \$ 520,319               |
| 7/7/2009  | 1,194,952          | 1,085,655  | 105,551                               | 3,746                      | 0          | 105,551                        | 3,746                      | 109,297 | \$ 0       | \$ 772,105                     | \$ 28,729                  | \$ 800,834               |
| 7/8/2009  | 1,812,354          | 1,645,969  | 160,695                               | 5,691                      | 0          | 160,695                        | 5,691                      | 166,385 | \$ 0       | \$ 1,053,345                   | \$ 39,316                  | \$ 1,092,662             |
| 7/9/2009  | 659,388            | 598,462    | 58,844                                | 2,082                      | 0          | 58,844                         | 2,082                      | 60,926  | \$ 0       | \$ 426,910                     | \$ 15,843                  | \$ 442,753               |
| 7/10/2009 | 456,814            | 414,526    | 40,843                                | 1,444                      | 0          | 40,843                         | 1,444                      | 42,288  | \$ 0       | \$ 304,483                     | \$ 11,279                  | \$ 315,762               |
| 7/13/2009 | 5,052,387          | 4,574,727  | 461,444                               | 16,215                     | 0          | 461,444                        | 16,215                     | 477,660 | \$ 0       | \$ 3,569,168                   | \$ 131,166                 | \$ 3,700,334             |
| 7/14/2009 | 1,550,412          | 1,402,898  | 142,516                               | 4,998                      | 0          | 142,516                        | 4,998                      | 147,514 | \$ 0       | \$ 1,197,807                   | \$ 43,782                  | \$ 1,241,589             |
| 7/15/2009 | 1,420,716          | 1,284,740  | 131,376                               | 4,600                      | 0          | 131,376                        | 4,600                      | 135,976 | \$ 0       | \$ 1,144,906                   | \$ 41,715                  | \$ 1,186,621             |
| 7/16/2009 | 244,626            | 221,207    | 22,627                                | 792                        | 0          | 22,627                         | 792                        | 23,419  | \$ 0       | \$ 196,962                     | \$ 7,174                   | \$ 204,137               |
| 7/17/2009 | 875,576            | 791,388    | 81,344                                | 2,844                      | 0          | 81,344                         | 2,844                      | 84,188  | \$ 0       | \$ 724,340                     | \$ 26,333                  | \$ 750,673               |
| 7/20/2009 | 437,792            | 395,645    | 40,724                                | 1,423                      | 0          | 40,724                         | 1,423                      | 42,148  | \$ 0       | \$ 364,673                     | \$ 13,247                  | \$ 377,921               |
| 7/21/2009 | 458,899            | 414,614    | 42,790                                | 1,494                      | 0          | 42,790                         | 1,494                      | 44,285  | \$ 0       | \$ 380,604                     | \$ 13,822                  | \$ 394,426               |
| 7/22/2009 | 300,939            | 271,863    | 28,095                                | 981                        | 0          | 28,095                         | 981                        | 29,076  | \$ 0       | \$ 249,615                     | \$ 9,062                   | \$ 258,677               |
| 7/23/2009 | 372,231            | 336,304    | 34,716                                | 1,211                      | 0          | 34,716                         | 1,211                      | 35,927  | \$0        | \$ 307,396                     | \$ 11,156                  | \$ 318,552               |
| 7/24/2009 | 466,498            | 421,270    | 43,703                                | 1,524                      | 0          | 43,703                         | 1,524                      | 45,228  | \$0        | \$ 373,429                     | \$ 13,564                  | \$ 386,993               |
| 7/27/2009 | 991,239            | 894,745    | 93,246                                | 3,248                      | 0          | 93,246                         | 3,248                      | 96,494  | \$0        | \$ 854,564                     | \$ 30,918                  | \$ 885,482               |
| 7/28/2009 | 380,884            | 343,742    | 35,893                                | 1,250                      | 0          | 35,893                         | 1,250                      | 37,142  | \$0        | \$ 321,403                     | \$ 11,633                  | \$ 333,036               |
| 7/29/2009 | 370,546            | 334,358    | 34,971                                | 1,217                      | 0          | 34,971                         | 1,217                      | 36,188  | \$0        | \$ 301,609                     | \$ 10,927                  | \$ 312,537               |
| 7/30/2009 | 311,229            | 280,824    | 29,383                                | 1,022                      | 0          | 29,383                         | 1,022                      | 30,405  | \$0        | \$ 270,454                     | \$ 9,771                   | \$ 280,224               |
| 7/31/2009 | 599,767            | 540,986    | 56,807                                | 1,975                      | 4,577      | 56,807                         | 1,975                      | 63,359  | \$ 1,099   | \$ 559,803                     | \$ 20,159                  | \$ 581,061               |
| 8/3/2009  | 8,270              | 7,478      | 766                                   | 27                         | 62         | 766                            | 27                         | 855     | \$ 15      | \$ 7,550                       | \$ 272                     | \$ 7,837                 |
| 8/4/2009  | 812,957            | 733,054    | 77,222                                | 2,682                      | 6,224      | 77,222                         | 2,682                      | 86,127  | \$ 4,979   | \$ 804,226                     | \$ 28,878                  | \$ 838,083               |
| 8/5/2009  | 608,717            | 548,709    | 57,996                                | 2,012                      | 4,675      | 57,996                         | 2,012                      | 64,683  | \$ 5,283   | \$ 623,133                     | \$ 22,336                  | \$ 650,752               |
| 8/6/2009  | 1,334,565          | 1,202,295  | 127,841                               | 4,429                      | 10,309     | 127,841                        | 4,429                      | 142,579 | \$ 15,979  | \$ 1,427,280                   | \$ 51,015                  | \$ 1,494,274             |
| 8/7/2009  | 489,637            | 441,029    | 46,981                                | 1,627                      | 3,789      | 46,981                         | 1,627                      | 52,397  | \$ 6,555   | \$ 532,979                     | \$ 19,029                  | \$ 558,564               |
| 8/10/2009 | 355,373            | 320,091    | 34,103                                | 1,180                      | 2,751      | 34,103                         | 1,180                      | 38,033  | \$ 4,016   | \$ 377,667                     | \$ 13,488                  | \$ 395,171               |
| 8/11/2009 | 644,803            | 580,487    | 62,166                                | 2,150                      | 5,015      | 62,166                         | 2,150                      | 69,330  | \$ 4,815   | \$ 657,365                     | \$ 23,493                  | \$ 685,673               |
| 8/12/2009 | 443,573            | 399,251    | 42,842                                | 1,481                      | 3,457      | 42,842                         | 1,481                      | 47,779  | \$ 4,978   | \$ 473,591                     | \$ 16,892                  | \$ 495,461               |
| 8/13/2009 | 769,042            | 691,947    | 74,522                                | 2,573                      | 6,014      | 74,522                         | 2,573                      | 83,109  | \$ 9,562   | \$ 834,976                     | \$ 29,742                  | \$ 874,281               |
| 8/14/2009 | 383,870            | 345,325    | 37,259                                | 1,286                      | 3,007      | 37,259                         | 1,286                      | 41,552  | \$ 5,112   | \$ 421,567                     | \$ 15,005                  | \$ 441,684               |
| 8/17/2009 | 975,976            | 877,600    | 95,098                                | 3,278                      | 7,678      | 95,098                         | 3,278                      | 106,054 | \$ 6,987   | \$ 1,000,846                   | \$ 35,661                  | \$ 1,043,494             |
| 8/18/2009 | 388,782            | 349,547    | 37,928                                | 1,307                      | 3,062      | 37,928                         | 1,307                      | 42,298  | \$ 2,879   | \$ 400,310                     | \$ 14,255                  | \$ 417,443               |
| 8/19/2009 | 518,575            | 466,096    | 50,732                                | 1,747                      | 4,097      | 50,732                         | 1,747                      | 56,575  | \$ 2,827   | \$ 522,758                     | \$ 18,618                  | \$ 544,203               |
| 8/20/2009 | 582,064            | 523,037    | 57,064                                | 1,963                      | 4,609      | 57,064                         | 1,963                      | 63,636  | \$ 1,567   | \$ 568,033                     | \$ 20,240                  | \$ 589,840               |
| 8/21/2009 | 492,826            | 442,766    | 48,396                                | 1,664                      | 3,909      | 48,396                         | 1,664                      | 53,969  | \$ 3,088   | \$ 503,524                     | \$ 17,904                  | \$ 524,517               |
| 8/24/2009 | 273,773            | 245,922    | 26,926                                | 926                        | 2,175      | 26,926                         | 926                        | 30,027  | \$ 1,175   | \$ 273,414                     | \$ 9,726                   | \$ 284,315               |
| 8/25/2009 | 324,076            | 291,066    | 31,914                                | 1,097                      | 2,173      | 31,914                         | 1,097                      | 35,589  | \$ 2,011   | \$ 331,720                     | \$ 11,787                  | \$ 345,518               |
| 8/26/2009 | 536,218            | 481,457    | 52,943                                | 1,818                      | 4,278      | 52,943                         | 1,818                      | 59,039  | \$ 1,668   | \$ 529,660                     | \$ 18,832                  | \$ 550,161               |
|           |                    |            |                                       | 1,252                      |            |                                |                            |         |            |                                |                            |                          |
| 8/27/2009 | 368,925            | 331,195    | 36,479                                |                            | 2,948      | 36,479                         | 1,252<br>1,957             | 40,679  | \$ 2,211   | \$ 378,073                     | \$ 13,420                  | \$ 393,704<br>\$ 583,416 |
| 8/28/2009 | 575,729            | 516,707    | 57,065                                | 1,957                      | 4,612<br>0 | 57,065                         | ,                          | 63,634  | \$ 1,107   | \$ 562,329                     | \$ 19,980<br>\$ 41,614     |                          |
| 8/31/2009 | 1,338,958          | 1,200,966  | 133,424                               | 4,568                      | 0          | 133,424                        | 4,568                      | 137,992 | \$0        | \$ 1,168,020                   | \$ 41,614                  | \$ 1,209,634             |
| 9/1/2009  | 1,242,804          | 1,114,134  | 124,417                               | 4,254                      |            | 124,417                        | 4,254                      | 128,671 | \$0        | \$ 1,074,240                   | \$ 38,235                  | \$ 1,112,475             |
| 9/2/2009  | 269,667            | 241,908    | 26,842                                | 917                        | 0          | 26,842                         | 917                        | 27,759  | \$ 0       | \$ 237,395                     | \$ 8,439                   | \$ 245,834               |
| 9/3/2009  | 262,338            | 235,110    | 26,328                                | 900                        | 0          | 26,328                         | 900                        | 27,228  | \$ 0       | \$ 244,962                     | \$ 8,688                   | \$ 253,651               |
| 9/4/2009  | 399,215            | 357,733    | 40,112                                | 1,370                      | 0          | 40,112                         | 1,370                      | 41,482  | \$ 0       | \$ 385,247                     | \$ 13,642                  | \$ 398,888               |
| 9/7/2009  | 364                | 326        | 37                                    | 1                          | 0          | 37                             | 1                          | 38      | \$ 0       | \$ 351                         | \$ 12                      | \$ 364                   |
| 9/8/2009  | 1,240,531          | 1,110,894  | 125,363                               | 4,274                      | 10,147     | 125,363                        | 4,274                      | 139,784 | \$ 11,060  | \$ 1,341,899                   | \$ 47,270                  | \$ 1,400,228             |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|                          |                      |                      | der Model Sales of<br>Purchase Volume | Investor                   |                | Damage                         | d Shares                   |                  |                        | OSA Section 1                  | 38.5(1) Damages            |                          |
|--------------------------|----------------------|----------------------|---------------------------------------|----------------------------|----------------|--------------------------------|----------------------------|------------------|------------------------|--------------------------------|----------------------------|--------------------------|
|                          | Investor             |                      | Retai                                 | ined                       |                | Reta                           | ined                       |                  |                        | Retai                          | ned                        |                          |
| Date                     | Purchase<br>Volume   | In-and-Out           | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out     | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total            | In-and-Out             | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                    |
| [1]                      | [2]                  | [3]                  | [4]                                   | [5]                        | [6]            | [7]                            | [8]                        | [9]              | [10]                   | [11]                           | [12]                       | [13]                     |
| 9/9/2009                 | 952,978              | 853,053              | 96,634                                | 3,291                      | 7,823          | 96,634                         | 3,291                      | 107,749          | \$ 13,378              | \$ 1,094,298                   | \$ 38,435                  | \$ 1,146,111             |
| 9/10/2009                | 900,893              | 806,068              | 91,705                                | 3,120                      | 7,426          | 91,705                         | 3,120                      | 102,251          | \$ 20,051              | \$ 1,129,267                   | \$ 39,522                  | \$ 1,188,840             |
| 9/11/2009                | 723,279              | 646,912              | 73,857                                | 2,510                      | 5,982          | 73,857                         | 2,510                      | 82,349           | \$ 17,468              | \$ 925,725                     | \$ 32,354                  | \$ 975,546               |
| 9/14/2009                | 437,018              | 390,773              | 44,725                                | 1,519                      | 3,623          | 44,725                         | 1,519                      | 49,867           | \$ 10,326              | \$ 557,456                     | \$ 19,475                  | \$ 587,257               |
| 9/15/2009                | 603,308              | 539,360              | 61,849                                | 2,099                      | 5,011          | 61,849                         | 2,099                      | 68,959           | \$ 14,833              | \$ 777,688                     | \$ 27,143                  | \$ 819,663               |
| 9/16/2009                | 791,065              | 706,874              | 81,429                                | 2,761                      | 6,599          | 81,429                         | 2,761                      | 90,790           | \$ 19,071              | \$ 1,018,194                   | \$ 35,508                  | \$ 1,072,773             |
| 9/17/2009                | 467,232              | 417,429              | 48,170                                | 1,633                      | 3,904          | 48,170                         | 1,633                      | 53,706           | \$ 11,283              | \$ 602,314                     | \$ 20,993                  | \$ 634,589               |
| 9/18/2009                | 761,782              | 680,331              | 78,783                                | 2,668                      | 6,387          | 78,783                         | 2,668                      | 87,838           | \$ 23,950              | \$ 1,052,858                   | \$ 36,596                  | \$ 1,113,404             |
| 9/21/2009                | 675,262              | 602,838              | 70,054                                | 2,370                      | 5,680          | 70,054                         | 2,370                      | 78,104           | \$ 19,540              | \$ 914,478                     | \$ 31,779                  | \$ 965,796               |
| 9/22/2009                | 428,885              | 382,792              | 44,586                                | 1,508                      | 3,616          | 44,586                         | 1,508                      | 49,709           | \$ 14,282              | \$ 604,765                     | \$ 20,984                  | \$ 640,030               |
| 9/23/2009                | 657,925              | 587,028              | 68,581                                | 2,317                      | 5,562          | 68,581                         | 2,317                      | 76,460           | \$ 22,194              | \$ 932,967                     | \$ 32,343                  | \$ 987,504               |
| 9/24/2009                | 549,608              | 490,265              | 57,406                                | 1,938                      | 4,657          | 57,406                         | 1,938                      | 64,001           | \$ 11,176              | \$ 689,667                     | \$ 23,973                  | \$ 724,816               |
| 9/25/2009                | 1,344,725            | 1,198,671            | 141,291                               | 4,762                      | 11,466         | 141,291                        | 4,762                      | 157,520          | \$ 17,658              | \$ 1,575,944                   | \$ 54,810                  | \$ 1,648,412             |
| 9/28/2009                | 554,231              | 493,894              | 58,370                                | 1,966                      | 4,738          | 58,370                         | 1,966                      | 65,074           | \$ 10,612              | \$ 691,914                     | \$ 24,004                  | \$ 726,531               |
| 9/29/2009                | 1,472,862            | 1,311,559            | 156,056                               | 5,247                      | 12,672         | 156,056                        | 5,247                      | 173,975          | \$ 30,285              | \$ 1,873,271                   | \$ 64,846                  | \$ 1,968,402             |
| 9/30/2009                | 676,267              | 601,981              | 71,871                                | 2,414                      | 5,837          | 71,871                         | 2,414                      | 80,122           | \$ 14,301              | \$ 867,033                     | \$ 29,984                  | \$ 911,318               |
| 10/1/2009                | 811,800              | 722,397              | 86,500                                | 2,903                      | 7,027          | 86,500                         | 2,903                      | 96,429           | \$ 10,470              | \$ 960,472                     | \$ 33,264                  | \$ 1,004,206             |
| 10/2/2009                | 1,016,663            | 904,183              | 108,832                               | 3,648                      | 8,843          | 108,832                        | 3,648                      | 121,323          | \$ 17,952              | \$ 1,267,211                   | \$ 43,770                  | \$ 1,328,933             |
| 10/5/2009                | 307,580              | 273,507              | 32,969                                | 1,105                      | 2,679          | 32,969                         | 1,105                      | 36,753           | \$ 5,332               | \$ 382,561                     | \$ 13,210                  | \$ 401,102               |
| 10/6/2009                | 522,559              | 464,547              | 56,133                                | 1,880                      | 4,562          | 56,133                         | 1,880                      | 62,574           | \$ 8,623               | \$ 645,734                     | \$ 22,289                  | \$ 676,646               |
| 10/7/2009                | 296,713              | 263,755              | 31,890                                | 1,067                      | 2,592          | 31,890                         | 1,067                      | 35,550           | \$ 6,454               | \$ 385,989                     | \$ 13,299                  | \$ 405,742               |
| 10/8/2009                | 524,000              | 465,638              | 56,473                                | 1,889                      | 4,591          | 56,473                         | 1,889                      | 62,953           | \$ 9,779               | \$ 663,203                     | \$ 22,855                  | \$ 695,837               |
| 10/9/2009                | 265,467              | 235,867              | 28,642                                | 958                        | 2,329          | 28,642                         | 958                        | 31,928           | \$ 5,449               | \$ 342,378                     | \$ 11,789                  | \$ 359,616               |
| 10/12/2009               | 821                  | 729                  | 89                                    | 3                          | 7              | 89                             | 3                          | 99               | \$ 17                  | \$ 1,059                       | \$ 36<br>\$ 59,238         | \$ 1,112<br>\$ 1,810,406 |
| 10/13/2009               | 1,324,272<br>408,903 | 1,175,786<br>362,978 | 143,689                               | 4,797<br>1,483             | 11,686         | 143,689<br>44,442              | 4,797                      | 160,172          | \$ 27,814              | \$ 1,723,354                   |                            | \$ 563,903               |
| 10/14/2009               |                      |                      | 44,442<br>33,593                      | ,                          | 3,615          | ,                              | 1,483                      | 49,540           | \$ 8,893               | \$ 536,578                     | \$ 18,431                  | \$ 415,760               |
| 10/15/2009<br>10/16/2009 | 309,401<br>276,485   | 274,687<br>245,612   | 29,876                                | 1,121<br>996               | 2,733<br>2,431 | 33,593<br>29,876               | 1,121<br>996               | 37,447<br>33,303 | \$ 5,957<br>\$ 5,931   | \$ 396,189<br>\$ 360,114       | \$ 13,613<br>\$ 12,362     | \$ 378,406               |
| 10/16/2009               | 201,723              | 179,033              | 21,957                                | 732                        | 1,786          | 21,957                         | 732                        | 24,476           | \$ 3,931               | \$ 360,114<br>\$ 259,177       | \$ 8,900                   | \$ 271,989               |
| 10/19/2009               | 338,061              | 299,928              | 36,903                                | 1,230                      | 3,003          | 36,903                         | 1,230                      | 41,136           | \$ 6,576               | \$ 435,593                     | \$ 14,952                  | \$ 457,120               |
| 10/20/2009               | 969,814              | 859,936              | 106,339                               | 3,539                      | 8,655          | 106,339                        | 3,539                      | 118,533          | \$ 22,676              | \$ 1,300,905                   | \$ 44,555                  | \$ 1,368,135             |
| 10/21/2009               | 556,717              | 493,505              | 61,177                                | 2,035                      | 4,980          | 61,177                         | 2,035                      | 68,192           | \$ 22,676<br>\$ 10,657 | \$ 719,053                     | \$ 24,638                  | \$ 754,348               |
| 10/23/2009               | 478,737              | 424,271              | 52,714                                | 1,752                      | 4,292          | 52,714                         | 1,752                      | 58,758           | \$ 8,068               | \$ 605,869                     | \$ 20,762                  | \$ 634,699               |
| 10/26/2009               | 401,788              | 356,003              | 44,313                                | 1,472                      | 3,608          | 44,313                         | 1,472                      | 49,393           | \$ 7,721               | \$ 520,831                     | \$ 17,827                  | \$ 546,379               |
| 10/27/2009               | 417,085              | 369,471              | 46,084                                | 1,530                      | 3,753          | 46,084                         | 1,530                      | 51,367           | \$ 6,192               | \$ 519,073                     | \$ 17,780                  | \$ 543,046               |
| 10/28/2009               | 675,618              | 598,374              | 74,763                                | 2,481                      | 6,089          | 74,763                         | 2,481                      | 83,333           | \$ 3,897               | \$ 766,582                     | \$ 26,316                  | \$ 796,796               |
| 10/29/2009               | 381,610              | 337,908              | 42,300                                | 1,403                      | 3,446          | 42,300                         | 1,403                      | 47,148           | \$ 4,100               | \$ 456,989                     | \$ 15,654                  | \$ 476,743               |
| 10/30/2009               | 799,640              | 707,695              | 88,996                                | 2,949                      | 7,251          | 88,996                         | 2,949                      | 99,196           | \$ 5,583               | \$ 924,093                     | \$ 31,664                  | \$ 961,340               |
| 11/2/2009                | 621,576              | 549,803              | 69,474                                | 2,300                      | 5,661          | 69,474                         | 2,300                      | 77,435           | \$ 10,983              | \$ 802,661                     | \$ 27,390                  | \$ 841,034               |
| 11/3/2009                | 764,090              | 675,543              | 85,712                                | 2,835                      | 6,986          | 85,712                         | 2,835                      | 95,533           | \$ 10,759              | \$ 955,988                     | \$ 32,626                  | \$ 999,373               |
| 11/4/2009                | 984,465              | 869,912              | 110,889                               | 3,663                      | 9,041          | 110,889                        | 3,663                      | 123,593          | \$ 27,665              | \$ 1,405,348                   | \$ 47,727                  | \$ 1,480,740             |
| 11/5/2009                | 457,208              | 403,915              | 51,589                                | 1,703                      | 4,207          | 51,589                         | 1,703                      | 57,499           | \$ 13,377              | \$ 660,000                     | \$ 22,396                  | \$ 695,773               |
| 11/6/2009                | 306,482              | 270,708              | 34,631                                | 1,143                      | 2,824          | 34,631                         | 1,143                      | 38,598           | \$ 8,924               | \$ 442,357                     | \$ 15,005                  | \$ 466,286               |
| 11/9/2009                | 615,165              | 543,190              | 69,677                                | 2,298                      | 5,683          | 69,677                         | 2,298                      | 77,658           | \$ 22,334              | \$ 943,667                     | \$ 31,937                  | \$ 997,939               |
| 11/10/2009               | 518,996              | 458,122              | 58,932                                | 1,942                      | 4,807          | 58,932                         | 1,942                      | 65,681           | \$ 15,335              | \$ 754,525                     | \$ 25,557                  | \$ 795,417               |
| 11/11/2009               | 354,352              | 312,731              | 40,294                                | 1,327                      | 3,287          | 40,294                         | 1,327                      | 44,908           | \$ 10,158              | \$ 511,867                     | \$ 17,334                  | \$ 539,359               |
| 11/12/2009               | 753,446              | 664,683              | 85,935                                | 2,828                      | 7,012          | 85,935                         | 2,828                      | 95,775           | \$ 22,789              | \$ 1,105,406                   | \$ 37,387                  | \$ 1,165,582             |
| 11/13/2009               | 384,533              | 339,160              | 43,928                                | 1,445                      | 3,585          | 43,928                         | 1,445                      | 48,957           | \$ 12,977              | \$ 581,308                     | \$ 19,637                  | \$ 613,922               |
| 11/16/2009               | 809,121              | 713,314              | 92,758                                | 3,048                      | 7,572          | 92,758                         | 3,048                      | 103,378          | \$ 29,605              | \$ 1,254,398                   | \$ 42,308                  | \$ 1,326,311             |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |           |                        | OSA Section 13                 | 38.5(1) Damages            |                              |
|------------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-----------|------------------------|--------------------------------|----------------------------|------------------------------|
|            | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |           |                        | Retai                          | ned                        |                              |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     | In-and-Out             | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                        |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]       | [10]                   | [11]                           | [12]                       | [13]                         |
| 11/17/2009 | 1,035,811          | 912,649    | 119,248                               | 3,914                      | 9,737      | 119,248                        | 3,914                      | 132,899   | \$ 49,657              | \$ 1,754,536                   | \$ 58,979                  | \$ 1,863,171                 |
| 11/18/2009 | 998,631            | 879,374    | 115,472                               | 3,785                      | 9,431      | 115,472                        | 3,785                      | 128,688   | \$ 39,799              | \$ 1,597,349                   | \$ 53,709                  | \$ 1,690,857                 |
| 11/19/2009 | 570,780            | 502,458    | 66,154                                | 2,167                      | 5,404      | 66,154                         | 2,167                      | 73,725    | \$ 23,345              | \$ 921,743                     | \$ 30,965                  | \$ 976,053                   |
| 11/20/2009 | 322,600            | 283,939    | 37,435                                | 1,226                      | 3,058      | 37,435                         | 1,226                      | 41,719    | \$ 12,783              | \$ 516,351                     | \$ 17,344                  | \$ 546,478                   |
| 11/23/2009 | 300,642            | 264,567    | 34,932                                | 1,143                      | 2,854      | 34,932                         | 1,143                      | 38,929    | \$ 12,814              | \$ 492,650                     | \$ 16,533                  | \$ 521,997                   |
| 11/24/2009 | 368,704            | 324,407    | 42,894                                | 1,403                      | 3,505      | 42,894                         | 1,403                      | 47,802    | \$ 14,510              | \$ 589,925                     | \$ 19,800                  | \$ 624,235                   |
| 11/25/2009 | 620,179            | 545,439    | 72,374                                | 2,366                      | 5,915      | 72,374                         | 2,366                      | 80,655    | \$ 25,019              | \$ 1,001,886                   | \$ 33,597                  | \$ 1,060,502                 |
| 11/26/2009 | 72,603             | 63,850     | 8,476                                 | 277                        | 693        | 8,476                          | 277                        | 9,445     | \$ 2,868               | \$ 116,566                     | \$ 3,909                   | \$ 123,343                   |
| 11/27/2009 | 306,879            | 269,858    | 35,850                                | 1,171                      | 2,930      | 35,850                         | 1,171                      | 39,951    | \$ 11,984              | \$ 491,257                     | \$ 16,470                  | \$ 519,711                   |
| 11/30/2009 | 693,443            | 610,026    | 80,780                                | 2,637                      | 6,604      | 80,780                         | 2,637                      | 90,021    | \$ 26,481              | \$ 1,100,476                   | \$ 36,869                  | \$ 1,163,826                 |
| 12/1/2009  | 1,261,716          | 1,108,079  | 148,786                               | 4,850                      | 12,167     | 148,786                        | 4,850                      | 165,804   | \$ 65,461              | \$ 2,230,767                   | \$ 74,447                  | \$ 2,370,674                 |
| 12/2/2009  | 1,303,686          | 1,144,106  | 154,550                               | 5,030                      | 12,643     | 154,550                        | 5,030                      | 172,223   | \$ 57,401              | \$ 2,187,358                   | \$ 72,981                  | \$ 2,317,740                 |
| 12/3/2009  | 703,475            | 617,523    | 83,245                                | 2,707                      | 6,811      | 83,245                         | 2,707                      | 92,764    | \$ 29,902              | \$ 1,165,691                   | \$ 38,870                  | \$ 1,234,463                 |
| 12/4/2009  | 1,048,392          | 919,462    | 124,875                               | 4,055                      | 10,221     | 124,875                        | 4,055                      | 139,151   | \$ 43,438              | \$ 1,731,140                   | \$ 57,665                  | \$ 1,832,243                 |
| 12/7/2009  | 481,751            | 422,221    | 57,659                                | 1,871                      | 4,720      | 57,659                         | 1,871                      | 64,251    | \$ 18,691              | \$ 782,609                     | \$ 26,067                  | \$ 827,368                   |
| 12/8/2009  | 477,887            | 418,735    | 57,293                                | 1,858                      | 4,691      | 57,293                         | 1,858                      | 63,843    | \$ 16,793              | \$ 755,873                     | \$ 25,181                  | \$ 797,847                   |
| 12/9/2009  | 924,037            | 809,193    | 111,240                               | 3,604                      | 9,110      | 111,240                        | 3,604                      | 123,954   | \$ 29,515              | \$ 1,429,766                   | \$ 47,609                  | \$ 1,506,890                 |
| 12/10/2009 | 4,805,056          | 4,195,889  | 590,160                               | 19,007                     | 48,396     | 590,160                        | 19,007                     | 657,563   | \$ 113,247             | \$ 7,054,095                   | \$ 233,955                 | \$ 7,401,297                 |
| 12/11/2009 | 7,415,973          | 6,445,448  | 940,518                               | 30,007                     | 77,294     | 940,518                        | 30,007                     | 1,047,819 | \$ 238,066             | \$ 11,937,639                  | \$ 391,562                 | \$ 12,567,267                |
| 12/14/2009 | 1,760,086          | 1,527,972  | 224,953                               | 7,161                      | 18,496     | 224,953                        | 7,161                      | 250,610   | \$ 59,004              | \$ 2,879,973                   | \$ 94,237                  | \$ 3,033,213                 |
| 12/15/2009 | 899,531            | 780,831    | 115,042                               | 3,658                      | 9,462      | 115,042                        | 3,658                      | 128,162   | \$ 29,520              | \$ 1,464,778                   | \$ 47,884                  | \$ 1,542,181                 |
| 12/16/2009 | 1,217,320          | 1,055,399  | 156,938                               | 4,983                      | 12,912     | 156,938                        | 4,983                      | 174,833   | \$ 39,639              | \$ 1,990,365                   | \$ 64,974                  | \$ 2,094,978                 |
| 12/17/2009 | 2,200,071          | 1,904,964  | 286,050                               | 9,058                      | 23,549     | 286,050                        | 9,058                      | 318,656   | \$ 72,060              | \$ 3,624,949                   | \$ 118,012                 | \$ 3,815,020                 |
| 12/18/2009 | 23,307,933         | 19,583,033 | 3,610,754                             | 114,146                    | 297,365    | 3,610,754                      | 114,146                    | 4,022,265 | \$ 850,464             | \$ 45,034,808                  | \$ 1,464,384               | \$ 47,349,657                |
| 12/21/2009 | 674,424            | 583,272    | 88,361                                | 2,791                      | 7,278      | 88,361                         | 2,791                      | 98,430    | \$ 25,183              | \$ 1,155,084                   | \$ 37,484                  | \$ 1,217,751                 |
| 12/22/2009 | 1,704,052          | 1,471,880  | 225,076                               | 7,097                      | 18,547     | 225,076                        | 7,097                      | 250,720   | \$ 79,568              | \$ 3,129,086                   | \$ 101,189                 | \$ 3,309,844                 |
| 12/23/2009 | 1,169,135          | 1,009,131  | 155,119                               | 4,884                      | 12,786     | 155,119                        | 4,884                      | 172,790   | \$ 61,886              | \$ 2,241,836                   | \$ 72,334                  | \$ 2,376,057                 |
| 12/24/2009 | 248,614            | 214,573    | 33,002                                | 1,039                      | 2,721      | 33,002                         | 1,039                      | 36,762    | \$ 13,984              | \$ 486,863                     | \$ 15,697                  | \$ 516,543                   |
| 12/28/2009 | 1,074              | 929        | 140                                   | 4                          | 12         | 140                            | 4                          | 156       | \$ 59                  | \$ 2,070                       | \$ 67                      | \$ 2,196                     |
| 12/29/2009 | 689,753            | 595,019    | 91,845                                | 2,889                      | 7,573      | 91,845                         | 2,889                      | 102,307   | \$ 39,302              | \$ 1,359,520                   | \$ 43,795                  | \$ 1,442,617                 |
| 12/30/2009 | 313,852            | 270,691    | 41,846                                | 1,316                      | 3,450      | 41,846                         | 1,316                      | 46,612    | \$ 16,804              | \$ 606,025                     | \$ 19,526                  | \$ 642,355                   |
| 12/31/2009 | 172,412            | 148,693    | 22,997                                | 723                        | 1,896      | 22,997                         | 723                        | 25,616    | \$ 9,330               | \$ 334,193                     | \$ 10,765                  | \$ 354,287                   |
| 1/4/2010   | 962,937            | 830,147    | 128,747                               | 4,044                      | 10,619     | 128,747                        | 4,044                      | 143,409   | \$ 55,111              | \$ 1,905,740                   | \$ 61,298                  | \$ 2,022,149                 |
| 1/5/2010   | 1,622,913          | 1,400,040  | 216,097                               | 6,776                      | 17,830     | 216,097                        | 6,776                      | 240,702   | \$ 103,056             | \$ 3,326,206                   | \$ 106,714                 | \$ 3,535,977                 |
| 1/6/2010   | 1,267,904          | 1,091,275  | 171,266                               | 5,363                      | 14,135     | 171,266                        | 5,363                      | 190,764   | \$ 86,083              | \$ 2,689,249                   | \$ 86,128                  | \$ 2,861,460                 |
| 1/7/2010   | 1,502,520          | 1,292,119  | 204,022                               | 6,379                      | 16,845     | 204,022                        | 6,379                      | 227,246   | \$ 93,824              | \$ 3,097,495                   | \$ 99,126                  | \$ 3,290,445                 |
| 1/8/2010   | 1,116,836          | 959,935    | 152,150                               | 4,752                      | 12,565     | 152,150                        | 4,752                      | 169,467   | \$ 72,501              | \$ 2,340,385                   | \$ 74,789                  | \$ 2,487,675                 |
| 1/11/2010  | 1,379,112          | 1,184,441  | 188,783                               | 5,888                      | 15,595     | 188,783                        | 5,888                      | 210,266   | \$ 94,041              | \$ 2,952,963                   | \$ 94,195                  | \$ 3,141,198                 |
| 1/12/2010  | 1,289,485          | 1,106,559  | 177,401                               | 5,525                      | 14,660     | 177,401                        | 5,525                      | 197,585   | \$ 95,580              | \$ 2,861,837                   | \$ 91,106                  | \$ 3,048,524                 |
| 1/13/2010  | 1,077,264          | 923,906    | 148,731                               | 4,627                      | 12,294     | 148,731                        | 4,627                      | 165,651   | \$ 78,678              | \$ 2,381,482                   | \$ 75,742                  | \$ 2,535,903                 |
| 1/14/2010  | 671,943            | 576,013    | 93,038                                | 2,893                      | 7,691      | 93,038                         | 2,893                      | 103,622   | \$ 44,918              | \$ 1,437,630                   | \$ 45,728                  | \$ 1,528,276                 |
| 1/15/2010  | 863,560            | 740,053    | 119,786                               | 3,721                      | 9,905      | 119,786                        | 3,721                      | 133,412   | \$ 53,188              | \$ 1,794,637                   | \$ 57,074                  | \$ 1,904,899                 |
| 1/18/2010  | 192,690            | 165,074    | 26,784                                | 832                        | 2,215      | 26,784                         | 832                        | 29,830    | \$ 12,270              | \$ 405,828                     | \$ 12,900                  | \$ 430,998                   |
| 1/19/2010  | 659,061            | 564,398    | 91,814                                | 2,849                      | 7,593      | 91,814                         | 2,849                      | 102,257   | \$ 38,801              | \$ 1,351,686                   | \$ 42,967                  | \$ 1,433,455                 |
| 1/20/2010  | 1,961,290          | 1,677,843  | 274,932                               | 8,515                      | 22,748     | 274,932                        | 8,515                      | 306,195   | \$ 117,152             | \$ 4,058,524                   | \$ 128,743                 | \$ 4,304,418                 |
| 1/20/2010  | 1,321,728          | 1,129,704  | 186,263                               | 5,761                      | 15,416     | 186,263                        | 5,761                      | 207,440   | \$ 72,610              | \$ 2,667,632                   | \$ 84,568                  | \$ 2,824,811                 |
| 1/21/2010  | 1,369,279          | 1,169,370  | 193,919                               | 5,990                      | 16,055     | 193,919                        | 5,990                      | 207,440   | \$ 72,610<br>\$ 75,298 | \$ 2,773,410                   | \$ 84,368<br>\$ 87,801     | \$ 2,824,811                 |
| 1/25/2010  | 1,369,279          | 1,050,228  | 174,272                               | 5,376                      | 14,433     | 174,272                        | 5,376                      | 194,081   | \$ 73,298<br>\$ 63,359 | \$ 2,440,130                   | \$ 77,193                  | \$ 2,580,681                 |
| 1/25/2010  | 1,229,876          | 1,080,228  | 174,272                               | 5,576                      | 15,101     | 174,272                        | 5,576<br>5,616             | 203,008   | \$ 63,339<br>\$ 64,029 | \$ 2,440,130<br>\$ 2,525,059   | \$ 77,193<br>\$ 79,796     | \$ 2,580,681<br>\$ 2,668,885 |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |           |            | OSA Section 1                  | 38.5(1) Damages            |               |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-----------|------------|--------------------------------|----------------------------|---------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |           |            | Retai                          | ned                        |               |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total         |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]       | [10]       | [11]                           | [12]                       | [13]          |
| 1/27/2010 | 1,462,436          | 1,246,486  | 209,505                               | 6,445                      | 17,361     | 209,505                        | 6,445                      | 233,311   | \$ 64,064  | \$ 2,786,787                   | \$ 88,027                  | \$ 2,938,877  |
| 1/28/2010 | 984,736            | 838,496    | 141,880                               | 4,360                      | 11,760     | 141,880                        | 4,360                      | 158,000   | \$ 46,688  | \$ 1,926,975                   | \$ 60,774                  | \$ 2,034,436  |
| 1/29/2010 | 1,134,861          | 965,655    | 164,167                               | 5,039                      | 13,611     | 164,167                        | 5,039                      | 182,817   | \$ 55,942  | \$ 2,252,655                   | \$ 70,944                  | \$ 2,379,541  |
| 2/1/2010  | 1,538,972          | 1,308,519  | 223,601                               | 6,852                      | 18,545     | 223,601                        | 6,852                      | 248,998   | \$ 87,905  | \$ 3,209,042                   | \$ 100,791                 | \$ 3,397,739  |
| 2/2/2010  | 740,603            | 629,216    | 108,077                               | 3,310                      | 8,965      | 108,077                        | 3,310                      | 120,352   | \$ 49,579  | \$ 1,636,471                   | \$ 51,295                  | \$ 1,737,345  |
| 2/3/2010  | 840,649            | 713,835    | 123,049                               | 3,765                      | 10,209     | 123,049                        | 3,765                      | 137,024   | \$ 52,273  | \$ 1,812,720                   | \$ 56,807                  | \$ 1,921,799  |
| 2/4/2010  | 823,734            | 699,096    | 120,940                               | 3,697                      | 10,036     | 120,940                        | 3,697                      | 134,674   | \$ 42,053  | \$ 1,669,172                   | \$ 52,348                  | \$ 1,763,572  |
| 2/5/2010  | 894,848            | 759,232    | 131,598                               | 4,019                      | 10,923     | 131,598                        | 4,019                      | 146,540   | \$ 42,928  | \$ 1,782,041                   | \$ 55,863                  | \$ 1,880,832  |
| 2/8/2010  | 837,690            | 710,159    | 123,754                               | 3,776                      | 10,274     | 123,754                        | 3,776                      | 137,805   | \$ 40,480  | \$ 1,677,064                   | \$ 52,526                  | \$ 1,770,070  |
| 2/9/2010  | 736,377            | 624,001    | 109,051                               | 3,325                      | 9,055      | 109,051                        | 3,325                      | 121,432   | \$ 42,740  | \$ 1,562,876                   | \$ 48,844                  | \$ 1,654,460  |
| 2/10/2010 | 739,700            | 626,556    | 109,799                               | 3,345                      | 9,119      | 109,799                        | 3,345                      | 122,263   | \$ 44,043  | \$ 1,585,667                   | \$ 49,510                  | \$ 1,679,220  |
| 2/11/2010 | 439,773            | 372,371    | 65,411                                | 1,992                      | 5,433      | 65,411                         | 1,992                      | 72,836    | \$ 28,196  | \$ 968,180                     | \$ 30,198                  | \$ 1,026,575  |
| 2/12/2010 | 447,806            | 379,075    | 66,701                                | 2,030                      | 5,541      | 66,701                         | 2,030                      | 74,272    | \$ 27,315  | \$ 969,936                     | \$ 30,252                  | \$ 1,027,503  |
| 2/15/2010 | 573                | 485        | 85                                    | 3                          | 7          | 85                             | 3                          | 95        | \$ 35      | \$ 1,241                       | \$ 39                      | \$ 1,315      |
| 2/16/2010 | 503,466            | 426,081    | 75,100                                | 2,285                      | 6,239      | 75,100                         | 2,285                      | 83,624    | \$ 31,694  | \$ 1,103,330                   | \$ 34,386                  | \$ 1,169,410  |
| 2/17/2010 | 826,759            | 699,242    | 123,755                               | 3,762                      | 10,283     | 123,755                        | 3,762                      | 137,800   | \$ 54,397  | \$ 1,844,131                   | \$ 57,406                  | \$ 1,955,934  |
| 2/18/2010 | 734,401            | 621,060    | 109,999                               | 3,341                      | 9,142      | 109,999                        | 3,341                      | 122,482   | \$ 53,113  | \$ 1,696,348                   | \$ 52,724                  | \$ 1,802,185  |
| 2/19/2010 | 625,875            | 528,899    | 94,119                                | 2,857                      | 7,823      | 94,119                         | 2,857                      | 104,799   | \$ 43,104  | \$ 1,423,211                   | \$ 44,226                  | \$ 1,510,542  |
| 2/22/2010 | 213,632            | 180,503    | 32,153                                | 976                        | 2,673      | 32,153                         | 976                        | 35,802    | \$ 14,512  | \$ 483,628                     | \$ 15,027                  | \$ 513,167    |
| 2/23/2010 | 353,369            | 298,615    | 53,142                                | 1,612                      | 4,418      | 53,142                         | 1,612                      | 59,172    | \$ 22,353  | \$ 779,670                     | \$ 24,231                  | \$ 826,254    |
| 2/24/2010 | 513,310            | 433,581    | 77,382                                | 2,347                      | 6,433      | 77,382                         | 2,347                      | 86,162    | \$ 34,033  | \$ 1,153,109                   | \$ 35,805                  | \$ 1,222,947  |
| 2/25/2010 | 468,815            | 396,078    | 70,597                                | 2,140                      | 5,870      | 70,597                         | 2,140                      | 78,607    | \$ 31,463  | \$ 1,056,935                   | \$ 32,800                  | \$ 1,121,198  |
| 2/26/2010 | 1,045,164          | 882,082    | 158,289                               | 4,792                      | 13,165     | 158,289                        | 4,792                      | 176,246   | \$ 79,119  | \$ 2,472,698                   | \$ 76,578                  | \$ 2,628,395  |
| 3/1/2010  | 563,816            | 475,474    | 85,748                                | 2,595                      | 7,132      | 85,748                         | 2,595                      | 95,475    | \$ 43,793  | \$ 1,350,647                   | \$ 41,797                  | \$ 1,436,237  |
| 3/2/2010  | 559,940            | 472,037    | 85,322                                | 2,580                      | 7,098      | 85,322                         | 2,580                      | 95,001    | \$ 42,872  | \$ 1,335,412                   | \$ 41,307                  | \$ 1,419,591  |
| 3/3/2010  | 893,649            | 753,092    | 136,435                               | 4,122                      | 11,352     | 136,435                        | 4,122                      | 151,910   | \$ 74,812  | \$ 2,210,433                   | \$ 68,259                  | \$ 2,353,504  |
| 3/4/2010  | 849,817            | 716,369    | 129,538                               | 3,910                      | 10,781     | 129,538                        | 3,910                      | 144,229   | \$ 74,818  | \$ 2,144,025                   | \$ 66,121                  | \$ 2,284,963  |
| 3/5/2010  | 854,132            | 718,816    | 131,354                               | 3,962                      | 10,934     | 131,354                        | 3,962                      | 146,249   | \$ 77,959  | \$ 2,199,031                   | \$ 67,741                  | \$ 2,344,732  |
| 3/8/2010  | 267,980            | 225,528    | 41,210                                | 1,243                      | 3,431      | 41,210                         | 1,243                      | 45,883    | \$ 24,254  | \$ 687,433                     | \$ 21,172                  | \$ 732,859    |
| 3/9/2010  | 506,958            | 426,488    | 78,116                                | 2,354                      | 6,504      | 78,116                         | 2,354                      | 86,974    | \$ 40,322  | \$ 1,235,113                   | \$ 38,064                  | \$ 1,313,499  |
| 3/10/2010 | 605,089            | 508,749    | 93,523                                | 2,817                      | 7,787      | 93,523                         | 2,817                      | 104,127   | \$ 49,372  | \$ 1,491,811                   | \$ 45,938                  | \$ 1,587,121  |
| 3/11/2010 | 927,686            | 780,028    | 143,345                               | 4,313                      | 11,938     | 143,345                        | 4,313                      | 159,597   | \$ 72,705  | \$ 2,250,695                   | \$ 69,265                  | \$ 2,392,665  |
| 3/12/2010 | 1,238,528          | 1,039,824  | 192,907                               | 5,797                      | 16,071     | 192,907                        | 5,797                      | 214,774   | \$ 112,175 | \$ 3,200,551                   | \$ 98,253                  | \$ 3,410,979  |
| 3/15/2010 | 1,323,981          | 1,110,573  | 207,190                               | 6,218                      | 17,266     | 207,190                        | 6,218                      | 230,674   | \$ 118,273 | \$ 3,410,590                   | \$ 104,576                 | \$ 3,633,439  |
| 3/16/2010 | 1,022,244          | 857,000    | 160,434                               | 4,810                      | 13,373     | 160,434                        | 4,810                      | 178,617   | \$ 83,180  | \$ 2,539,861                   | \$ 77,861                  | \$ 2,700,902  |
| 3/17/2010 | 1,584,559          | 1,326,806  | 250,263                               | 7,490                      | 20,868     | 250,263                        | 7,490                      | 278,621   | \$ 118,532 | \$ 3,826,790                   | \$ 117,213                 | \$ 4,062,534  |
| 3/18/2010 | 2,234,096          | 1,868,340  | 355,146                               | 10,609                     | 29,627     | 355,146                        | 10,609                     | 395,382   | \$ 164,724 | \$ 5,387,943                   | \$ 164,753                 | \$ 5,717,419  |
| 3/19/2010 | 2,158,390          | 1,802,406  | 345,679                               | 10,304                     | 28,851     | 345,679                        | 10,304                     | 384,834   | \$ 156,371 | \$ 5,195,901                   | \$ 158,575                 | \$ 5,510,847  |
| 3/22/2010 | 5,700,555          | 4,741,035  | 931,906                               | 27,614                     | 77,883     | 931,906                        | 27,614                     | 1,037,404 | \$ 469,637 | \$ 14,575,809                  | \$ 441,796                 | \$ 15,487,242 |
| 3/23/2010 | 1,441,544          | 1,197,663  | 236,872                               | 7,008                      | 19,803     | 236,872                        | 7,008                      | 263,684   | \$ 123,175 | \$ 3,749,883                   | \$ 113,460                 | \$ 3,986,518  |
| 3/24/2010 | 1,299,824          | 1,078,912  | 214,572                               | 6,340                      | 17,944     | 214,572                        | 6,340                      | 238,856   | \$ 97,796  | \$ 3,231,617                   | \$ 97,758                  | \$ 3,427,171  |
| 3/25/2010 | 2,911,406          | 2,411,453  | 485,647                               | 14,306                     | 40,641     | 485,647                        | 14,306                     | 540,594   | \$ 210,116 | \$ 7,178,202                   | \$ 216,585                 | \$ 7,604,903  |
| 3/26/2010 | 1,830,224          | 1,514,061  | 307,132                               | 9,031                      | 25,713     | 307,132                        | 9,031                      | 341,875   | \$ 124,452 | \$ 4,438,254                   | \$ 133,733                 | \$ 4,696,440  |
| 3/29/2010 | 4,019,566          | 3,314,854  | 684,665                               | 20,047                     | 57,375     | 684,665                        | 20,047                     | 762,087   | \$ 263,351 | \$ 9,722,626                   | \$ 291,861                 | \$ 10,277,839 |
| 3/30/2010 | 1,582,808          | 1,303,737  | 271,145                               | 7,926                      | 22,730     | 271,145                        | 7,926                      | 301,802   | \$ 115,925 | \$ 3,988,690                   | \$ 119,438                 | \$ 4,224,052  |
| 3/31/2010 | 1,729,933          | 1,423,043  | 298,189                               | 8,701                      | 25,008     | 298,189                        | 8,701                      | 331,897   | \$ 136,041 | \$ 4,487,881                   | \$ 134,074                 | \$ 4,757,996  |
| 4/1/2010  | 1,475,116          | 1,212,605  | 255,080                               | 7,432                      | 21,400     | 255,080                        | 7,432                      | 283,911   | \$ 121,977 | \$ 3,905,379                   | \$ 116,449                 | \$ 4,143,805  |
| 4/5/2010  | 509,095            | 418,358    | 88,169                                | 2,567                      | 7,398      | 88,169                         | 2,567                      | 98,135    | \$ 42,463  | \$ 1,353,436                   | \$ 40,333                  | \$ 1,436,232  |
| 4/6/2010  | 691,705            | 568,097    | 120,113                               | 3,495                      | 10,079     | 120,113                        | 3,495                      | 133,687   | \$ 57,151  | \$ 1,835,372                   | \$ 54,661                  | \$ 1,947,184  |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         |            | OSA Section 1                  | 38.5(1) Damages            |              |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|------------|--------------------------------|----------------------------|--------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |         |            | Retai                          | ned                        |              |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total        |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]       | [11]                           | [12]                       | [13]         |
| 4/7/2010  | 729,504            | 598,816    | 126,996                               | 3,693                      | 10,659     | 126,996                        | 3,693                      | 141,348 | \$ 57,345  | \$ 1,903,720                   | \$ 56,679                  | \$ 2,017,744 |
| 4/8/2010  | 644,174            | 528,513    | 112,395                               | 3,266                      | 9,435      | 112,395                        | 3,266                      | 125,095 | \$ 52,741  | \$ 1,708,440                   | \$ 50,815                  | \$ 1,811,996 |
| 4/9/2010  | 362,438            | 297,320    | 63,280                                | 1,838                      | 5,312      | 63,280                         | 1,838                      | 70,430  | \$ 30,812  | \$ 975,167                     | \$ 28,985                  | \$ 1,034,964 |
| 4/12/2010 | 1,403,162          | 1,149,630  | 246,385                               | 7,146                      | 20,691     | 246,385                        | 7,146                      | 274,222 | \$ 130,146 | \$ 3,917,602                   | \$ 116,195                 | \$ 4,163,942 |
| 4/13/2010 | 833,144            | 682,161    | 146,730                               | 4,252                      | 12,324     | 146,730                        | 4,252                      | 163,307 | \$ 75,549  | \$ 2,309,575                   | \$ 68,458                  | \$ 2,453,582 |
| 4/14/2010 | 880,979            | 720,828    | 155,645                               | 4,507                      | 13,076     | 155,645                        | 4,507                      | 173,227 | \$ 79,894  | \$ 2,446,781                   | \$ 72,461                  | \$ 2,599,136 |
| 4/15/2010 | 880,091            | 719,678    | 155,903                               | 4,510                      | 13,100     | 155,903                        | 4,510                      | 173,513 | \$ 77,816  | \$ 2,424,334                   | \$ 71,749                  | \$ 2,573,898 |
| 4/16/2010 | 1,256,385          | 1,026,361  | 223,565                               | 6,459                      | 18,791     | 223,565                        | 6,459                      | 248,815 | \$ 100,345 | \$ 3,342,339                   | \$ 98,879                  | \$ 3,541,563 |
| 4/19/2010 | 2,477,697          | 2,019,844  | 445,029                               | 12,824                     | 37,427     | 445,029                        | 12,824                     | 495,280 | \$ 197,991 | \$ 6,630,997                   | \$ 195,685                 | \$ 7,024,673 |
| 4/20/2010 | 1,369,634          | 1,115,610  | 246,919                               | 7,105                      | 20,773     | 246,919                        | 7,105                      | 274,797 | \$ 105,526 | \$ 3,627,270                   | \$ 106,928                 | \$ 3,839,724 |
| 4/21/2010 | 1,038,560          | 845,040    | 188,112                               | 5,407                      | 15,829     | 188,112                        | 5,407                      | 209,349 | \$ 82,945  | \$ 2,793,480                   | \$ 82,240                  | \$ 2,958,665 |
| 4/22/2010 | 944,387            | 767,791    | 171,666                               | 4,930                      | 14,449     | 171,666                        | 4,930                      | 191,044 | \$ 77,155  | \$ 2,566,415                   | \$ 75,470                  | \$ 2,719,040 |
| 4/23/2010 | 1,191,641          | 967,847    | 217,554                               | 6,240                      | 18,316     | 217,554                        | 6,240                      | 242,110 | \$ 92,129  | \$ 3,185,005                   | \$ 93,592                  | \$ 3,370,726 |
| 4/26/2010 | 742,179            | 602,439    | 135,846                               | 3,893                      | 11,439     | 135,846                        | 3,893                      | 151,179 | \$ 56,508  | \$ 1,976,566                   | \$ 58,046                  | \$ 2,091,120 |
| 4/27/2010 | 1,907,070          | 1,545,769  | 351,254                               | 10,047                     | 29,590     | 351,254                        | 10,047                     | 390,891 | \$ 123,095 | \$ 4,836,752                   | \$ 141,956                 | \$ 5,101,803 |
| 4/28/2010 | 618,507            | 501,034    | 114,208                               | 3,265                      | 9,622      | 114,208                        | 3,265                      | 127,095 | \$ 37,912  | \$ 1,547,513                   | \$ 45,408                  | \$ 1,630,834 |
| 4/29/2010 | 2,292,010          | 1,852,979  | 426,859                               | 12,173                     | 35,984     | 426,859                        | 12,173                     | 475,015 | \$ 122,344 | \$ 5,553,384                   | \$ 162,741                 | \$ 5,838,469 |
| 4/30/2010 | 3,096,106          | 2,496,457  | 583,074                               | 16,575                     | 49,188     | 583,074                        | 16,575                     | 648,836 | \$ 177,076 | \$ 7,702,293                   | \$ 224,900                 | \$ 8,104,268 |
| 5/3/2010  | 1,709,190          | 1,375,803  | 324,188                               | 9,199                      | 27,359     | 324,188                        | 9,199                      | 360,746 | \$ 99,587  | \$ 4,295,413                   | \$ 125,191                 | \$ 4,520,192 |
| 5/4/2010  | 1,062,633          | 854,576    | 202,322                               | 5,735                      | 17,079     | 202,322                        | 5,735                      | 225,136 | \$ 57,897  | \$ 2,630,135                   | \$ 76,611                  | \$ 2,764,642 |
| 5/5/2010  | 1,514,071          | 1,216,036  | 289,833                               | 8,202                      | 24,474     | 289,833                        | 8,202                      | 322,510 | \$ 90,800  | \$ 3,860,484                   | \$ 112,200                 | \$ 4,063,484 |
| 5/6/2010  | 1,315,802          | 1,055,565  | 253,084                               | 7,153                      | 21,378     | 253,084                        | 7,153                      | 281,615 | \$ 66,271  | \$ 3,216,616                   | \$ 93,478                  | \$ 3,376,366 |
| 5/7/2010  | 1,257,800          | 1,007,909  | 243,032                               | 6,860                      | 20,535     | 243,032                        | 6,860                      | 270,426 | \$ 53,390  | \$ 2,967,327                   | \$ 86,219                  | \$ 3,106,936 |
| 5/10/2010 | 1,203,183          | 963,167    | 233,435                               | 6,581                      | 19,729     | 233,435                        | 6,581                      | 259,745 | \$ 66,093  | \$ 3,025,223                   | \$ 87,647                  | \$ 3,178,963 |
| 5/11/2010 | 868,818            | 695,050    | 169,008                               | 4,760                      | 14,287     | 169,008                        | 4,760                      | 188,055 | \$ 42,004  | \$ 2,120,983                   | \$ 61,448                  | \$ 2,224,434 |
| 5/12/2010 | 1,150,040          | 918,924    | 224,793                               | 6,324                      | 19,008     | 224,793                        | 6,324                      | 250,124 | \$ 71,469  | \$ 3,005,378                   | \$ 86,819                  | \$ 3,163,665 |
| 5/13/2010 | 1,493,900          | 1,193,487  | 292,205                               | 8,208                      | 24,716     | 292,205                        | 8,208                      | 325,129 | \$ 83,789  | \$ 3,798,525                   | \$ 109,644                 | \$ 3,991,958 |
| 5/14/2010 | 923,444            | 736,302    | 182,034                               | 5,108                      | 15,401     | 182,034                        | 5,108                      | 202,543 | \$ 48,974  | \$ 2,328,120                   | \$ 67,167                  | \$ 2,444,261 |
| 5/17/2010 | 1,434,444          | 1,142,185  | 284,292                               | 7,966                      | 24,060     | 284,292                        | 7,966                      | 316,318 | \$ 76,030  | \$ 3,630,254                   | \$ 104,583                 | \$ 3,810,867 |
| 5/18/2010 | 1,567,102          | 1,246,020  | 312,344                               | 8,738                      | 26,444     | 312,344                        | 8,738                      | 347,525 | \$ 83,827  | \$ 3,991,568                   | \$ 114,803                 | \$ 4,190,198 |
| 5/19/2010 | 1,387,625          | 1,101,888  | 277,972                               | 7,765                      | 23,541     | 277,972                        | 7,765                      | 309,278 | \$ 57,676  | \$ 3,352,163                   | \$ 96,432                  | \$ 3,506,272 |
| 5/20/2010 | 1,528,980          | 1,212,381  | 308,008                               | 8,590                      | 26,094     | 308,008                        | 8,590                      | 342,693 | \$ 47,753  | \$ 3,523,405                   | \$ 101,357                 | \$ 3,672,515 |
| 5/21/2010 | 1,416,284          | 1,121,550  | 286,748                               | 7,986                      | 24,301     | 286,748                        | 7,986                      | 319,035 | \$ 56,136  | \$ 3,417,834                   | \$ 98,056                  | \$ 3,572,026 |
| 5/24/2010 | 1,554              | 1,239      | 306                                   | 9                          | 26         | 306                            | 9                          | 340     | \$ 60      | \$ 3,645                       | \$ 105                     | \$ 3,809     |
| 5/25/2010 | 2,318,673          | 1,832,081  | 473,439                               | 13,153                     | 40,145     | 473,439                        | 13,153                     | 526,737 | \$ 101,566 | \$ 5,747,182                   | \$ 164,400                 | \$ 6,013,148 |
| 5/26/2010 | 992,000            | 783,297    | 203,067                               | 5,636                      | 17,223     | 203,067                        | 5,636                      | 225,926 | \$ 43,918  | \$ 2,469,131                   | \$ 70,555                  | \$ 2,583,603 |
| 5/27/2010 | 816,506            | 644,042    | 167,810                               | 4,653                      | 14,235     | 167,810                        | 4,653                      | 186,698 | \$ 45,552  | \$ 2,149,505                   | \$ 61,280                  | \$ 2,256,337 |
| 5/28/2010 | 2,044,604          | 1,609,554  | 423,336                               | 11,714                     | 35,928     | 423,336                        | 11,714                     | 470,979 | \$ 128,623 | \$ 5,583,430                   | \$ 158,716                 | \$ 5,870,769 |
| 5/31/2010 | 177,917            | 140,034    | 36,863                                | 1,020                      | 3,129      | 36,863                         | 1,020                      | 41,012  | \$ 126,623 | \$ 491,722                     | \$ 13,971                  | \$ 5,870,709 |
| 6/1/2010  | 1,584,437          | 1,244,855  | 330,455                               | 9,127                      | 28,057     | 330,455                        | 9,127                      | 367,639 | \$ 69,862  | \$ 3,998,199                   | \$ 113,718                 | \$ 4,181,779 |
| 6/2/2010  | 1,109,027          | 870,373    | 232,246                               | 6,407                      | 19,724     | 232,246                        | 6,407                      | 258,377 | \$ 43,589  | \$ 2,744,927                   | \$ 78,036                  | \$ 2,866,552 |
| 6/3/2010  | 1,109,027          | 852,904    | 228,733                               | 6,303                      | 19,724     | 228,733                        | 6,303                      | 254,467 | \$ 43,389  | \$ 2,744,927<br>\$ 2,634,780   | \$ 78,036<br>\$ 74,878     | \$ 2,746,770 |
| 6/4/2010  | 899,415            | 704,464    | 189,728                               | 5,224                      | 16,120     | 189,728                        | 5,224                      | 211,071 | \$ 30,306  | \$ 2,034,780<br>\$ 2,179,778   | \$ 61,895                  | \$ 2,746,770 |
| 6/7/2010  | 1,092,956          | 855,138    | 231,453                               |                            | 19,670     |                                | 6,365                      | 257,489 | \$ 30,306  | \$ 2,179,778<br>\$ 2,578,145   | \$ 73,193                  | \$ 2,681,433 |
|           |                    |            |                                       | 6,365                      |            | 231,453                        |                            |         |            |                                |                            |              |
| 6/8/2010  | 622,321            | 486,612    | 132,079                               | 3,630                      | 11,227     | 132,079                        | 3,630                      | 146,936 | \$ 22,341  | \$ 1,531,978                   | \$ 43,411                  | \$ 1,597,730 |
| 6/9/2010  | 1,135,385          | 886,963    | 241,783                               | 6,639                      | 20,555     | 241,783                        | 6,639                      | 268,977 | \$ 43,372  | \$ 2,833,433                   | \$ 80,188                  | \$ 2,956,994 |
| 6/10/2010 | 447,801            | 349,668    | 95,512                                | 2,621                      | 8,121      | 95,512                         | 2,621                      | 106,254 | \$ 17,216  | \$ 1,120,251                   | \$ 31,689                  | \$ 1,169,156 |
| 6/11/2010 | 464,854            | 362,807    | 99,322                                | 2,725                      | 8,446      | 99,322                         | 2,725                      | 110,493 | \$ 20,185  | \$ 1,191,757                   | \$ 33,672                  | \$ 1,245,614 |
| 6/14/2010 | 507,790            | 396,118    | 108,692                               | 2,980                      | 9,244      | 108,692                        | 2,980                      | 120,915 | \$ 23,756  | \$ 1,323,742                   | \$ 37,366                  | \$ 1,384,864 |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         |            | OSA Section 1                  | 38.5(1) Damages            |               |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|------------|--------------------------------|----------------------------|---------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |         |            | Retai                          | ned                        |               |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total         |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]       | [11]                           | [12]                       | [13]          |
| 6/15/2010 | 1,348,216          | 1,050,260  | 290,015                               | 7,940                      | 24,672     | 290,015                        | 7,940                      | 322,627 | \$ 65,133  | \$ 3,552,346                   | \$ 100,117                 | \$ 3,717,597  |
| 6/16/2010 | 520,442            | 405,228    | 112,145                               | 3,069                      | 9,541      | 112,145                        | 3,069                      | 124,755 | \$ 24,140  | \$ 1,361,309                   | \$ 38,356                  | \$ 1,423,805  |
| 6/17/2010 | 308,216            | 239,903    | 66,494                                | 1,819                      | 5,658      | 66,494                         | 1,819                      | 73,970  | \$ 14,710  | \$ 811,807                     | \$ 22,862                  | \$ 849,379    |
| 6/18/2010 | 986,401            | 766,983    | 213,582                               | 5,837                      | 18,177     | 213,582                        | 5,837                      | 237,595 | \$ 53,623  | \$ 2,682,326                   | \$ 75,402                  | \$ 2,811,351  |
| 6/21/2010 | 916,903            | 712,307    | 199,158                               | 5,437                      | 16,953     | 199,158                        | 5,437                      | 221,549 | \$ 56,624  | \$ 2,578,854                   | \$ 72,364                  | \$ 2,707,842  |
| 6/22/2010 | 666,918            | 517,921    | 145,040                               | 3,957                      | 12,348     | 145,040                        | 3,957                      | 161,346 | \$ 35,563  | \$ 1,811,373                   | \$ 50,844                  | \$ 1,897,780  |
| 6/23/2010 | 357,070            | 277,098    | 77,849                                | 2,123                      | 6,628      | 77,849                         | 2,123                      | 86,600  | \$ 20,415  | \$ 987,804                     | \$ 27,704                  | \$ 1,035,923  |
| 6/24/2010 | 948,377            | 735,482    | 207,248                               | 5,647                      | 17,650     | 207,248                        | 5,647                      | 230,544 | \$ 49,773  | \$ 2,575,824                   | \$ 72,213                  | \$ 2,697,810  |
| 6/25/2010 | 532,036            | 412,239    | 116,622                               | 3,176                      | 9,933      | 116,622                        | 3,176                      | 129,731 | \$ 24,038  | \$ 1,402,809                   | \$ 39,343                  | \$ 1,466,190  |
| 6/28/2010 | 517,338            | 401,729    | 112,546                               | 3,063                      | 9,587      | 112,546                        | 3,063                      | 125,196 | \$ 20,325  | \$ 1,320,012                   | \$ 37,029                  | \$ 1,377,366  |
| 6/29/2010 | 1,091,823          | 844,538    | 240,740                               | 6,545                      | 20,512     | 240,740                        | 6,545                      | 267,797 | \$ 17,025  | \$ 2,513,001                   | \$ 70,674                  | \$ 2,600,700  |
| 6/30/2010 | 1,194,857          | 923,058    | 264,614                               | 7,185                      | 22,553     | 264,614                        | 7,185                      | 294,351 | \$ 15,110  | \$ 2,719,865                   | \$ 76,438                  | \$ 2,811,413  |
| 7/1/2010  | 7,050              | 5,462      | 1,546                                 | 42                         | 132        | 1,546                          | 42                         | 1,719   | \$ 88      | \$ 15,888                      | \$ 447                     | \$ 16,423     |
| 7/2/2010  | 1,351,337          | 1,043,187  | 300,016                               | 8,135                      | 25,578     | 300,016                        | 8,135                      | 333,728 | \$ 16,370  | \$ 3,074,737                   | \$ 86,300                  | \$ 3,177,407  |
| 7/5/2010  | 326,239            | 251,758    | 72,515                                | 1,966                      | 6,183      | 72,515                         | 1,966                      | 80,664  | \$ 4,513   | \$ 749,707                     | \$ 21,029                  | \$ 775,249    |
| 7/6/2010  | 1,173,857          | 904,770    | 261,995                               | 7,093                      | 22,344     | 261,995                        | 7,093                      | 291,431 | \$ 19,439  | \$ 2,745,320                   | \$ 76,879                  | \$ 2,841,638  |
| 7/7/2010  | 1,660,077          | 1,277,262  | 372,742                               | 10,074                     | 31,801     | 372,742                        | 10,074                     | 414,616 | \$ 30,211  | \$ 3,935,589                   | \$ 109,996                 | \$ 4,075,796  |
| 7/8/2010  | 1,820,829          | 1,398,214  | 411,513                               | 11,101                     | 35,123     | 411,513                        | 11,101                     | 457,738 | \$ 45,309  | \$ 4,484,857                   | \$ 124,985                 | \$ 4,655,151  |
| 7/9/2010  | 755,149            | 579,422    | 171,115                               | 4,612                      | 14,608     | 171,115                        | 4,612                      | 190,335 | \$ 24,687  | \$ 1,933,335                   | \$ 53,776                  | \$ 2,011,798  |
| 7/12/2010 | 577,952            | 443,166    | 131,250                               | 3,536                      | 11,206     | 131,250                        | 3,536                      | 145,992 | \$ 17,033  | \$ 1,460,605                   | \$ 40,622                  | \$ 1,518,260  |
| 7/13/2010 | 1,164,139          | 892,172    | 264,841                               | 7,126                      | 22,617     | 264,841                        | 7,126                      | 294,585 | \$ 41,616  | \$ 3,032,003                   | \$ 84,152                  | \$ 3,157,771  |
| 7/14/2010 | 597,705            | 457,447    | 136,586                               | 3,673                      | 11,666     | 136,586                        | 3,673                      | 151,924 | \$ 16,799  | \$ 1,509,046                   | \$ 41,904                  | \$ 1,567,749  |
| 7/15/2010 | 1,277,160          | 976,094    | 293,192                               | 7,874                      | 25,049     | 293,192                        | 7,874                      | 326,115 | \$ 34,568  | \$ 3,221,689                   | \$ 89,360                  | \$ 3,345,617  |
| 7/16/2010 | 758,324            | 579,092    | 174,548                               | 4,684                      | 14,915     | 174,548                        | 4,684                      | 194,148 | \$ 15,214  | \$ 1,855,153                   | \$ 51,472                  | \$ 1,921,839  |
| 7/19/2010 | 313,505            | 239,374    | 72,195                                | 1,937                      | 6,170      | 72,195                         | 1,937                      | 80,301  | \$ 7,218   | \$ 778,134                     | \$ 21,573                  | \$ 806,925    |
| 7/20/2010 | 1,011,544          | 771,299    | 233,975                               | 6,270                      | 20,000     | 233,975                        | 6,270                      | 260,245 | \$ 41,999  | \$ 2,739,447                   | \$ 75,674                  | \$ 2,857,120  |
| 7/21/2010 | 915,917            | 698,010    | 212,225                               | 5,682                      | 18,144     | 212,225                        | 5,682                      | 236,051 | \$ 34,655  | \$ 2,444,459                   | \$ 67,495                  | \$ 2,546,609  |
| 7/22/2010 | 1,589,166          | 1,209,961  | 369,333                               | 9,872                      | 31,588     | 369,333                        | 9,872                      | 410,793 | \$ 88,445  | \$ 4,582,764                   | \$ 126,057                 | \$ 4,797,266  |
| 7/23/2010 | 1,026,209          | 779,450    | 240,341                               | 6,417                      | 20,560     | 240,341                        | 6,417                      | 267,319 | \$ 49,344  | \$ 2,886,060                   | \$ 79,378                  | \$ 3,014,782  |
| 7/26/2010 | 471,256            | 357,735    | 110,570                               | 2,951                      | 9,460      | 110,570                        | 2,951                      | 122,981 | \$ 23,839  | \$ 1,341,014                   | \$ 36,855                  | \$ 1,401,707  |
| 7/27/2010 | 825,982            | 626,428    | 194,371                               | 5,183                      | 16,633     | 194,371                        | 5,183                      | 216,187 | \$ 29,939  | \$ 2,217,412                   | \$ 61,000                  | \$ 2,308,351  |
| 7/28/2010 | 319,436            | 242,176    | 75,254                                | 2,006                      | 6,440      | 75,254                         | 2,006                      | 83,700  | \$ 10,497  | \$ 845,712                     | \$ 23,268                  | \$ 879,478    |
| 7/29/2010 | 573,555            | 434,550    | 135,397                               | 3,607                      | 11,588     | 135,397                        | 3,607                      | 150,593 | \$ 18,889  | \$ 1,521,611                   | \$ 41,840                  | \$ 1,582,340  |
| 7/30/2010 | 649,526            | 491,921    | 153,518                               | 4,087                      | 13,141     | 153,518                        | 4,087                      | 170,746 | \$ 18,004  | \$ 1,685,330                   | \$ 46,345                  | \$ 1,749,679  |
| 8/2/2010  | 3,769              | 2,856      | 890                                   | 24                         | 76         | 890                            | 24                         | 989     | \$ 104     | \$ 9,765                       | \$ 269                     | \$ 10,138     |
| 8/3/2010  | 2,143,361          | 1,619,250  | 510,548                               | 13,563                     | 43,725     | 510,548                        | 13,563                     | 567,836 | \$ 87,450  | \$ 5,926,461                   | \$ 162,334                 | \$ 6,176,245  |
| 8/4/2010  | 370,258            | 279,549    | 88,362                                | 2,346                      | 7,568      | 88,362                         | 2,346                      | 98,277  | \$ 13,547  | \$ 1,007,154                   | \$ 27,592                  | \$ 1,048,293  |
| 8/5/2010  | 995,868            | 751,618    | 237,937                               | 6,312                      | 20,384     | 237,937                        | 6,312                      | 264,633 | \$ 45,660  | \$ 2,819,081                   | \$ 77,064                  | \$ 2,941,805  |
| 8/6/2010  | 1,774,389          | 1,335,966  | 427,113                               | 11,310                     | 36,605     | 427,113                        | 11,310                     | 475,028 | \$ 87,487  | \$ 5,124,475                   | \$ 139,780                 | \$ 5,351,742  |
| 8/9/2010  | 460,879            | 347,345    | 110,607                               | 2,927                      | 9,480      | 110,607                        | 2,927                      | 123,014 | \$ 25,502  | \$ 1,360,232                   | \$ 37,059                  | \$ 1,422,793  |
| 8/10/2010 | 843,800            | 634,152    | 204,246                               | 5,401                      | 17,510     | 204,246                        | 5,401                      | 227,157 | \$ 43,249  | \$ 2,466,868                   | \$ 67,186                  | \$ 2,577,303  |
| 8/11/2010 | 761,946            | 572,013    | 185,043                               | 4,890                      | 15,866     | 185,043                        | 4,890                      | 205,799 | \$ 34,747  | \$ 2,183,122                   | \$ 59,453                  | \$ 2,277,322  |
| 8/12/2010 | 3,289,642          | 2,460,466  | 807,900                               | 21,276                     | 69,325     | 807,900                        | 21,276                     | 898,501 | \$ 199,656 | \$ 10,088,895                  | \$ 273,372                 | \$ 10,561,922 |
| 8/13/2010 | 1,186,439          | 885,881    | 292,855                               | 7,703                      | 25,136     | 292,855                        | 7,703                      | 325,694 | \$ 78,928  | \$ 3,733,243                   | \$ 100,976                 | \$ 3,913,147  |
| 8/16/2010 | 310,625            | 231,866    | 76,741                                | 2,018                      | 6,587      | 76,741                         | 2,018                      | 85,346  | \$ 19,630  | \$ 965,996                     | \$ 26,129                  | \$ 1,011,755  |
| 8/17/2010 | 577,222            | 430,552    | 142,914                               | 3,756                      | 12,269     | 142,914                        | 3,756                      | 158,939 | \$ 41,715  | \$ 1,858,993                   | \$ 50,209                  | \$ 1,950,91   |
| 8/18/2010 | 792,191            | 590,444    | 196,585                               | 5,162                      | 16,880     | 196,585                        | 5,162                      | 218,627 | \$ 70,557  | \$ 2,710,463                   | \$ 73,034                  | \$ 2,854,055  |
| 8/19/2010 | 1,057,596          | 787,127    | 263,556                               | 6,913                      | 22,636     | 263,556                        | 6,913                      | 293,104 | \$ 95,522  | \$ 3,644,364                   | \$ 98,085                  | \$ 3,837,97   |
| 8/20/2010 | 642,718            | 480,495    | 158,080                               | 4,144                      | 13,579     | 158,080                        | 4,144                      | 175,802 | \$ 55,129  | \$ 2,160,581                   | \$ 58,130                  | \$ 2,273,840  |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |           |            | OSA Section 13                 | 38.5(1) Damages            |              |
|------------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-----------|------------|--------------------------------|----------------------------|--------------|
|            | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |           |            | Retai                          | ned                        |              |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total        |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]       | [10]       | [11]                           | [12]                       | [13]         |
| 8/23/2010  | 231,205            | 171,883    | 57,807                                | 1,515                      | 4,966      | 57,807                         | 1,515                      | 64,287    | \$ 20,260  | \$ 791,241                     | \$ 21,282                  | \$ 832,783   |
| 8/24/2010  | 672,659            | 499,652    | 168,592                               | 4,415                      | 14,485     | 168,592                        | 4,415                      | 187,492   | \$ 45,192  | \$ 2,145,779                   | \$ 57,788                  | \$ 2,248,759 |
| 8/25/2010  | 723,389            | 536,851    | 181,782                               | 4,757                      | 15,620     | 181,782                        | 4,757                      | 202,159   | \$ 46,705  | \$ 2,290,020                   | \$ 61,645                  | \$ 2,398,369 |
| 8/26/2010  | 630,715            | 467,762    | 158,801                               | 4,153                      | 13,648     | 158,801                        | 4,153                      | 176,601   | \$ 48,176  | \$ 2,086,262                   | \$ 56,059                  | \$ 2,190,497 |
| 8/27/2010  | 317,904            | 235,657    | 80,152                                | 2,095                      | 6,889      | 80,152                         | 2,095                      | 89,136    | \$ 26,040  | \$ 1,073,041                   | \$ 28,810                  | \$ 1,127,89  |
| 8/30/2010  | 622,697            | 461,211    | 157,375                               | 4,112                      | 13,528     | 157,375                        | 4,112                      | 175,014   | \$ 47,754  | \$ 2,067,527                   | \$ 55,502                  | \$ 2,170,78  |
| 8/31/2010  | 742,100            | 549,158    | 188,033                               | 4,909                      | 16,166     | 188,033                        | 4,909                      | 209,108   | \$ 63,209  | \$ 2,541,746                   | \$ 68,130                  | \$ 2,673,084 |
| 9/1/2010   | 874,527            | 646,458    | 222,271                               | 5,797                      | 19,113     | 222,271                        | 5,797                      | 247,182   | \$ 87,348  | \$ 3,151,256                   | \$ 84,290                  | \$ 3,322,894 |
| 9/2/2010   | 857,020            | 632,603    | 218,717                               | 5,700                      | 18,811     | 218,717                        | 5,700                      | 243,228   | \$ 85,403  | \$ 3,094,297                   | \$ 82,699                  | \$ 3,262,399 |
| 9/3/2010   | 667,984            | 493,351    | 170,201                               | 4,432                      | 14,641     | 170,201                        | 4,432                      | 189,274   | \$ 66,762  | \$ 2,411,323                   | \$ 64,399                  | \$ 2,542,485 |
| 9/6/2010   | 572                | 422        | 146                                   | 4                          | 13         | 146                            | 4                          | 163       | \$ 57      | \$ 2,072                       | \$ 55                      | \$ 2,183     |
| 9/7/2010   | 1,000,170          | 736,688    | 256,801                               | 6,681                      | 22,095     | 256,801                        | 6,681                      | 285,577   | \$ 95,230  | \$ 3,574,022                   | \$ 95,396                  | \$ 3,764,649 |
| 9/8/2010   | 975,118            | 717,334    | 251,254                               | 6,530                      | 21,623     | 251,254                        | 6,530                      | 279,407   | \$ 98,167  | \$ 3,554,600                   | \$ 94,744                  | \$ 3,747,512 |
| 9/9/2010   | 740,602            | 544,423    | 191,214                               | 4,966                      | 16,458     | 191,214                        | 4,966                      | 212,638   | \$ 63,365  | \$ 2,573,247                   | \$ 68,623                  | \$ 2,705,236 |
| 9/10/2010  | 698,533            | 512,976    | 180,863                               | 4,694                      | 15,570     | 180,863                        | 4,694                      | 201,127   | \$ 58,232  | \$ 2,414,057                   | \$ 64,345                  | \$ 2,536,63  |
| 9/13/2010  | 885,154            | 649,193    | 229,997                               | 5,963                      | 19,804     | 229,997                        | 5,963                      | 255,764   | \$ 80,998  | \$ 3,150,357                   | \$ 83,839                  | \$ 3,315,19  |
| 9/14/2010  | 862,869            | 635,886    | 221,251                               | 5,732                      | 19,054     | 221,251                        | 5,732                      | 246,037   | \$ 76,599  | \$ 3,015,067                   | \$ 80,179                  | \$ 3,171,84  |
| 9/15/2010  | 903,834            | 661,452    | 236,268                               | 6,115                      | 20,352     | 236,268                        | 6,115                      | 262,734   | \$ 67,161  | \$ 3,049,583                   | \$ 81,139                  | \$ 3,197,88  |
| 9/16/2010  | 1,043,489          | 762,518    | 273,889                               | 7,081                      | 23,598     | 273,889                        | 7,081                      | 304,568   | \$ 71,030  | \$ 3,455,742                   | \$ 91,904                  | \$ 3,618,67  |
| 9/17/2010  | 1,435,604          | 1,047,200  | 378,629                               | 9,774                      | 32,633     | 378,629                        | 9,774                      | 421,037   | \$ 90,067  | \$ 4,682,608                   | \$ 124,419                 | \$ 4,897,09  |
| 9/20/2010  | 1,458,591          | 1,061,749  | 386,869                               | 9,972                      | 33,354     | 386,869                        | 9,972                      | 430,196   | \$ 110,736 | \$ 5,001,142                   | \$ 132,520                 | \$ 5,244,39  |
| 9/21/2010  | 634,544            | 461,570    | 168,630                               | 4,344                      | 14,541     | 168,630                        | 4,344                      | 187,515   | \$ 43,477  | \$ 2,124,269                   | \$ 56,293                  | \$ 2,224,03  |
| 9/22/2010  | 803,825            | 584,006    | 214,303                               | 5,516                      | 18,482     | 214,303                        | 5,516                      | 238,302   | \$ 50,457  | \$ 2,643,898                   | \$ 70,046                  | \$ 2,764,40  |
| 9/23/2010  | 1,427,397          | 1,035,522  | 382,057                               | 9,819                      | 32,961     | 382,057                        | 9,819                      | 424,836   | \$ 77,787  | \$ 4,572,123                   | \$ 121,061                 | \$ 4,770,97  |
| 9/24/2010  | 913,880            | 661,848    | 245,723                               | 6,309                      | 21,203     | 245,723                        | 6,309                      | 273,235   | \$ 53,857  | \$ 2,984,821                   | \$ 78,924                  | \$ 3,117,60  |
| 9/27/2010  | 777,378            | 562,380    | 209,620                               | 5,378                      | 18,091     | 209,620                        | 5,378                      | 233,089   | \$ 44,143  | \$ 2,525,308                   | \$ 66,736                  | \$ 2,636,18  |
| 9/28/2010  | 1,704,029          | 1,229,853  | 462,335                               | 11,841                     | 39,917     | 462,335                        | 11,841                     | 514,094   | \$ 93,806  | \$ 5,528,161                   | \$ 145,869                 | \$ 5,767,83  |
| 9/29/2010  | 1,827,817          | 1,315,824  | 499,231                               | 12,762                     | 43,121     | 499,231                        | 12,762                     | 555,113   | \$ 135,830 | \$ 6,368,682                   | \$ 167,423                 | \$ 6,671,93  |
| 9/30/2010  | 1,963,349          | 1,411,546  | 538,076                               | 13,727                     | 46,497     | 538,076                        | 13,727                     | 598,300   | \$ 124,611 | \$ 6,611,308                   | \$ 173,634                 | \$ 6,909,55  |
| 10/1/2010  | 1,097,960          | 787,147    | 303,090                               | 7,724                      | 26,197     | 303,090                        | 7,724                      | 337,011   | \$ 67,851  | \$ 3,696,761                   | \$ 97,000                  | \$ 3,861,61  |
| 10/4/2010  | 1,547,768          | 1,107,180  | 429,657                               | 10,931                     | 37,150     | 429,657                        | 10,931                     | 477,738   | \$ 105,878 | \$ 5,352,170                   | \$ 140,129                 | \$ 5,598,17  |
| 10/5/2010  | 1,729,435          | 1,236,090  | 481,126                               | 12,219                     | 41,617     | 481,126                        | 12,219                     | 534,962   | \$ 147,739 | \$ 6,330,082                   | \$ 165,191                 | \$ 6,643,01  |
| 10/6/2010  | 758,378            | 540,553    | 212,434                               | 5,391                      | 18,378     | 212,434                        | 5,391                      | 236,204   | \$ 59,914  | \$ 2,733,349                   | \$ 71,317                  | \$ 2,864,58  |
| 10/7/2010  | 1,046,407          | 744,716    | 294,232                               | 7,459                      | 25,461     | 294,232                        | 7,459                      | 327,152   | \$ 75,365  | \$ 3,697,548                   | \$ 96,434                  | \$ 3,869,34  |
| 10/8/2010  | 3,198,623          | 2,265,686  | 909,946                               | 22,991                     | 78,799     | 909,946                        | 22,991                     | 1,011,736 | \$ 282,099 | \$ 11,999,158                  | \$ 311,501                 | \$ 12,592,75 |
| 10/11/2010 | 1,563              | 1,116      | 436                                   | 11                         | 38         | 436                            | 11                         | 484       | \$ 135     | \$ 5,743                       | \$ 149                     | \$ 6,02      |
| 10/12/2010 | 1,850,058          | 1,310,637  | 526,152                               | 13,269                     | 45,582     | 526,152                        | 13,269                     | 585,003   | \$ 206,487 | \$ 7,438,007                   | \$ 192,381                 | \$ 7,836,87  |
| 10/13/2010 | 4,860,656          | 3,410,163  | 1,414,989                             | 35,503                     | 122,722    | 1,414,989                      | 35,503                     | 1,573,214 | \$ 586,610 | \$ 20,356,703                  | \$ 523,639                 | \$ 21,466,95 |
| 10/14/2010 | 1,377,184          | 965,491    | 401,630                               | 10,063                     | 34,844     | 401,630                        | 10,063                     | 446,537   | \$ 176,659 | \$ 5,894,489                   | \$ 151,338                 | \$ 6,222,48  |
| 10/15/2010 | 1,679,895          | 1,177,735  | 489,906                               | 12,254                     | 42,519     | 489,906                        | 12,254                     | 544,679   | \$ 212,593 | \$ 7,155,761                   | \$ 183,427                 | \$ 7,551,78  |
| 10/18/2010 | 1,961,827          | 1,364,845  | 582,444                               | 14,539                     | 50,572     | 582,444                        | 14,539                     | 647,555   | \$ 285,229 | \$ 8,880,126                   | \$ 226,938                 | \$ 9,392,29  |
| 10/19/2010 | 981,083            | 681,485    | 292,309                               | 7,289                      | 25,386     | 292,309                        | 7,289                      | 324,984   | \$ 134,547 | \$ 4,357,244                   | \$ 111,299                 | \$ 4,603,09  |
| 10/20/2010 | 589,104            | 408,830    | 175,890                               | 4,383                      | 15,278     | 175,890                        | 4,383                      | 195,551   | \$ 83,110  | \$ 2,646,496                   | \$ 67,545                  | \$ 2,797,15  |
| 10/21/2010 | 2,167,416          | 1,498,875  | 652,320                               | 16,220                     | 56,688     | 652,320                        | 16,220                     | 725,229   | \$ 337,292 | \$ 10,147,639                  | \$ 258,214                 | \$ 10,743,14 |
| 10/22/2010 | 1,688,726          | 1,164,842  | 511,196                               | 12,689                     | 44,441     | 511,196                        | 12,689                     | 568,326   | \$ 298,197 | \$ 8,340,756                   | \$ 211,642                 | \$ 8,850,59  |
| 10/25/2010 | 1,561,253          | 1,075,563  | 473,945                               | 11,746                     | 41,217     | 473,945                        | 11,746                     | 526,907   | \$ 282,748 | \$ 7,804,036                   | \$ 197,667                 | \$ 8,284,45  |
| 10/26/2010 | 1,109,360          | 761,787    | 339,178                               | 8,396                      | 29,504     | 339,178                        | 8,396                      | 377,078   | \$ 178,500 | \$ 5,310,194                   | \$ 134,497                 | \$ 5,623,19  |
| 10/27/2010 | 1,258,909          | 862,696    | 386,654                               | 9,559                      | 33,644     | 386,654                        | 9,559                      | 429,857   | \$ 190,086 | \$ 5,898,819                   | \$ 149,301                 | \$ 6,238,20  |
| 10/28/2010 | 301,308            | 206,436    | 92,585                                | 2,288                      | 8,057      | 92,585                         | 2,288                      | 102,929   | \$ 44,069  | \$ 1,395,808                   | \$ 35,327                  | \$ 1,475,20  |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |           |              | OSA Section 1                  | 38.5(1) Damages            |               |
|------------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-----------|--------------|--------------------------------|----------------------------|---------------|
|            | Investor           |            | Retai                                 | ined                       |            | Reta                           | ined                       |           |              | Retai                          | ned                        |               |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     | In-and-Out   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total         |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]       | [10]         | [11]                           | [12]                       | [13]          |
| 10/29/2010 | 700,999            | 479,538    | 216,124                               | 5,338                      | 18,810     | 216,124                        | 5,338                      | 240,271   | \$ 107,215   | \$ 3,307,996                   | \$ 83,634                  | \$ 3,498,845  |
| 11/1/2010  | 800,836            | 547,491    | 247,244                               | 6,101                      | 21,522     | 247,244                        | 6,101                      | 274,867   | \$ 132,145   | \$ 3,893,107                   | \$ 98,283                  | \$ 4,123,534  |
| 11/2/2010  | 888,751            | 606,767    | 275,199                               | 6,785                      | 23,960     | 275,199                        | 6,785                      | 305,944   | \$ 142,803   | \$ 4,283,747                   | \$ 108,074                 | \$ 4,534,623  |
| 11/3/2010  | 884,654            | 603,953    | 273,954                               | 6,748                      | 23,857     | 273,954                        | 6,748                      | 304,558   | \$ 151,727   | \$ 4,373,931                   | \$ 110,186                 | \$ 4,635,845  |
| 11/4/2010  | 1,112,079          | 755,697    | 347,824                               | 8,558                      | 30,297     | 347,824                        | 8,558                      | 386,679   | \$ 199,051   | \$ 5,626,381                   | \$ 141,534                 | \$ 5,966,966  |
| 11/5/2010  | 4,486,642          | 3,024,774  | 1,426,925                             | 34,943                     | 124,419    | 1,426,925                      | 34,943                     | 1,586,287 | \$ 843,560   | \$ 23,381,293                  | \$ 585,258                 | \$ 24,810,111 |
| 11/8/2010  | 1,230,562          | 828,060    | 392,893                               | 9,609                      | 34,267     | 392,893                        | 9,609                      | 436,769   | \$ 271,740   | \$ 6,889,674                   | \$ 171,992                 | \$ 7,333,406  |
| 11/9/2010  | 1,111,346          | 747,131    | 355,530                               | 8,685                      | 31,016     | 355,530                        | 8,685                      | 395,231   | \$ 210,291   | \$ 5,825,610                   | \$ 145,470                 | \$ 6,181,371  |
| 11/10/2010 | 2,000,224          | 1,338,257  | 646,213                               | 15,754                     | 56,401     | 646,213                        | 15,754                     | 718,368   | \$ 415,676   | \$ 10,969,898                  | \$ 273,154                 | \$ 11,658,729 |
| 11/11/2010 | 1,436,610          | 958,582    | 466,668                               | 11,360                     | 40,744     | 466,668                        | 11,360                     | 518,772   | \$ 331,247   | \$ 8,276,652                   | \$ 205,601                 | \$ 8,813,501  |
| 11/12/2010 | 2,883,770          | 1,914,106  | 946,688                               | 22,976                     | 82,708     | 946,688                        | 22,976                     | 1,052,372 | \$ 586,397   | \$ 15,805,466                  | \$ 391,942                 | \$ 16,783,804 |
| 11/15/2010 | 598,823            | 397,045    | 196,999                               | 4,778                      | 17,213     | 196,999                        | 4,778                      | 218,990   | \$ 124,106   | \$ 3,312,641                   | \$ 82,087                  | \$ 3,518,834  |
| 11/16/2010 | 792,147            | 524,568    | 261,247                               | 6,332                      | 22,831     | 261,247                        | 6,332                      | 290,410   | \$ 170,318   | \$ 4,458,315                   | \$ 110,353                 | \$ 4,738,986  |
| 11/17/2010 | 498,210            | 329,610    | 164,613                               | 3,987                      | 14,387     | 164,613                        | 3,987                      | 182,988   | \$ 101,287   | \$ 2,740,058                   | \$ 67,823                  | \$ 2,909,169  |
| 11/18/2010 | 724,390            | 478,584    | 239,996                               | 5,810                      | 20,979     | 239,996                        | 5,810                      | 266,785   | \$ 163,637   | \$ 4,177,243                   | \$ 103,230                 | \$ 4,444,110  |
| 11/19/2010 | 742,754            | 490,027    | 246,759                               | 5,969                      | 21,574     | 246,759                        | 5,969                      | 274,301   | \$ 172,591   | \$ 4,344,298                   | \$ 107,251                 | \$ 4,624,140  |
| 11/22/2010 | 874,290            | 575,912    | 291,337                               | 7,041                      | 25,476     | 291,337                        | 7,041                      | 323,854   | \$ 206,103   | \$ 5,155,335                   | \$ 127,149                 | \$ 5,488,587  |
| 11/23/2010 | 2,584,719          | 1,694,708  | 869,061                               | 20,950                     | 76,038     | 869,061                        | 20,950                     | 966,049   | \$ 599,178   | \$ 15,195,831                  | \$ 373,929                 | \$ 16,168,939 |
| 11/24/2010 | 1,459,485          | 954,142    | 493,465                               | 11,878                     | 43,190     | 493,465                        | 11,878                     | 548,533   | \$ 347,677   | \$ 8,712,277                   | \$ 214,021                 | \$ 9,273,974  |
| 11/25/2010 | 81,645             | 53,366     | 27,614                                | 665                        | 2,417      | 27,614                         | 665                        | 30,695    | \$ 19,432    | \$ 487,249                     | \$ 11,969                  | \$ 518,649    |
| 11/26/2010 | 514,075            | 335,718    | 174,168                               | 4,190                      | 15,246     | 174,168                        | 4,190                      | 193,603   | \$ 121,356   | \$ 3,059,303                   | \$ 75,115                  | \$ 3,255,773  |
| 11/29/2010 | 514,138            | 335,410    | 174,532                               | 4,196                      | 15,279     | 174,532                        | 4,196                      | 194,007   | \$ 117,040   | \$ 3,013,336                   | \$ 73,973                  | \$ 3,204,349  |
| 11/30/2010 | 537,099            | 350,082    | 182,630                               | 4,388                      | 15,990     | 182,630                        | 4,388                      | 203,008   | \$ 124,404   | \$ 3,175,061                   | \$ 77,889                  | \$ 3,377,353  |
| 12/1/2010  | 1,044,761          | 678,521    | 357,655                               | 8,585                      | 31,322     | 357,655                        | 8,585                      | 397,562   | \$ 256,528   | \$ 6,364,548                   | \$ 155,889                 | \$ 6,776,965  |
| 12/2/2010  | 1,485,855          | 962,152    | 511,446                               | 12,257                     | 44,806     | 511,446                        | 12,257                     | 568,508   | \$ 413,556   | \$ 9,633,165                   | \$ 235,324                 | \$ 10,282,045 |
| 12/3/2010  | 780,171            | 504,482    | 269,241                               | 6,448                      | 23,591     | 269,241                        | 6,448                      | 299,280   | \$ 209,017   | \$ 4,971,583                   | \$ 121,402                 | \$ 5,302,002  |
| 12/6/2010  | 572,740            | 369,907    | 198,093                               | 4,741                      | 17,359     | 198,093                        | 4,741                      | 220,193   | \$ 156,233   | \$ 3,685,542                   | \$ 89,933                  | \$ 3,931,707  |
| 12/7/2010  | 1,434,219          | 923,603    | 498,699                               | 11,918                     | 43,716     | 498,699                        | 11,918                     | 554,333   | \$ 390,821   | \$ 9,248,417                   | \$ 225,354                 | \$ 9,864,592  |
| 12/8/2010  | 1,217,549          | 782,186    | 425,214                               | 10,149                     | 37,285     | 425,214                        | 10,149                     | 472,648   | \$ 332,951   | \$ 7,881,370                   | \$ 191,803                 | \$ 8,406,125  |
| 12/9/2010  | 583,259            | 374,254    | 204,136                               | 4,869                      | 17,902     | 204,136                        | 4,869                      | 226,907   | \$ 161,117   | \$ 3,797,962                   | \$ 92,366                  | \$ 4,051,444  |
| 12/10/2010 | 698,311            | 447,491    | 244,981                               | 5,839                      | 21,487     | 244,981                        | 5,839                      | 272,307   | \$ 195,963   | \$ 4,587,272                   | \$ 111,468                 | \$ 4,894,703  |
| 12/13/2010 | 939,434            | 600,964    | 330,596                               | 7,874                      | 29,001     | 330,596                        | 7,874                      | 367,471   | \$ 277,254   | \$ 6,335,864                   | \$ 153,766                 | \$ 6,766,885  |
| 12/14/2010 | 665,708            | 425,290    | 234,829                               | 5,589                      | 20,603     | 234,829                        | 5,589                      | 261,022   | \$ 205,417   | \$ 4,596,776                   | \$ 111,440                 | \$ 4,913,633  |
| 12/15/2010 | 1,134,475          | 723,010    | 401,910                               | 9,554                      | 35,272     | 401,910                        | 9,554                      | 446,736   | \$ 332,261   | \$ 7,646,317                   | \$ 185,249                 | \$ 8,163,828  |
| 12/16/2010 | 364,746            | 232,400    | 129,274                               | 3,072                      | 11,346     | 129,274                        | 3,072                      | 143,692   | \$ 106,313   | \$ 2,452,967                   | \$ 59,409                  | \$ 2,618,689  |
| 12/17/2010 | 1,425,883          | 905,300    | 508,517                               | 12,066                     | 44,646     | 508,517                        | 12,066                     | 565,229   | \$ 408,509   | \$ 9,537,169                   | \$ 230,693                 | \$ 10,176,371 |
| 12/20/2010 | 849,694            | 538,585    | 303,904                               | 7,205                      | 26,687     | 303,904                        | 7,205                      | 337,796   | \$ 236,444   | \$ 5,611,545                   | \$ 135,659                 | \$ 5,983,648  |
| 12/21/2010 | 878,067            | 555,761    | 314,848                               | 7,457                      | 27,653     | 314,848                        | 7,457                      | 349,959   | \$ 254,133   | \$ 5,917,514                   | \$ 142,877                 | \$ 6,314,524  |
| 12/22/2010 | 572,066            | 361,465    | 205,731                               | 4,870                      | 18,072     | 205,731                        | 4,870                      | 228,673   | \$ 161,923   | \$ 3,819,367                   | \$ 92,185                  | \$ 4,073,475  |
| 12/23/2010 | 293,113            | 185,126    | 105,491                               | 2,496                      | 9,267      | 105,491                        | 2,496                      | 117,254   | \$ 81,829    | \$ 1,944,705                   | \$ 46,930                  | \$ 2,073,464  |
| 12/24/2010 | 28,351             | 17,900     | 10,210                                | 242                        | 897        | 10,210                         | 242                        | 11,348    | \$ 7,749     | \$ 186,275                     | \$ 4,496                   | \$ 198,521    |
| 12/27/2010 | 2,718              | 1,745      | 951                                   | 22                         | 84         | 951                            | 22                         | 1,057     | \$ 722       | \$ 17,346                      | \$ 419                     | \$ 18,486     |
| 12/28/2010 | 1,072              | 682        | 381                                   | 9                          | 33         | 381                            | 9                          | 423       | \$ 289       | \$ 6,945                       | \$ 168                     | \$ 7,401      |
| 12/29/2010 | 630,483            | 397,567    | 227,534                               | 5,381                      | 19,991     | 227,534                        | 5,381                      | 252,907   | \$ 176,523   | \$ 4,194,549                   | \$ 101,154                 | \$ 4,472,227  |
| 12/30/2010 | 263,737            | 166,220    | 95,265                                | 2,252                      | 8,371      | 95,265                         | 2,252                      | 105,888   | \$ 73,661    | \$ 1,753,328                   | \$ 42,272                  | \$ 1,869,261  |
| 12/31/2010 | 440,628            | 277,453    | 159,409                               | 3,767                      | 14,008     | 159,409                        | 3,767                      | 177,183   | \$ 123,690   | \$ 2,938,658                   | \$ 70,816                  | \$ 3,133,164  |
| 1/3/2011   | 162,337            | 105,307    | 55,714                                | 1,316                      | 4,896      | 55,714                         | 1,316                      | 61,926    | \$ 43,231    | \$ 1,027,068                   | \$ 24,746                  | \$ 1,095,046  |
| 1/4/2011   | 2,085,323          | 1,309,531  | 757,922                               | 17,869                     | 66,635     | 757,922                        | 17,869                     | 842,427   | \$ 602,385   | \$ 14,131,231                  | \$ 339,678                 | \$ 15,073,294 |
| 1/5/2011   | 5,323,094          | 3,297,146  | 1,979,536                             | 46,412                     | 174,249    | 1,979,536                      | 46,412                     | 2,200,197 | \$ 1,601,349 | \$ 37,204,452                  | \$ 889,211                 | \$ 39,695     |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | ed Shares                  |           |                          | OSA Section 13                 | 38.5(1) Damages            |               |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-----------|--------------------------|--------------------------------|----------------------------|---------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |           |                          | Retai                          | ned                        |               |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     | In-and-Out               | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total         |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]       | [10]                     | [11]                           | [12]                       | [13]          |
| 1/6/2011  | 805,746            | 499,582    | 299,156                               | 7,008                      | 26,338     | 299,156                        | 7,008                      | 332,502   | \$ 233,355               | \$ 5,523,771                   | \$ 131,958                 | \$ 5,889,083  |
| 1/7/2011  | 477,721            | 295,032    | 178,510                               | 4,180                      | 15,718     | 178,510                        | 4,180                      | 198,408   | \$ 134,231               | \$ 3,238,971                   | \$ 77,365                  | \$ 3,450,566  |
| 1/10/2011 | 1,578,427          | 971,258    | 593,300                               | 13,870                     | 52,259     | 593,300                        | 13,870                     | 659,428   | \$ 417,025               | \$ 10,432,850                  | \$ 248,945                 | \$ 11,098,820 |
| 1/11/2011 | 775,415            | 476,554    | 292,040                               | 6,822                      | 25,728     | 292,040                        | 6,822                      | 324,589   | \$ 208,910               | \$ 5,176,235                   | \$ 123,395                 | \$ 5,508,540  |
| 1/12/2011 | 929,959            | 570,000    | 351,750                               | 8,208                      | 30,995     | 351,750                        | 8,208                      | 390,953   | \$ 260,354               | \$ 6,333,054                   | \$ 150,781                 | \$ 6,744,189  |
| 1/13/2011 | 1,039,609          | 635,873    | 394,539                               | 9,197                      | 34,773     | 394,539                        | 9,197                      | 438,509   | \$ 293,136               | \$ 7,115,265                   | \$ 169,218                 | \$ 7,577,619  |
| 1/14/2011 | 1,043,970          | 638,345    | 396,395                               | 9,230                      | 34,945     | 396,395                        | 9,230                      | 440,570   | \$ 285,149               | \$ 7,041,695                   | \$ 167,339                 | \$ 7,494,183  |
| 1/17/2011 | 155,683            | 94,922     | 59,379                                | 1,382                      | 5,235      | 59,379                         | 1,382                      | 65,996    | \$ 42,821                | \$ 1,056,015                   | \$ 25,091                  | \$ 1,123,927  |
| 1/18/2011 | 724,419            | 441,062    | 276,914                               | 6,442                      | 24,416     | 276,914                        | 6,442                      | 307,773   | \$ 193,134               | \$ 4,849,954                   | \$ 115,183                 | \$ 5,158,272  |
| 1/19/2011 | 605,907            | 368,508    | 232,005                               | 5,394                      | 20,459     | 232,005                        | 5,394                      | 257,858   | \$ 154,264               | \$ 3,977,558                   | \$ 94,447                  | \$ 4,226,269  |
| 1/20/2011 | 2,416,000          | 1,460,177  | 934,158                               | 21,665                     | 82,424     | 934,158                        | 21,665                     | 1,038,247 | \$ 580,265               | \$ 15,548,329                  | \$ 368,505                 | \$ 16,497,099 |
| 1/21/2011 | 1,946,347          | 1,170,856  | 757,948                               | 17,543                     | 66,906     | 757,948                        | 17,543                     | 842,397   | \$ 444,254               | \$ 12,312,234                  | \$ 291,375                 | \$ 13,047,863 |
| 1/24/2011 | 1,193,133          | 715,914    | 466,437                               | 10,783                     | 41,184     | 466,437                        | 10,783                     | 518,404   | \$ 289,114               | \$ 7,754,108                   | \$ 183,188                 | \$ 8,226,410  |
| 1/25/2011 | 1,036,937          | 620,389    | 407,146                               | 9,402                      | 35,958     | 407,146                        | 9,402                      | 452,506   | \$ 238,039               | \$ 6,605,577                   | \$ 155,970                 | \$ 6,999,586  |
| 1/26/2011 | 1,625,293          | 971,549    | 639,012                               | 14,732                     | 56,456     | 639,012                        | 14,732                     | 710,199   | \$ 396,882               | \$ 10,629,351                  | \$ 250,424                 | \$ 11,276,658 |
| 1/27/2011 | 1,619,733          | 961,300    | 643,620                               | 14,813                     | 56,883     | 643,620                        | 14,813                     | 715,317   | \$ 419,799               | \$ 10,931,246                  | \$ 256,993                 | \$ 11,608,037 |
| 1/28/2011 | 1,518,414          | 901,145    | 603,403                               | 13,866                     | 53,347     | 603,403                        | 13,866                     | 670,616   | \$ 391,566               | \$ 10,224,025                  | \$ 240,004                 | \$ 10,855,590 |
| 1/31/2011 | 908,022            | 538,314    | 361,410                               | 8,297                      | 31,959     | 361,410                        | 8,297                      | 401,666   | \$ 233,938               | \$ 6,116,475                   | \$ 143,452                 | \$ 6,493,86   |
| 2/1/2011  | 2,708,711          | 1,586,773  | 1,096,828                             | 25,110                     | 97,049     | 1,096,828                      | 25,110                     | 1,218,988 | \$ 789,011               | \$ 19,450,965                  | \$ 454,472                 | \$ 20,694,44  |
| 2/2/2011  | 1,004,096          | 586,923    | 407,845                               | 9,327                      | 36,095     | 407,845                        | 9,327                      | 453,267   | \$ 302,837               | \$ 7,338,680                   | \$ 171,241                 | \$ 7,812,75   |
| 2/3/2011  | 678,143            | 395,586    | 276,244                               | 6,313                      | 24,452     | 276,244                        | 6,313                      | 307,009   | \$ 202,461               | \$ 4,940,294                   | \$ 115,211                 | \$ 5,257,96   |
| 2/4/2011  | 1,209,949          | 705,092    | 493,591                               | 11,266                     | 43,702     | 493,591                        | 11,266                     | 548,559   | \$ 391,133               | \$ 9,157,957                   | \$ 213,150                 | \$ 9,762,23   |
| 2/7/2011  | 4,261,124          | 2,449,022  | 1,771,838                             | 40,264                     | 157,028    | 1,771,838                      | 40,264                     | 1,969,129 | \$ 1,529,452             | \$ 34,273,747                  | \$ 793,555                 | \$ 36,596,75  |
| 2/8/2011  | 1,679,310          | 960,898    | 702,477                               | 15,935                     | 62,280     | 702,477                        | 15,935                     | 780,692   | \$ 600,378               | \$ 13,518,154                  | \$ 312,479                 | \$ 14,431,01  |
| 2/9/2011  | 939,477            | 536,134    | 394,404                               | 8,938                      | 34,974     | 394,404                        | 8,938                      | 438,317   | \$ 299,730               | \$ 7,167,722                   | \$ 165,707                 | \$ 7,633,15   |
| 2/10/2011 | 1,898,274          | 1,077,507  | 802,613                               | 18,154                     | 71,203     | 802,613                        | 18,154                     | 891,970   | \$ 578,881               | \$ 14,233,127                  | \$ 328,563                 | \$ 15,140,57  |
| 2/11/2011 | 2,010,074          | 1,134,546  | 856,203                               | 19,325                     | 75,991     | 856,203                        | 19,325                     | 951,519   | \$ 637,567               | \$ 15,406,009                  | \$ 354,796                 | \$ 16,398,37  |
| 2/14/2011 | 823,942            | 464,111    | 351,895                               | 7,936                      | 31,238     | 351,895                        | 7,936                      | 391,069   | \$ 259,274               | \$ 6,300,122                   | \$ 144,981                 | \$ 6,704,37   |
| 2/15/2011 | 464,844            | 261,524    | 198,838                               | 4,482                      | 17,653     | 198,838                        | 4,482                      | 220,973   | \$ 145,812               | \$ 3,551,920                   | \$ 81,703                  | \$ 3,779,43   |
| 2/16/2011 | 943,592            | 529,165    | 405,300                               | 9,127                      | 35,990     | 405,300                        | 9,127                      | 450,417   | \$ 291,518               | \$ 7,175,162                   | \$ 164,916                 | \$ 7,631,59   |
| 2/17/2011 | 1,011,867          | 565,912    | 436,144                               | 9,811                      | 38,738     | 436,144                        | 9,811                      | 484,693   | \$ 314,162               | \$ 7,725,563                   | \$ 177,379                 | \$ 8,217,10   |
| 2/18/2011 | 3,116,263          | 1,726,586  | 1,359,200                             | 30,477                     | 120,806    | 1,359,200                      | 30,477                     | 1,510,484 | \$ 938,665               | \$ 23,613,682                  | \$ 540,632                 | \$ 25,092,97  |
| 2/21/2011 | 1,148              | 636        | 501                                   | 11                         | 44         | 501                            | 11                         | 556       | \$ 346                   | \$ 8,696                       | \$ 199                     | \$ 9,24       |
| 2/22/2011 | 1,502,273          | 828,731    | 658,793                               | 14,749                     | 58,574     | 658,793                        | 14,749                     | 732,116   | \$ 398,300               | \$ 10,806,299                  | \$ 247,326                 | \$ 11,451,92  |
| 2/23/2011 | 2,064,960          | 1,132,365  | 912,216                               | 20,379                     | 81,143     | 912,216                        | 20,379                     | 1,013,738 | \$ 553,395               | \$ 14,981,418                  | \$ 342,141                 | \$ 15,876,95  |
| 2/24/2011 | 645,016            | 353,038    | 285,601                               | 6,376                      | 25,408     | 285,601                        | 6,376                      | 317,385   | \$ 169,981               | \$ 4,653,323                   | \$ 106,219                 | \$ 4,929,52   |
| 2/25/2011 | 1,448,644          | 789,099    | 645,163                               | 14,382                     | 57,415     | 645,163                        | 14,382                     | 716,959   | \$ 404,776               | \$ 10,743,922                  | \$ 244,763                 | \$ 11,393,46  |
| 2/28/2011 | 1,236,534          | 670,911    | 553,305                               | 12,318                     | 49,254     | 553,305                        | 12,318                     | 614,877   | \$ 357,090               | \$ 9,324,844                   | \$ 212,109                 | \$ 9,894,04   |
| 3/1/2011  | 3,200,614          | 1,718,605  | 1,449,839                             | 32,170                     | 129,154    | 1,449,839                      | 32,170                     | 1,611,163 | \$ 1,013,859             | \$ 9,324,844                   | \$ 212,109<br>\$ 573,245   | \$ 9,894,04   |
| 3/2/2011  | 1,126,781          | 602,904    | 512,518                               | 11,359                     | 45,667     | 512,518                        | 11,359                     | 569,545   | \$ 344,333               | \$ 8,786,032                   | \$ 373,243<br>\$ 198,884   | \$ 9,329,24   |
|           |                    |            |                                       |                            |            |                                |                            |           |                          |                                |                            |               |
| 3/3/2011  | 1,611,536          | 857,822    | 737,398                               | 16,316                     | 65,729     | 737,398                        | 16,316                     | 819,443   | \$ 514,657               | \$ 12,854,926                  | \$ 290,404                 | \$ 13,659,98  |
| 3/4/2011  | 1,220,870          | 647,251    | 561,218                               | 12,402                     | 50,038     | 561,218                        | 12,402                     | 623,658   | \$ 363,779<br>\$ 201,077 | \$ 9,469,303                   | \$ 213,795                 | \$ 10,046,87  |
| 3/7/2011  | 713,300            | 379,729    | 326,364                               | 7,207                      | 29,103     | 326,364                        | 7,207                      | 362,674   | \$ 201,977               | \$ 5,398,962                   | \$ 121,859                 | \$ 5,722,79   |
| 3/8/2011  | 875,036            | 461,487    | 404,622                               | 8,927                      | 36,089     | 404,622                        | 8,927                      | 449,637   | \$ 245,044               | \$ 6,632,854                   | \$ 149,603                 | \$ 7,027,50   |
| 3/9/2011  | 1,628,154          | 855,387    | 756,113                               | 16,653                     | 67,464     | 756,113                        | 16,653                     | 840,230   | \$ 444,586               | \$ 12,243,502                  | \$ 275,761                 | \$ 12,963,84  |
| 3/10/2011 | 1,047,091          | 547,328    | 489,004                               | 10,759                     | 43,641     | 489,004                        | 10,759                     | 543,404   | \$ 263,157               | \$ 7,644,433                   | \$ 172,126                 | \$ 8,079,71   |
| 3/11/2011 | 884,306            | 462,068    | 413,156                               | 9,082                      | 36,879     | 413,156                        | 9,082                      | 459,117   | \$ 233,078               | \$ 6,578,530                   | \$ 147,929                 | \$ 6,959,53   |
| 3/14/2011 | 1,318,888          | 684,400    | 620,860                               | 13,628                     | 55,436     | 620,860                        | 13,628                     | 689,924   | \$ 380,290               | \$ 10,220,955                  | \$ 229,352                 | \$ 10,830,59  |
| 3/15/2011 | 2,921,321          | 1,501,397  | 1,389,515                             | 30,408                     | 124,150    | 1,389,515                      | 30,408                     | 1,544,073 | \$ 907,533               | \$ 23,500,157                  | \$ 525,424                 | \$ 24,933,11  |

Exhibit F
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |           |              | OSA Section 1                  | 38.5(1) Damages            |               |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-----------|--------------|--------------------------------|----------------------------|---------------|
|           | Investor           |            | Reta                                  | ined                       |            | Reta                           | ined                       |           |              | Retai                          | ned                        |               |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     | In-and-Out   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total         |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]       | [10]         | [11]                           | [12]                       | [13]          |
| 3/16/2011 | 1,336,469          | 684,911    | 637,623                               | 13,935                     | 56,987     | 637,623                        | 13,935                     | 708,545   | \$ 410,876   | \$ 10,720,007                  | \$ 239,381                 | \$ 11,370,264 |
| 3/17/2011 | 1,965,847          | 997,854    | 947,332                               | 20,661                     | 84,704     | 947,332                        | 20,661                     | 1,052,697 | \$ 741,160   | \$ 17,385,800                  | \$ 386,745                 | \$ 18,513,705 |
| 3/18/2011 | 1,815,213          | 915,836    | 880,215                               | 19,162                     | 78,733     | 880,215                        | 19,162                     | 978,110   | \$ 694,428   | \$ 16,215,600                  | \$ 360,039                 | \$ 17,270,067 |
| 3/21/2011 | 1,181,078          | 593,361    | 575,211                               | 12,507                     | 51,465     | 575,211                        | 12,507                     | 639,182   | \$ 431,276   | \$ 10,343,603                  | \$ 229,490                 | \$ 11,004,369 |
| 3/22/2011 | 1,253,430          | 629,032    | 611,128                               | 13,271                     | 54,694     | 611,128                        | 13,271                     | 679,092   | \$ 453,411   | \$ 10,934,454                  | \$ 242,310                 | \$ 11,630,175 |
| 3/23/2011 | 1,808,877          | 898,109    | 891,447                               | 19,322                     | 79,813     | 891,447                        | 19,322                     | 990,582   | \$ 663,249   | \$ 15,967,763                  | \$ 353,178                 | \$ 16,984,190 |
| 3/24/2011 | 892,211            | 441,449    | 441,207                               | 9,554                      | 39,510     | 441,207                        | 9,554                      | 490,272   | \$ 335,442   | \$ 7,982,398                   | \$ 176,358                 | \$ 8,494,198  |
| 3/25/2011 | 1,209,627          | 595,961    | 600,675                               | 12,991                     | 53,805     | 600,675                        | 12,991                     | 667,471   | \$ 472,946   | \$ 11,047,693                  | \$ 243,696                 | \$ 11,764,335 |
| 3/28/2011 | 868,907            | 426,630    | 432,922                               | 9,354                      | 38,786     | 432,922                        | 9,354                      | 481,063   | \$ 351,403   | \$ 8,079,234                   | \$ 178,006                 | \$ 8,608,643  |
| 3/29/2011 | 1,078,411          | 527,173    | 539,592                               | 11,646                     | 48,355     | 539,592                        | 11,646                     | 599,593   | \$ 469,523   | \$ 10,420,640                  | \$ 229,187                 | \$ 11,119,350 |
| 3/30/2011 | 2,001,263          | 970,741    | 1,008,793                             | 21,728                     | 90,442     | 1,008,793                      | 21,728                     | 1,120,963 | \$ 954,158   | \$ 20,329,206                  | \$ 445,837                 | \$ 21,729,201 |
| 3/31/2011 | 1,800,601          | 869,687    | 911,322                               | 19,592                     | 81,736     | 911,322                        | 19,592                     | 1,012,650 | \$ 886,014   | \$ 18,629,196                  | \$ 407,690                 | \$ 19,922,900 |
| 4/1/2011  | 1,535,996          | 734,412    | 784,740                               | 16,844                     | 70,407     | 784,740                        | 16,844                     | 871,991   | \$ 741,383   | \$ 15,798,308                  | \$ 345,280                 | \$ 16,884,970 |
| 4/4/2011  | 632,113            | 301,482    | 323,688                               | 6,943                      | 29,045     | 323,688                        | 6,943                      | 359,677   | \$ 306,138   | \$ 6,519,685                   | \$ 142,396                 | \$ 6,968,218  |
| 4/5/2011  | 625,923            | 297,795    | 321,242                               | 6,886                      | 28,830     | 321,242                        | 6,886                      | 356,958   | \$ 296,659   | \$ 6,390,097                   | \$ 139,507                 | \$ 6,826,263  |
| 4/6/2011  | 1,521,079          | 719,007    | 785,266                               | 16,806                     | 70,497     | 785,266                        | 16,806                     | 872,570   | \$ 721,894   | \$ 15,581,092                  | \$ 339,641                 | \$ 16,642,62  |
| 4/7/2011  | 1,137,872          | 535,342    | 589,919                               | 12,611                     | 52,974     | 589,919                        | 12,611                     | 655,503   | \$ 503,779   | \$ 11,274,395                  | \$ 245,643                 | \$ 12,023,810 |
| 4/8/2011  | 910,902            | 428,754    | 472,066                               | 10,082                     | 42,399     | 472,066                        | 10,082                     | 524,547   | \$ 404,064   | \$ 9,031,443                   | \$ 196,585                 | \$ 9,632,09   |
| 4/11/2011 | 359,071            | 168,057    | 187,021                               | 3,993                      | 16,799     | 187,021                        | 3,993                      | 207,813   | \$ 160,933   | \$ 3,587,393                   | \$ 78,053                  | \$ 3,826,37   |
| 4/12/2011 | 977,162            | 455,402    | 510,865                               | 10,895                     | 45,898     | 510,865                        | 10,895                     | 567,658   | \$ 433,732   | \$ 9,732,842                   | \$ 211,576                 | \$ 10,378,15  |
| 4/13/2011 | 4,106,416          | 1,884,187  | 2,176,020                             | 46,209                     | 195,680    | 2,176,020                      | 46,209                     | 2,417,909 | \$ 1,874,617 | \$ 41,739,472                  | \$ 903,341                 | \$ 44,517,42  |
| 4/14/2011 | 2,723,386          | 1,233,508  | 1,458,984                             | 30,894                     | 131,280    | 1,458,984                      | 30,894                     | 1,621,158 | \$ 1,291,796 | \$ 28,364,803                  | \$ 611,987                 | \$ 30,268,58  |
| 4/15/2011 | 1,102,221          | 496,032    | 593,634                               | 12,556                     | 53,429     | 593,634                        | 12,556                     | 659,618   | \$ 501,160   | \$ 11,268,021                  | \$ 242,945                 | \$ 12,012,12  |
| 4/18/2011 | 785,720            | 352,444    | 424,309                               | 8,967                      | 38,196     | 424,309                        | 8,967                      | 471,472   | \$ 343,760   | \$ 7,892,755                   | \$ 170,100                 | \$ 8,406,61   |
| 4/19/2011 | 1,157,342          | 528,937    | 615,414                               | 12,991                     | 55,412     | 615,414                        | 12,991                     | 683,817   | \$ 540,272   | \$ 11,909,113                  | \$ 256,163                 | \$ 12,705,54  |
| 4/20/2011 | 1,640,062          | 743,441    | 878,116                               | 18,505                     | 79,095     | 878,116                        | 18,505                     | 975,715   | \$ 794,111   | \$ 17,247,357                  | \$ 370,266                 | \$ 18,411,73  |
| 4/21/2011 | 632,847            | 282,929    | 342,701                               | 7,217                      | 30,872     | 342,701                        | 7,217                      | 380,791   | \$ 303,168   | \$ 6,655,705                   | \$ 142,821                 | \$ 7,101,69   |
| 4/25/2011 | 504,340            | 222,094    | 276,428                               | 5,818                      | 24,905     | 276,428                        | 5,818                      | 307,152   | \$ 236,100   | \$ 5,274,605                   | \$ 113,163                 | \$ 5,623,86   |
| 4/26/2011 | 458,980            | 201,870    | 251,812                               | 5,298                      | 22,690     | 251,812                        | 5,298                      | 279,799   | \$ 216,458   | \$ 4,820,005                   | \$ 103,355                 | \$ 5,139,81   |
| 4/27/2011 | 670,304            | 293,527    | 369,018                               | 7,758                      | 33,255     | 369,018                        | 7,758                      | 410,032   | \$ 310,272   | \$ 6,985,978                   | \$ 149,727                 | \$ 7,445,97   |
| 4/28/2011 | 1,076,675          | 469,003    | 595,172                               | 12,499                     | 53,649     | 595,172                        | 12,499                     | 661,320   | \$ 506,981   | \$ 11,338,761                  | \$ 242,717                 | \$ 12,088,45  |
| 4/29/2011 | 787,251            | 341,666    | 436,427                               | 9,158                      | 39,346     | 436,427                        | 9,158                      | 484,932   | \$ 356,085   | \$ 8,139,893                   | \$ 174,171                 | \$ 8,670,14   |
| 5/2/2011  | 1,122,347          | 484,607    | 624,648                               | 13,092                     | 56,330     | 624,648                        | 13,092                     | 694,069   | \$ 492,884   | \$ 11,463,014                  | \$ 245,068                 | \$ 12,200,96  |
| 5/3/2011  | 1,859,861          | 805,102    | 1,033,147                             | 21,612                     | 93,205     | 1,033,147                      | 21,612                     | 1,147,964 | \$ 728,867   | \$ 17,998,554                  | \$ 384,458                 | \$ 19,111,87  |
| 5/4/2011  | 1,785,702          | 757,194    | 1,007,473                             | 21,036                     | 90,925     | 1,007,473                      | 21,036                     | 1,119,434 | \$ 647,388   | \$ 16,845,994                  | \$ 359,483                 | \$ 17,852,86  |
| 5/5/2011  | 3,204,526          | 1,343,347  | 1,823,237                             | 37,942                     | 164,666    | 1,823,237                      | 37,942                     | 2,025,845 | \$ 1,057,157 | \$ 29,209,969                  | \$ 621,831                 | \$ 30,888,95  |
| 5/6/2011  | 2,614,044          | 1,077,075  | 1,505,720                             | 31,249                     | 136,069    | 1,505,720                      | 31,249                     | 1,673,038 | \$ 904,857   | \$ 24,469,231                  | \$ 519,327                 | \$ 25,893,41  |
| 5/9/2011  | 1,417,454          | 581,403    | 819,077                               | 16,974                     | 74,041     | 819,077                        | 16,974                     | 910,092   | \$ 539,762   | \$ 13,834,866                  | \$ 292,950                 | \$ 14,667,579 |
| 5/10/2011 | 1,230,579          | 503,589    | 712,249                               | 14,741                     | 64,402     | 712,249                        | 14,741                     | 791,392   | \$ 452,746   | \$ 11,845,241                  | \$ 250,586                 | \$ 12,548,57  |
| 5/11/2011 | 1,493,462          | 602,195    | 873,223                               | 18,045                     | 78,984     | 873,223                        | 18,045                     | 970,251   | \$ 553,675   | \$ 14,504,855                  | \$ 306,382                 | \$ 15,364,91  |
| 5/12/2011 | 2,386,205          | 949,014    | 1,408,164                             | 29,027                     | 127,437    | 1,408,164                      | 29,027                     | 1,564,628 | \$ 769,719   | \$ 22,024,593                  | \$ 464,690                 | \$ 23,259,00  |
| 5/13/2011 | 6,662,435          | 2,540,610  | 4,039,151                             | 82,674                     | 366,089    | 4,039,151                      | 82,674                     | 4,487,914 | \$ 1,735,261 | \$ 57,923,112                  | \$ 1,216,053               | \$ 60,874,42  |
| 5/16/2011 | 5,226,732          | 1,931,558  | 3,229,436                             | 65,737                     | 293,044    | 3,229,436                      | 65,737                     | 3,588,218 | \$ 1,702,586 | \$ 49,766,396                  | \$ 1,037,270               | \$ 52,506,25  |
| 5/17/2011 | 2,159,878          | 791,359    | 1,341,278                             | 27,241                     | 121,768    | 1,341,278                      | 27,241                     | 1,490,287 | \$ 775,661   | \$ 21,420,439                  | \$ 445,096                 | \$ 22,641,19  |
| 5/18/2011 | 2,826,007          | 1,046,961  | 1,743,733                             | 35,313                     | 158,402    | 1,743,733                      | 35,313                     | 1,937,448 | \$ 1,004,270 | \$ 27,795,250                  | \$ 575,915                 | \$ 29,375,43  |
| 5/19/2011 | 3,735,927          | 1,325,601  | 2,362,665                             | 47,661                     | 214,804    | 2,362,665                      | 47,661                     | 2,625,130 | \$ 1,458,518 | \$ 38,723,985                  | \$ 798,755                 | \$ 40,981,25  |
| 5/20/2011 | 4,646,649          | 1,592,300  | 2,994,240                             | 60,109                     | 272,505    | 2,994,240                      | 60,109                     | 3,326,854 | \$ 1,599,604 | \$ 46,320,298                  | \$ 952,071                 | \$ 48,871,97  |
| 5/23/2011 | 17,845             | 6,623      | 11,002                                | 221                        | 1,001      | 11,002                         | 221                        | 12,224    | \$ 5,877     | \$ 170,192                     | \$ 3,498                   | \$ 179,56     |
| 5/24/2011 | 4,694,538          | 1,529,208  | 3,103,339                             | 61,991                     | 282,732    | 3,103,339                      | 61,991                     | 3,448,062 | \$ 1,249,674 | \$ 43,507,711                  | \$ 891,989                 | \$ 45,649,    |

Exhibit F Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages (C\$) from March 19, 2007 to June 3, 2011

|           |                    |               | Multi-Trader Model Sales of Investor Purchase Volume |                            |            | Damaged Shares                 |                            |             |               | OSA Section 138.5(1) Damages   |                            |                  |  |
|-----------|--------------------|---------------|------------------------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-------------|---------------|--------------------------------|----------------------------|------------------|--|
|           | Investor           |               | Retai                                                | ined                       |            | Retai                          | ned                        |             |               | Retai                          | ned                        |                  |  |
| Date      | Purchase<br>Volume | In-and-Out    | Sold During<br>6/3 - 8/25/2011                       | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total       | In-and-Out    | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total            |  |
| [1]       | [2]                | [3]           | [4]                                                  | [5]                        | [6]        | [7]                            | [8]                        | [9]         | [10]          | [11]                           | [12]                       | [13]             |  |
| 5/25/2011 | 5,616,047          | 1,750,690     | 3,790,095                                            | 75,262                     | 345,734    | 3,790,095                      | 75,262                     | 4,211,091   | \$ 1,445,168  | \$ 52,225,450                  | \$ 1,064,877               | \$ 54,735,496    |  |
| 5/26/2011 | 10,432,519         | 2,945,219     | 7,343,112                                            | 144,187                    | 671,442    | 7,343,112                      | 144,187                    | 8,158,741   | \$ 2,470,907  | \$ 97,509,865                  | \$ 1,968,013               | \$ 101,948,786   |  |
| 5/27/2011 | 5,798,853          | 1,539,961     | 4,177,370                                            | 81,523                     | 382,470    | 4,177,370                      | 81,523                     | 4,641,362   | \$ 1,503,106  | \$ 56,515,200                  | \$ 1,133,082               | \$ 59,151,387    |  |
| 5/30/2011 | 2,041,197          | 530,165       | 1,482,169                                            | 28,863                     | 135,765    | 1,482,169                      | 28,863                     | 1,646,797   | \$ 598,724    | \$ 20,763,444                  | \$ 415,023                 | \$ 21,777,191    |  |
| 5/31/2011 | 4,418,199          | 1,094,559     | 3,260,444                                            | 63,197                     | 298,948    | 3,260,444                      | 63,197                     | 3,622,588   | \$ 1,437,938  | \$ 46,978,672                  | \$ 933,987                 | \$ 49,350,597    |  |
| 6/1/2011  | 5,183,203          | 1,209,653     | 3,898,401                                            | 75,149                     | 357,856    | 3,898,401                      | 75,149                     | 4,331,406   | \$ 1,341,958  | \$ 52,037,797                  | \$ 1,030,970               | \$ 54,410,725    |  |
| 6/2/2011  | 22,113,408         | 3,999,051     | 17,779,860                                           | 334,497                    | 0          | 17,779,860                     | 334,497                    | 18,114,357  | \$ 0          | \$ 170,645,564                 | \$ 3,334,601               | \$ 173,980,165   |  |
| 6/3/2011  | 0                  | 0             | 0                                                    | 0                          | 0          | 0                              | 0                          | 0           | \$ 0          | \$ 0                           | \$ 0                       | \$ 0             |  |
| Total     | 1,273,624,358      | 1,048,545,373 | 219,487,247                                          | 5,591,737                  | 16,275,734 | 219,405,787                    | 5,591,737                  | 241,273,259 | \$ 94,605,437 | \$ 3,138,044,635               | \$ 79,728,071              | \$ 3,312,378,143 |  |

- Notes:
  [1] Trading date.
- [2] Investor purchase volume. Source: Exhibit D.
- [3] Shares purchased on or before June 2, 2011, and sold on or before June 2, 2011 (based on multi-trader model).
- [4] Shares purchased on or before June 2, 2011, and sold between June 3, 2011 and August 25, 2011 (based on multi-trader model).
- [5] Shares purchased on or before June 2, 2011, and still held on August 25, 2011 (based on multi-trader model).
- [6] Damaged shares purchased on or before June 2, 2011, and sold on or before June 2, 2011 (based on multi-trader model).
- [7] Damaged shares purchased on or before June 2, 2011, and sold between June 3, 2011 and August 25, 2011 (based on multi-trader model).
- [8] Damaged shares purchased on or before June 2, 2011, and still held on August 25, 2011 (based on multi-trader model).
- [10] Damages on shares from [6] based on Section 138.5(1) of the OSA.
- [11] Damages on shares from [7] based on Section 138.5(1) of the OSA.
- [12] Damages on shares from [8] based on Section 138.5(1) of the OSA.
- [13] = [10] + [11] + [12].

This is Exhibit "G-1"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this day of January, 2013

A Notary Public

Exhibit G-1
Sino-Forest Common Stock Section 138.5(1) Statutory Damages by Country and for Primary Offerings (C\$ in millions)

|                  |            | _        | 1]<br>by Country |            | Dan       |          | 2]<br>rimary Offerin | gs      |
|------------------|------------|----------|------------------|------------|-----------|----------|----------------------|---------|
|                  | Canada     | U.S.     | Germany          | Total      | 6/12/2007 | 6/8/2009 | 12/18/2009           | Total   |
|                  |            |          |                  |            |           |          |                      |         |
| Primary Shares   | \$ 78.5    | \$ 0.0   | \$ 0.0           | \$ 78.5    | \$ 0.7    | \$ 33.4  | \$ 44.4              | \$ 78.5 |
| Secondary Shares | \$ 3,056.2 | \$ 174.4 | \$ 3.2           | \$ 3,233.9 | \$ 0.0    | \$ 0.0   | \$ 0.0               | \$ 0.0  |
| Total            | \$ 3,134.7 | \$ 174.4 | \$ 3.2           | \$ 3,312.4 | \$ 0.7    | \$ 33.4  | \$ 44.4              | \$ 78.5 |

### **Notes:**

- [1] Total damages apportioned to each country using the relative proportion of specialist-adjusted volume for each country (see Exhibit D) on each day during the Class Period. All primary shares assumed to have been offered and damaged in Canada.
- [2] Damages apportioned to share offerings (Primary Shares) on the share offering dates using the proportion of shares offered to total volume. Source of shares offered: Sino-Forest SEDAR fillings.

This is Exhibit "G-2"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this day of January, 2013

A Notary Public

Exhibit G-2 Summary of Investor Purchase Volume, Damaged Shares and Aggregate Section 138.5(1) Statutory Damages for Sino-Forest Common Stock

| In-and-Out Investor Purchase Volume (in millions)   | [1]             | 1,048.5    |
|-----------------------------------------------------|-----------------|------------|
| Retained Investor Purchase Volume (in millions)     | [2]             | 225.1      |
| Total Investor Purchase Volume (in millions)        | [3] = [1] + [2] | 1,273.6    |
| In-and-Out Damaged Shares (in millions)             | [4]             | 16.3       |
| Retained Damaged Shares (in millions)               | [5]             | 225.0      |
| <b>Total Number of Damaged Shares (in millions)</b> | [6] = [4] + [5] | 241.3      |
| In-and-Out Damages (C\$ millions)                   | [7]             | \$ 94.6    |
| Retained Damages (C\$ millions)                     | [8]             | \$ 3,217.8 |
| Total Damages for Common Stock (C\$ millions)       | [9] = [7] + [8] | \$ 3,312.4 |

# **Notes:**

Estimation for common stock based on the 51-trader model described in the Affidavit. Source: Exhibit F. In-and-Out damaged shares and damages are for shareholders who purchased shares during the Class Period and sold on June 2, 2011.

This is Exhibit "H"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this Linday of January, 2013

A Notary Public

Exhibit H
Sino-Forest Common Stock Excess Price Declines on June 2-3, 2011 (C\$)

| [1]          | [2]             | [3]             | [4]              | [5]              | [6]                | [7]                 | [8]              | [9]       |
|--------------|-----------------|-----------------|------------------|------------------|--------------------|---------------------|------------------|-----------|
| Date         | Total<br>Volume | TRE CN<br>Price | TRE CN<br>Return | Market<br>Return | Industry<br>Return | Predicted<br>Return | Excess<br>Return | t-stat    |
| June 1, 2011 | 5,678,648       | \$ 18.21        | -5.50%           |                  |                    |                     |                  |           |
| June 2, 2011 | 26,660,339      | \$ 14.46        | -20.59%          | -0.06%           | 0.14%              | 0.10%               | -20.69%          | -8.20 **  |
| June 3, 2011 | 77,701,932      | \$ 5.23         | -63.83%          | -0.01%           | -1.76%             | -0.52%              | -63.32%          | -25.10 ** |

## **Notes:**

- [1] Trading date.
- [2] Reported trading volume in Canada, U.S. and Germany. Source: Bloomberg.
- [3] Reported closing price in Canada (Bloomberg ticker: TRE CN). Source: Bloomberg.
- $[4] = \{ [3] / \text{ previous day } [3] \} 1.$
- [5] Return on the S&P 500/TSX Index (BloombergTicker: SPTSX).
- [6] Return on the Bloomberg World Forest Products & Paper Index excluding Sino-Forest (Bloomberg Ticker: BWFRST).
- [7] Equals Market Model Intercept + { Market Index Beta x [5] } + { Industry Index Net-of-Market Beta x ([6] [5]) }. See Exhibit A-3 to Appendix A of the Torchio April 2012 Affidavit for intercept and betas.
- [8] = [4] [7].
- [9] = [8] / adjusted standard error of market model regression. See Appendix A of the Torchio April 2012 Affidavit for adjusted standard error of market model.

This is Exhibit "I-1"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this May of January, 2013

A Notary Public

Exhibit I-1
Sino-Forest Common Stock Damages by Country and for Primary Offerings
Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$ in millions)

|                  |            |          | [1]<br>by Country |            | D         | [2]<br>amages for Prim | ary Offerings |         |
|------------------|------------|----------|-------------------|------------|-----------|------------------------|---------------|---------|
|                  | Canada     | U.S.     | Germany           | Total      | 6/12/2007 | 6/8/2009               | 12/18/2009    | Total   |
| Primary Shares   | \$ 76.7    | \$ 0.0   | \$ 0.0            | \$ 76.7    | \$ 0.7    | \$ 33.1                | \$ 42.9       | \$ 76.7 |
| Secondary Shares | \$ 2,832.7 | \$ 161.9 | \$ 3.0            | \$ 2,997.5 | \$ 0.0    | \$ 0.0                 | \$ 0.0        | \$ 0.0  |
| Total            | \$ 2,909.3 | \$ 161.9 | \$ 3.0            | \$ 3,074.2 | \$ 0.7    | \$ 33.1                | \$ 42.9       | \$ 76.7 |

### **Notes:**

- [1] Total damages apportioned to each country using the relative proportion of specialist-adjusted volume for each country (see Exhibit D) on each day during the Class Period. All primary shares assumed to have been offered and damaged in Canada.
- [2] Damages apportioned to share offerings (Primary Shares) on the share offering dates using the proportion of shares offered to total volume. Source of shares offered: Sino-Forest SEDAR filings.

This is Exhibit "I-2"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this Linday of January, 2013

A Notary Public

Exhibit I-2
Summary of Investor Purchase Volume, Damaged Shares and Aggregate Damages
Using Section 138.5(3) Constant Percentage Artificial Inflation for
Sino-Forest Common Stock

| In-and-Out Investor Purchase Volume (in millions)   | [1]             | 1,048.5    |
|-----------------------------------------------------|-----------------|------------|
| Retained Investor Purchase Volume (in millions)     | [2]             | 225.1      |
| Total Investor Purchase Volume (in millions)        | [3] = [1] + [2] | 1,273.6    |
| In-and-Out Damaged Shares (in millions)             | [4]             | 16.3       |
| Retained Damaged Shares (in millions)               | [5]             | 225.0      |
| <b>Total Number of Damaged Shares (in millions)</b> | [6] = [4] + [5] | 241.3      |
| In-and-Out Damages (C\$ millions)                   | [7]             | \$ 83.8    |
| Retained Damages (C\$ millions)                     | [8]             | \$ 2,990.5 |
| Total Damages for Common Stock (C\$ millions)       | [9] = [7] + [8] | \$ 3,074.2 |

#### **Notes:**

Estimation for common stock based on the 51-trader model described in the Affidavit. Source: Exhibit J. In-and-Out damaged shares and damages are for shareholders who purchased shares during the Class Period and sold on June 2, 2011.

This is Exhibit "J"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this this day of January, 2013

A Notary Public

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |       |              | OSA Section 13                 | 38.5(3) Damages            |                        |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-------|--------------|--------------------------------|----------------------------|------------------------|
|           | Investor           |            | Retai                                 | ned                        |            | Retai                          | ned                        |       |              | Retair                         | ned                        |                        |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total | In-and-Out   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                  |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]   | [10]         | [11]                           | [12]                       | [13]                   |
| 3/19/2007 | 576,140            | 574,542    | 1,437                                 | 161                        | 0          | 1,437                          | 161                        | 1,597 | \$0          | \$ 8,149                       | \$ 969                     | \$ 9,118               |
| 3/20/2007 | 881,967            | 879,501    | 2,218                                 | 248                        | 0          | 2,218                          | 248                        | 2,466 | \$ 0         | \$ 13,294                      | \$ 1,571                   | \$ 14,865              |
| 3/21/2007 | 716,781            | 714,766    | 1,813                                 | 202                        | 0          | 1,813                          | 202                        | 2,015 | \$ 0         | \$ 11,372                      | \$ 1,338                   | \$ 12,710              |
| 3/22/2007 | 1,106,627          | 1,103,486  | 2,827                                 | 314                        | 0          | 2,827                          | 314                        | 3,141 | \$ 0         | \$ 18,982                      | \$ 2,220                   | \$ 21,202              |
| 3/23/2007 | 1,535,093          | 1,530,671  | 3,982                                 | 440                        | 0          | 3,982                          | 440                        | 4,422 | \$ 0         | \$ 27,971                      | \$ 3,252                   | \$ 31,223              |
| 3/26/2007 | 1,431,636          | 1,427,464  | 3,758                                 | 414                        | 0          | 3,758                          | 414                        | 4,172 | \$ 0         | \$ 30,305                      | \$ 3,498                   | \$ 33,803              |
| 3/27/2007 | 531,558            | 530,000    | 1,404                                 | 154                        | 0          | 1,404                          | 154                        | 1,558 | \$ 0         | \$ 11,181                      | \$ 1,289                   | \$ 12,470              |
| 3/28/2007 | 2,181,261          | 2,174,753  | 5,867                                 | 640                        | 0          | 5,867                          | 640                        | 6,507 | \$ 0         | \$ 45,547                      | \$ 5,216                   | \$ 50,763              |
| 3/29/2007 | 2,720,682          | 2,712,352  | 7,518                                 | 813                        | 0          | 7,518                          | 813                        | 8,331 | \$ 0         | \$ 64,050                      | \$ 7,259                   | \$ 71,309              |
| 3/30/2007 | 481,277            | 479,798    | 1,335                                 | 144                        | 0          | 1,335                          | 144                        | 1,479 | \$ 0         | \$ 10,959                      | \$ 1,241                   | \$ 12,199              |
| 4/2/2007  | 357,400            | 356,301    | 992                                   | 107                        | 0          | 992                            | 107                        | 1,099 | \$ 0         | \$ 7,987                       | \$ 904                     | \$ 8,891               |
| 4/3/2007  | 623,784            | 621,858    | 1,739                                 | 187                        | 0          | 1,739                          | 187                        | 1,926 | \$ 0         | \$ 14,024                      | \$ 1,584                   | \$ 15,609              |
| 4/4/2007  | 519,879            | 518,260    | 1,461                                 | 157                        | 0          | 1,461                          | 157                        | 1,618 | \$ 0         | \$ 11,811                      | \$ 1,332                   | \$ 13,144              |
| 4/5/2007  | 852,168            | 849,498    | 2,412                                 | 259                        | 0          | 2,412                          | 259                        | 2,670 | \$ 0         | \$ 20,243                      | \$ 2,276                   | \$ 22,519              |
| 4/9/2007  | 286,057            | 285,158    | 811                                   | 87                         | 0          | 811                            | 87                         | 898   | \$ 0         | \$ 7,032                       | \$ 789                     | \$ 7,821               |
| 4/10/2007 | 503,009            | 501,423    | 1,433                                 | 153                        | 0          | 1,433                          | 153                        | 1,586 | \$ 0         | \$ 12,778                      | \$ 1,432                   | \$ 14,210              |
| 4/11/2007 | 544,305            | 542,583    | 1,555                                 | 166                        | 0          | 1,555                          | 166                        | 1,722 | \$0          | \$ 13,932                      | \$ 1,559                   | \$ 15,491              |
| 4/12/2007 | 837,951            | 835,280    | 2,413                                 | 257                        | 0          | 2,413                          | 257                        | 2,671 | \$0          | \$ 22,486                      | \$ 2,511                   | \$ 24,997              |
| 4/13/2007 | 668,026            | 665,888    | 1,933                                 | 206                        | 0          | 1,933                          | 206                        | 2,139 | \$0          | \$ 17,276                      | \$ 1,925                   | \$ 19,202              |
| 4/16/2007 | 887,247            | 884,386    | 2,587                                 | 275                        | 0          | 2,587                          | 275                        | 2,861 | \$ 0         | \$ 23,019                      | \$ 2,559                   | \$ 25,578              |
| 4/17/2007 | 930,124            | 927,105    | 2,730                                 | 289                        | 0          | 2,730                          | 289                        | 3,019 | \$0          | \$ 24,737                      | \$ 2,743                   | \$ 27,480              |
| 4/18/2007 | 741,451            | 739,033    | 2,188                                 | 231                        | 0          | 2,188                          | 231                        | 2,419 | \$0          | \$ 20,073                      | \$ 2,222                   | \$ 22,294              |
| 4/19/2007 | 459,445            | 457,939    | 1,362                                 | 144                        | 0          | 1,362                          | 144                        | 1,506 | \$0          | \$ 12,188                      | \$ 1,347                   | \$ 13,535              |
| 4/20/2007 | 707,011            | 704,681    | 2,108                                 | 222                        | 0          | 2,108                          | 222                        | 2,330 | \$0          | \$ 17,758                      | \$ 1,961                   | \$ 19,719              |
| 4/23/2007 | 665,252            | 663,059    | 1,984                                 | 209                        | 0          | 1,984                          | 209                        | 2,193 | \$ 0         | \$ 16,713                      | \$ 1,842                   | \$ 18,555              |
| 4/24/2007 | 239,341            | 238,547    | 719                                   | 76                         | 0          | 719                            | 76                         | 794   | \$ 0         | \$ 6,111                       | \$ 673                     | \$ 6,784               |
| 4/25/2007 | 382,133            | 380,861    | 1,151                                 | 121                        | 0          | 1,151                          | 121                        | 1,271 | \$ 0         | \$ 10,194                      | \$ 1,121                   | \$ 11,315              |
| 4/26/2007 | 87,792             | 87,500     | 264                                   | 28                         | 0          | 264                            | 28                         | 292   | \$0          | \$ 2,300                       | \$ 253                     | \$ 2,553               |
| 4/27/2007 | 286,338            | 285,382    | 865                                   | 91                         | 0          | 865                            | 91                         | 956   | \$ 0         | \$ 7,505                       | \$ 825                     | \$ 8,330               |
| 4/30/2007 | 345,141            | 343,986    | 1,045                                 | 109                        | 0          | 1,045                          | 109                        | 1,155 | \$ 0         | \$ 8,986                       | \$ 986                     | \$ 9,972               |
| 5/1/2007  | 1,059,190          | 1,055,615  | 3,237                                 | 338                        | 0          | 3,237                          | 338                        | 3,575 | \$ 0         | \$ 27,991                      | \$ 3,063                   | \$ 31,054              |
| 5/2/2007  | 586,735            | 584,745    | 1,802                                 | 188                        | 0          | 1,802                          | 188                        | 1,989 | \$ 0         | \$ 15,245                      | \$ 1,666                   | \$ 16,911              |
| 5/3/2007  | 621,671            | 619,553    | 1,918                                 | 200                        | 0          | 1,918                          | 200                        | 2,118 | \$ 0         | \$ 15,841                      | \$ 1,729                   | \$ 17,570              |
| 5/4/2007  | 639,587            | 637,397    | 1,984                                 | 206                        | 0          | 1,918                          | 206                        | 2,110 | \$ 0         | \$ 17,209                      | \$ 1,874                   | \$ 19,083              |
| 5/7/2007  | 415,431            | 414,004    | 1,293                                 | 134                        | 0          | 1,293                          | 134                        | 1,427 | \$0          | \$ 11,367                      | \$ 1,236                   | \$ 12,603              |
| 5/8/2007  | 678,027            | 675,685    | 2,122                                 | 220                        | 0          | 2,122                          | 220                        | 2,341 | \$ 0         | \$ 11,307<br>\$ 18,447         | \$ 2,003                   | \$ 20,450              |
| 5/9/2007  | 623,788            | 621,623    | 1,962                                 | 203                        | 0          | 1,962                          | 203                        | 2,341 | \$0          | \$ 16,636                      | \$ 2,003<br>\$ 1,804       | \$ 20,430<br>\$ 18,440 |
| 5/10/2007 | 901,732            | 898,581    | 2,856                                 | 203<br>295                 | 0          | 2,856                          | 295                        |       | \$ 0<br>\$ 0 | \$ 16,636                      | \$ 1,804<br>\$ 2,682       | \$ 27,491              |
|           | ,                  | ,          |                                       | 242                        | 0          | ,                              | 242                        | 3,151 | \$0          |                                |                            |                        |
| 5/11/2007 | 738,607            | 736,012    | 2,353                                 |                            | 0          | 2,353                          |                            | 2,595 |              | \$ 20,456<br>\$ 12,047         | \$ 2,207                   | \$ 22,663              |
| 5/14/2007 | 496,238            | 494,488    | 1,586                                 | 163                        | 0          | 1,586                          | 163                        | 1,750 | \$0          | \$ 12,947                      | \$ 1,396                   | \$ 14,343              |
| 5/15/2007 | 1,454,535          | 1,449,354  | 4,700                                 | 481                        | 0          | 4,700                          | 481                        | 5,181 | \$0          | \$ 35,802                      | \$ 3,851                   | \$ 39,653              |
| 5/16/2007 | 1,373,541          | 1,368,599  | 4,484                                 | 458                        |            | 4,484                          | 458                        | 4,942 | \$ 0         | \$ 34,814                      | \$ 3,729                   | \$ 38,543              |
| 5/17/2007 | 1,228,774          | 1,224,299  | 4,062                                 | 413                        | 0          | 4,062                          | 413                        | 4,475 | \$ 0         | \$ 34,172                      | \$ 3,642                   | \$ 37,814              |
| 5/18/2007 | 533,931            | 531,979    | 1,772                                 | 180                        | 0          | 1,772                          | 180                        | 1,952 | \$ 0         | \$ 15,083                      | \$ 1,605                   | \$ 16,688              |
| 5/21/2007 | 4,922              | 4,905      | 16                                    | 2                          | 0          | 16                             | 2                          | 17    | \$ 0         | \$ 134                         | \$ 14                      | \$ 148                 |
| 5/22/2007 | 1,145,368          | 1,141,141  | 3,838                                 | 388                        | 0          | 3,838                          | 388                        | 4,226 | \$ 0         | \$ 34,227                      | \$ 3,628                   | \$ 37,855              |
| 5/23/2007 | 1,362,951          | 1,357,868  | 4,617                                 | 466                        | 0          | 4,617                          | 466                        | 5,083 | \$ 0         | \$ 38,129                      | \$ 4,031                   | \$ 42,160              |
| 5/24/2007 | 740,937            | 738,159    | 2,524                                 | 254                        | 0          | 2,524                          | 254                        | 2,778 | \$ 0         | \$ 20,305                      | \$ 2,143                   | \$ 22,449              |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|             |                           |                   | der Model Sales of I<br>Purchase Volume | Investor                          |                   | Damageo                               | l Shares                          |              |            | OSA Section 13                         | 8.5(3) Damages                     |            |
|-------------|---------------------------|-------------------|-----------------------------------------|-----------------------------------|-------------------|---------------------------------------|-----------------------------------|--------------|------------|----------------------------------------|------------------------------------|------------|
|             | Investor                  |                   | Retai                                   | ned                               |                   | Retai                                 | ned                               |              |            | Retair                                 | ned                                |            |
| Date<br>[1] | Purchase<br>Volume<br>[2] | In-and-Out<br>[3] | Sold During<br>6/3 - 8/25/2011<br>[4]   | Still Held on<br>8/25/2011<br>[5] | In-and-Out<br>[6] | Sold During<br>6/3 - 8/25/2011<br>[7] | Still Held on<br>8/25/2011<br>[8] | Total<br>[9] | In-and-Out | Sold During<br>6/3 - 8/25/2011<br>[11] | Still Held on<br>8/25/2011<br>[12] | Total [13] |
| 5/25/2007   | 420,401                   | 418,837           | 1,421                                   | 143                               | [6]               | 1,421                                 | 143                               | 1,564        | \$0        | \$ 11,392                              | \$ 1,201                           | \$ 12,594  |
| 5/28/2007   | 79,395                    | 79,096            | 272                                     | 27                                | 0                 | 272                                   | 27                                | 299          | \$0        | \$ 2,170                               | \$ 1,201<br>\$ 229                 | \$ 2,399   |
| 5/29/2007   | 898,475                   | 895,068           | 3,097                                   | 310                               | 0                 | 3,097                                 | 310                               | 3,408        | \$0        | \$ 24,677                              | \$ 2,595                           | \$ 27,272  |
| 5/30/2007   | 851,576                   | 848,326           | 2,955                                   | 295                               | 0                 | 2,955                                 | 295                               | 3,250        | \$0        | \$ 23,598                              | \$ 2,476                           | \$ 26,073  |
| 5/31/2007   | 683,781                   | 681,159           | 2,383                                   | 238                               | 0                 | 2,383                                 | 238                               | 2,621        | \$ 0       | \$ 19,451                              | \$ 2,036                           | \$ 21,487  |
| 6/1/2007    | 707,803                   | 705,070           | 2,485                                   | 248                               | 0                 | 2,485                                 | 248                               | 2,733        | \$0        | \$ 20,524                              | \$ 2,144                           | \$ 22,667  |
| 6/4/2007    | 1,042,564                 | 1,038,506         | 3,691                                   | 367                               | 0                 | 3,691                                 | 367                               | 4,058        | \$0        | \$ 33,487                              | \$ 3,483                           | \$ 36,970  |
| 6/5/2007    | 1,224,412                 | 1,219,604         | 4,375                                   | 433                               | 0                 | 4,375                                 | 433                               | 4,808        | \$0        | \$ 39,939                              | \$ 4,140                           | \$ 44,079  |
| 6/6/2007    | 878,303                   | 874,827           | 3,164                                   | 312                               | 0                 | 3,164                                 | 312                               | 3,477        | \$0        | \$ 28,886                              | \$ 2,987                           | \$ 31,873  |
| 6/7/2007    | 976,081                   | 972,188           | 3,544                                   | 349                               | 0                 | 3,544                                 | 349                               | 3,893        | \$0        | \$ 31,328                              | \$ 3,231                           | \$ 34,560  |
| 6/8/2007    | 1,215,588                 | 1,210,692         | 4,459                                   | 438                               | 0                 | 4,459                                 | 438                               | 4,896        | \$0        | \$ 39,460                              | \$ 4,056                           | \$ 43,516  |
| 6/11/2007   | 825,589                   | 822,242           | 3,048                                   | 298                               | 0                 | 3,048                                 | 298                               | 3,346        | \$0        | \$ 27,824                              | \$ 2,853                           | \$ 30,677  |
| 6/12/2007   | 16,938,208                | 16,857,206        | 73,793                                  | 7,209                             | 0                 | 73,793                                | 7,209                             | 81,003       | \$0        | \$ 677,114                             | \$ 69,273                          | \$ 746,387 |
| 6/13/2007   | 1,090,871                 | 1,086,390         | 4,083                                   | 398                               | 254               | 4,083                                 | 398                               | 4,735        | \$ 132     | \$ 40,858                              | \$ 4,174                           | \$ 45,164  |
| 6/14/2007   | 3,516,095                 | 3,501,305         | 13,486                                  | 1,304                             | 840               | 13,486                                | 1,304                             | 15,630       | \$ 1,353   | \$ 148,154                             | \$ 14,853                          | \$ 164,359 |
| 6/15/2007   | 3,703,520                 | 3,687,568         | 14,557                                  | 1,395                             | 909               | 14,557                                | 1,395                             | 16,861       | \$ 2,081   | \$ 168,409                             | \$ 16,568                          | \$ 187,058 |
| 6/18/2007   | 974,839                   | 970,624           | 3,848                                   | 368                               | 240               | 3,848                                 | 368                               | 4,456        | \$ 656     | \$ 45,932                              | \$ 4,484                           | \$ 51,073  |
| 6/19/2007   | 1,152,624                 | 1,147,596         | 4,591                                   | 438                               | 287               | 4,591                                 | 438                               | 5,316        | \$ 743     | \$ 54,269                              | \$ 5,292                           | \$ 60,305  |
| 6/20/2007   | 1,175,907                 | 1,170,726         | 4,731                                   | 450                               | 296               | 4,731                                 | 450                               | 5,477        | \$ 619     | \$ 53,921                              | \$ 5,280                           | \$ 59,819  |
| 6/21/2007   | 1,316,703                 | 1,310,853         | 5,343                                   | 507                               | 335               | 5,343                                 | 507                               | 6,185        | \$ 656     | \$ 60,309                              | \$ 5,898                           | \$ 66,864  |
| 6/22/2007   | 1,784,589                 | 1,776,565         | 7,332                                   | 692                               | 460               | 7,332                                 | 692                               | 8,484        | \$ 699     | \$ 79,974                              | \$ 7,844                           | \$ 88,517  |
| 6/25/2007   | 820,833                   | 817,123           | 3,390                                   | 320                               | 213               | 3,390                                 | 320                               | 3,923        | \$ 293     | \$ 36,573                              | \$ 3,589                           | \$ 40,455  |
| 6/26/2007   | 1,160,125                 | 1,154,841         | 4,830                                   | 454                               | 303               | 4,830                                 | 454                               | 5,587        | \$ 176     | \$ 48,606                              | \$ 4,789                           | \$ 53,571  |
| 6/27/2007   | 933,834                   | 929,556           | 3,911                                   | 367                               | 246               | 3,911                                 | 367                               | 4,524        | \$ 179     | \$ 39,913                              | \$ 3,925                           | \$ 44,017  |
| 6/28/2007   | 826,699                   | 822,889           | 3,484                                   | 326                               | 219               | 3,484                                 | 326                               | 4,029        | \$ 114     | \$ 34,865                              | \$ 3,421                           | \$ 38,400  |
| 6/29/2007   | 438,752                   | 436,724           | 1,855                                   | 173                               | 117               | 1,855                                 | 173                               | 2,145        | \$ 98      | \$ 19,119                              | \$ 1,875                           | \$ 21,092  |
| 7/2/2007    | 6,721                     | 6,690             | 28                                      | 3                                 | 2                 | 28                                    | 3                                 | 33           | \$ 1       | \$ 293                                 | \$ 29                              | \$ 323     |
| 7/3/2007    | 1,063,740                 | 1,058,793         | 4,525                                   | 422                               | 285               | 4,525                                 | 422                               | 5,232        | \$ 518     | \$ 50,530                              | \$ 4,874                           | \$ 55,922  |
| 7/4/2007    | 345,446                   | 343,835           | 1,473                                   | 137                               | 93                | 1,473                                 | 137                               | 1,703        | \$ 202     | \$ 16,903                              | \$ 1,620                           | \$ 18,726  |
| 7/5/2007    | 979,876                   | 975,286           | 4,200                                   | 391                               | 264               | 4,200                                 | 391                               | 4,855        | \$ 695     | \$ 49,787                              | \$ 4,735                           | \$ 55,217  |
| 7/6/2007    | 1,379,088                 | 1,372,566         | 5,969                                   | 554                               | 376               | 5,969                                 | 554                               | 6,898        | \$ 985     | \$ 70,709                              | \$ 6,706                           | \$ 78,400  |
| 7/9/2007    | 638,680                   | 635,647           | 2,775                                   | 257                               | 175               | 2,775                                 | 257                               | 3,207        | \$ 453     | \$ 32,806                              | \$ 3,108                           | \$ 36,367  |
| 7/10/2007   | 1,826,685                 | 1,817,913         | 8,031                                   | 741                               | 507               | 8,031                                 | 741                               | 9,278        | \$ 1,307   | \$ 94,871                              | \$ 8,954                           | \$ 105,132 |
| 7/11/2007   | 1,271,491                 | 1,265,338         | 5,634                                   | 518                               | 356               | 5,634                                 | 518                               | 6,508        | \$ 1,231   | \$ 70,635                              | \$ 6,588                           | \$ 78,453  |
| 7/12/2007   | 867,575                   | 863,355           | 3,865                                   | 355                               | 244               | 3,865                                 | 355                               | 4,464        | \$ 889     | \$ 48,996                              | \$ 4,557                           | \$ 54,441  |
| 7/13/2007   | 604,294                   | 601,356           | 2,690                                   | 247                               | 170               | 2,690                                 | 247                               | 3,107        | \$ 588     | \$ 33,728                              | \$ 3,136                           | \$ 37,452  |
| 7/16/2007   | 616,383                   | 613,378           | 2,752                                   | 252                               | 174               | 2,752                                 | 252                               | 3,178        | \$ 546     | \$ 33,787                              | \$ 3,147                           | \$ 37,480  |
| 7/17/2007   | 1,911,015                 | 1,901,538         | 8,685                                   | 792                               | 549               | 8,685                                 | 792                               | 10,026       | \$ 1,907   | \$ 108,950                             | \$ 10,074                          | \$ 120,930 |
| 7/18/2007   | 1,770,287                 | 1,761,411         | 8,136                                   | 740                               | 515               | 8,136                                 | 740                               | 9,391        | \$ 1,965   | \$ 104,307                             | \$ 9,591                           | \$ 115,863 |
| 7/19/2007   | 385,260                   | 383,324           | 1,775                                   | 161                               | 112               | 1,775                                 | 161                               | 2,048        | \$ 469     | \$ 23,432                              | \$ 2,149                           | \$ 26,050  |
| 7/20/2007   | 1,488,677                 | 1,481,126         | 6,924                                   | 627                               | 439               | 6,924                                 | 627                               | 7,990        | \$ 1,855   | \$ 91,783                              | \$ 8,387                           | \$ 102,025 |
| 7/23/2007   | 578,540                   | 575,594           | 2,701                                   | 244                               | 171               | 2,701                                 | 244                               | 3,117        | \$ 679     | \$ 35,053                              | \$ 3,204                           | \$ 38,935  |
| 7/24/2007   | 400,606                   | 398,561           | 1,875                                   | 169                               | 119               | 1,875                                 | 169                               | 2,164        | \$ 408     | \$ 23,466                              | \$ 2,149                           | \$ 26,023  |
| 7/25/2007   | 717,488                   | 713,810           | 3,374                                   | 304                               | 214               | 3,374                                 | 304                               | 3,892        | \$ 608     | \$ 40,585                              | \$ 3,733                           | \$ 44,927  |
| 7/26/2007   | 1,093,335                 | 1,087,707         | 5,164                                   | 465                               | 328               | 5,164                                 | 465                               | 5,956        | \$ 790     | \$ 60,268                              | \$ 5,558                           | \$ 66,617  |
| 7/27/2007   | 1,023,744                 | 1,018,427         | 4,879                                   | 438                               | 310               | 4,879                                 | 438                               | 5,627        | \$ 818     | \$ 57,878                              | \$ 5,311                           | \$ 64,008  |
| 7/30/2007   | 1,788,848                 | 1,779,452         | 8,624                                   | 771                               | 549               | 8,624                                 | 771                               | 9,944        | \$ 1,448   | \$ 102,318                             | \$ 9,353                           | \$ 113,119 |
| 7/31/2007   | 1,406,734                 | 1,399,280         | 6,843                                   | 610                               | 436               | 6,843                                 | 610                               | 7,889        | \$ 1,041   | \$ 79,756                              | \$ 7,291                           | \$ 88,089  |

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Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|                        |                    |                        | der Model Sales of<br>Purchase Volume | Investor                   |              | Damage                         | d Shares                   |        |            | OSA Section 13                 | 38.5(3) Damages            |            |
|------------------------|--------------------|------------------------|---------------------------------------|----------------------------|--------------|--------------------------------|----------------------------|--------|------------|--------------------------------|----------------------------|------------|
|                        | Investor           |                        | Retai                                 | ned                        |              | Retai                          | ned                        |        |            | Retair                         | ned                        |            |
| Date                   | Purchase<br>Volume | In-and-Out             | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total  | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total      |
| [1]                    | [2]                | [3]                    | [4]                                   | [5]                        | [6]          | [7]                            | [8]                        | [9]    | [10]       | [11]                           | [12]                       | [13]       |
| 8/1/2007               | 1,143,106          | 1,137,017              | 5,592                                 | 497                        | 356          | 5,592                          | 497                        | 6,446  | \$ 591     | \$ 61,674                      | \$ 5,686                   | \$ 67,951  |
| 8/2/2007               | 740,169            | 736,202                | 3,643                                 | 324                        | 232          | 3,643                          | 324                        | 4,199  | \$ 427     | \$ 40,747                      | \$ 3,740                   | \$ 44,914  |
| 8/3/2007               | 347,042            | 345,178                | 1,712                                 | 152                        | 109          | 1,712                          | 152                        | 1,973  | \$ 169     | \$ 18,715                      | \$ 1,724                   | \$ 20,609  |
| 8/6/2007               | 6,539              | 6,504                  | 32                                    | 3                          | 2            | 32                             | 3                          | 37     | \$3        | \$ 347                         | \$ 32                      | \$ 382     |
| 8/7/2007               | 735,712            | 731,742                | 3,647                                 | 323                        | 233          | 3,647                          | 323                        | 4,203  | \$ 349     | \$ 39,718                      | \$ 3,657                   | \$ 43,724  |
| 8/8/2007               | 1,256,867          | 1,250,031              | 6,281                                 | 555                        | 401          | 6,281                          | 555                        | 7,237  | \$ 798     | \$ 71,053                      | \$ 6,474                   | \$ 78,324  |
| 8/9/2007               | 1,024,838          | 1,019,245              | 5,139                                 | 453                        | 328          | 5,139                          | 453                        | 5,921  | \$ 374     | \$ 54,371                      | \$ 5,012                   | \$ 59,758  |
| 8/10/2007              | 1,236,138          | 1,229,319              | 6,268                                 | 551                        | 401          | 6,268                          | 551                        | 7,219  | \$ 180     | \$ 62,304                      | \$ 5,743                   | \$ 68,227  |
| 8/13/2007              | 1,294,974          | 1,287,801              | 6,595                                 | 578                        | 422          | 6,595                          | 578                        | 7,595  | \$ 337     | \$ 67,735                      | \$ 6,228                   | \$ 74,300  |
| 8/14/2007              | 1,157,302          | 1,150,824              | 5,958                                 | 521                        | 381          | 5,958                          | 521                        | 6,860  | \$ 294     | \$ 61,021                      | \$ 5,597                   | \$ 66,911  |
| 8/15/2007              | 1,132,886          | 1,126,495              | 5,879                                 | 513                        | 376          | 5,879                          | 513                        | 6,768  | \$ 143     | \$ 58,048                      | \$ 5,309                   | \$ 63,500  |
| 8/16/2007              | 1,479,705          | 1,471,284              | 7,747                                 | 674                        | 0            | 7,747                          | 674                        | 8,421  | \$ 0       | \$ 72,187                      | \$ 6,578                   | \$ 78,764  |
| 8/17/2007              | 2,037,682          | 2,025,943              | 10,803                                | 936                        | 0            | 10,803                         | 936                        | 11,739 | \$ 0       | \$ 97,805                      | \$ 8,871                   | \$ 106,677 |
| 8/20/2007              | 1,101,239          | 1,095,159              | 5,596                                 | 483                        | 0            | 5,596                          | 483                        | 6,079  | \$ 0       | \$ 50,874                      | \$ 4,601                   | \$ 55,475  |
| 8/21/2007              | 1,122,824          | 1,116,255              | 6,048                                 | 521                        | 0            | 6,048                          | 521                        | 6,569  | \$ 0       | \$ 54,870                      | \$ 4,951                   | \$ 59,820  |
| 8/22/2007              | 2,404,229          | 2,389,950              | 13,152                                | 1,127                      | 846          | 13,152                         | 1,127                      | 15,125 | \$ 2,310   | \$ 157,014                     | \$ 13,742                  | \$ 173,066 |
| 8/23/2007              | 1,313,461          | 1,305,602              | 7,240                                 | 619                        | 466          | 7,240                          | 619                        | 8,325  | \$ 788     | \$ 80,039                      | \$ 7,089                   | \$ 87,916  |
| 8/24/2007              | 1,005,361          | 999,310                | 5,575                                 | 476                        | 359          | 5,575                          | 476                        | 6,410  | \$ 941     | \$ 66,053                      | \$ 5,762                   | \$ 72,756  |
| 8/27/2007              | 570,139            | 566,696                | 3,173                                 | 270                        | 204          | 3,173                          | 270                        | 3,647  | \$ 572     | \$ 38,060                      | \$ 3,310                   | \$ 41,942  |
| 8/28/2007              | 1,244,110          | 1,236,539              | 6,978                                 | 593                        | 450          | 6,978                          | 593                        | 8.021  | \$ 1,269   | \$ 83,829                      | \$ 7,269                   | \$ 92,367  |
| 8/29/2007              | 905,554            | 900,011                | 5,109                                 | 434                        | 330          | 5,109                          | 434                        | 5,872  | \$ 989     | \$ 62,138                      | \$ 5,367                   | \$ 68,494  |
| 8/30/2007              | 348,200            | 346,064                | 1,968                                 | 167                        | 127          | 1,968                          | 167                        | 2,262  | \$ 404     | \$ 24,233                      | \$ 2,088                   | \$ 26,724  |
| 8/31/2007              | 1,146,065          | 1,138,987              | 6,526                                 | 552                        | 421          | 6,526                          | 552                        | 7,499  | \$ 1,492   | \$ 82,241                      | \$ 7,045                   | \$ 90,778  |
| 9/3/2007               | 1,044              | 1,037                  | 6                                     | 1                          | 0            | 6                              | 1                          | 7,177  | \$ 1       | \$ 75                          | \$ 6                       | \$ 83      |
| 9/4/2007               | 620,322            | 616,476                | 3,547                                 | 300                        | 229          | 3,547                          | 300                        | 4,075  | \$ 880     | \$ 45,578                      | \$ 3,894                   | \$ 50,351  |
| 9/5/2007               | 2,398,080          | 2,382,997              | 13,913                                | 1,170                      | 900          | 13,913                         | 1,170                      | 15,982 | \$ 3,859   | \$ 185,375                     | \$ 15,724                  | \$ 204,958 |
| 9/6/2007               | 1,560,740          | 1,550,851              | 9,125                                 | 765                        | 591          | 9,125                          | 765                        | 10,480 | \$ 2,508   | \$ 121,167                     | \$ 10,245                  | \$ 133,920 |
| 9/7/2007               | 1,198,059          | 1,190,400              | 7,068                                 | 591                        | 458          | 7,068                          | 591                        | 8,117  | \$ 1,983   | \$ 94,493                      | \$ 7,966                   | \$ 104,442 |
| 9/10/2007              | 2,463,868          | 2,447,856              | 14,783                                | 1,229                      | 959          | 14,783                         | 1,229                      | 16,971 | \$ 4,194   | \$ 198,304                     | \$ 16,625                  | \$ 219,122 |
| 9/11/2007              | 1,437,050          | 1,427,628              | 8,701                                 | 721                        | 565          | 8,701                          | 721                        | 9,987  | \$ 2,662   | \$ 119,843                     | \$ 10,000                  | \$ 132,506 |
| 9/11/2007              | 1,052,105          | 1,045,161              | 6,414                                 | 530                        | 417          | 6,414                          | 530                        | 7,361  | \$ 1,917   | \$ 87,581                      | \$ 7,295                   | \$ 96,793  |
| 9/12/2007              | 1,668,586          | 1,657,455              | 10,284                                | 847                        | 669          | 10,284                         | 847                        | 11,799 | \$ 3,270   | \$ 143,574                     | \$ 11,901                  | \$ 158,745 |
| 9/13/2007              | 1,488,105          | 1,478,089              | 9,256                                 | 760                        | 602          | 9,256                          | 760                        | 10,618 | \$ 3,147   | \$ 132,484                     | \$ 10,932                  | \$ 146,562 |
| 9/17/2007              | 1,928,818          | 1,915,698              | 12,129                                | 992                        | 790          | 12,129                         | 992                        | 13,911 | \$ 4,089   | \$ 172,972                     | \$ 10,932<br>\$ 14,215     | \$ 191,275 |
| 9/17/2007              | 2,602,132          | 2,584,102              | 16,674                                | 1,356                      | 1,088        | 16,674                         | 1,356                      | 19,118 | \$ 6,247   | \$ 247,789                     | \$ 20,200                  | \$ 274,236 |
| 9/19/2007              | 1,618,905          | 1,607,574              | 10,482                                | 849                        | 685          | 10,482                         | 849                        | 12,016 | \$ 4,484   | \$ 164,407                     | \$ 13,340                  | \$ 182,231 |
| 9/20/2007              | 2,400,034          | 2,382,967              | 15,794                                | 1,273                      | 1,033        | 15,794                         | 1,273                      | 18,100 | \$ 7,286   | \$ 255,764                     | \$ 20,635                  | \$ 283,685 |
|                        |                    |                        |                                       |                            |              |                                |                            |        |            |                                |                            |            |
| 9/21/2007<br>9/24/2007 | 3,926,085          | 3,897,443<br>1,104,005 | 26,523<br>7,567                       | 2,119<br>603               | 1,739<br>496 | 26,523                         | 2,119<br>603               | 30,381 | \$ 11,413  | \$ 416,400<br>\$ 122,542       | \$ 33,315<br>\$ 9,777      | \$ 461,128 |
|                        | 1,112,175          |                        |                                       |                            |              | 7,567                          |                            | 8,667  | \$ 3,501   |                                |                            | \$ 135,820 |
| 9/25/2007              | 2,662,981          | 2,643,072              | 18,447                                | 1,462                      | 1,212        | 18,447                         | 1,462                      | 21,121 | \$ 8,033   | \$ 290,804                     | \$ 23,072                  | \$ 321,909 |
| 9/26/2007              | 646,818            | 641,962                | 4,500                                 | 356                        | 296          | 4,500                          | 356                        | 5,152  | \$ 1,943   | \$ 70,680<br>\$ 142,506        | \$ 5,600                   | \$ 78,223  |
| 9/27/2007              | 1,325,202          | 1,315,169              | 9,299                                 | 734                        | 612          | 9,299                          | 734                        | 10,645 | \$ 3,859   | \$ 143,596                     | \$ 11,346                  | \$ 158,801 |
| 9/28/2007              | 1,144,175          | 1,135,446              | 8,091                                 | 637                        | 533          | 8,091                          | 637                        | 9,261  | \$ 3,613   | \$ 128,831                     | \$ 10,150                  | \$ 142,594 |
| 10/1/2007              | 1,284,176          | 1,274,311              | 9,147                                 | 718                        | 602          | 9,147                          | 718                        | 10,468 | \$ 4,510   | \$ 152,125                     | \$ 11,950                  | \$ 168,584 |
| 10/2/2007              | 1,875,602          | 1,861,037              | 13,508                                | 1,057                      | 890          | 13,508                         | 1,057                      | 15,455 | \$ 6,742   | \$ 225,814                     | \$ 17,672                  | \$ 250,228 |
| 10/3/2007              | 1,797,644          | 1,783,538              | 13,086                                | 1,020                      | 863          | 13,086                         | 1,020                      | 14,970 | \$ 6,097   | \$ 212,014                     | \$ 16,539                  | \$ 234,649 |
| 10/4/2007              | 2,237,372          | 2,219,588              | 16,504                                | 1,281                      | 1,090        | 16,504                         | 1,281                      | 18,875 | \$ 7,945   | \$ 271,166                     | \$ 21,057                  | \$ 300,168 |
| 10/5/2007              | 681,509            | 676,071                | 5,047                                 | 391                        | 334          | 5,047                          | 391                        | 5,771  | \$ 2,542   | \$ 84,620                      | \$ 6,561                   | \$ 93,723  |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|             |                           |                   | der Model Sales of I<br>Purchase Volume | Investor                          |                   | Damage                                | d Shares                          |              |            | OSA Section 13                         | 38.5(3) Damages                    |               |
|-------------|---------------------------|-------------------|-----------------------------------------|-----------------------------------|-------------------|---------------------------------------|-----------------------------------|--------------|------------|----------------------------------------|------------------------------------|---------------|
|             | Investor                  |                   | Retai                                   | ned                               |                   | Retai                                 | ned                               |              |            | Retair                                 | ned                                |               |
| Date<br>[1] | Purchase<br>Volume<br>[2] | In-and-Out<br>[3] | Sold During<br>6/3 - 8/25/2011<br>[4]   | Still Held on<br>8/25/2011<br>[5] | In-and-Out<br>[6] | Sold During<br>6/3 - 8/25/2011<br>[7] | Still Held on<br>8/25/2011<br>[8] | Total<br>[9] | In-and-Out | Sold During<br>6/3 - 8/25/2011<br>[11] | Still Held on<br>8/25/2011<br>[12] | Total<br>[13] |
| 10/8/2007   | 9,356                     | 9,281             | 69                                      | 5                                 | 5                 | 69                                    | 5                                 | 79           | \$ 35      | \$ 1,154                               | \$ 89                              | \$ 1,278      |
| 10/9/2007   | 1,541,392                 | 1,528,980         | 11,521                                  | 890                               | 762               | 11,521                                | 890                               | 13,173       | \$ 5,818   | \$ 193,339                             | \$ 14,945                          | \$ 214,102    |
| 10/10/2007  | 2,011,444                 | 1,995,060         | 15,213                                  | 1,171                             | 1,007             | 15,213                                | 1,171                             | 17,391       | \$ 7,990   | \$ 259,865                             | \$ 20,005                          | \$ 287,860    |
| 10/11/2007  | 3,770,130                 | 3,738,734         | 29,167                                  | 2,228                             | 1,935             | 29,167                                | 2,228                             | 33,330       | \$ 15,966  | \$ 507,594                             | \$ 38,779                          | \$ 562,338    |
| 10/12/2007  | 1,333,132                 | 1,321,947         | 10,394                                  | 792                               | 690               | 10,394                                | 792                               | 11,875       | \$ 5,874   | \$ 183,618                             | \$ 13,990                          | \$ 203,482    |
| 10/15/2007  | 1,610,175                 | 1,596,535         | 12,677                                  | 963                               | 842               | 12,677                                | 963                               | 14,482       | \$ 6,699   | \$ 216,810                             | \$ 16,470                          | \$ 239,979    |
| 10/16/2007  | 2,170,664                 | 2,152,046         | 17,309                                  | 1,309                             | 1,151             | 17,309                                | 1,309                             | 19,769       | \$ 8,708   | \$ 289,235                             | \$ 21,883                          | \$ 319,826    |
| 10/17/2007  | 1,634,164                 | 1,620,066         | 13,110                                  | 988                               | 873               | 13,110                                | 988                               | 14,971       | \$ 6,304   | \$ 214,566                             | \$ 16,185                          | \$ 237,055    |
| 10/18/2007  | 6,505,114                 | 6,446,546         | 54,513                                  | 4,055                             | 3,641             | 54,513                                | 4,055                             | 62,210       | \$ 27,440  | \$ 909,356                             | \$ 67,682                          | \$ 1,004,478  |
| 10/19/2007  | 3,997,443                 | 3,960,630         | 34,283                                  | 2,530                             | 2,295             | 34,283                                | 2,530                             | 39,107       | \$ 16,691  | \$ 562,805                             | \$ 41,562                          | \$ 621,058    |
| 10/22/2007  | 2,118,490                 | 2,098,716         | 18,420                                  | 1,354                             | 1,234             | 18,420                                | 1,354                             | 21,008       | \$ 8,619   | \$ 296,994                             | \$ 21,845                          | \$ 327,457    |
| 10/23/2007  | 2,702,096                 | 2,676,463         | 23,887                                  | 1,746                             | 1,603             | 23,887                                | 1,746                             | 27,235       | \$ 10,908  | \$ 380,848                             | \$ 27,865                          | \$ 419,622    |
| 10/24/2007  | 1,578,843                 | 1,563,726         | 14,090                                  | 1,027                             | 946               | 14,090                                | 1,027                             | 16,063       | \$ 6,695   | \$ 228,494                             | \$ 16,663                          | \$ 251,851    |
| 10/25/2007  | 2,346,002                 | 2,323,228         | 21,234                                  | 1,540                             | 1,428             | 21,234                                | 1,540                             | 24,202       | \$ 10,092  | \$ 344,189                             | \$ 24,983                          | \$ 379,264    |
| 10/26/2007  | 1,065,166                 | 1,054,804         | 9,663                                   | 699                               | 650               | 9,663                                 | 699                               | 11,013       | \$ 5,037   | \$ 163,269                             | \$ 11,821                          | \$ 180,128    |
| 10/29/2007  | 1,267,426                 | 1,255,015         | 11,576                                  | 836                               | 779               | 11,576                                | 836                               | 13,191       | \$ 6,525   | \$ 202,852                             | \$ 14,647                          | \$ 224,023    |
| 10/30/2007  | 1,526,949                 | 1,511,786         | 14,145                                  | 1,018                             | 953               | 14,145                                | 1,018                             | 16,116       | \$ 8,128   | \$ 250,098                             | \$ 18,003                          | \$ 276,229    |
| 10/31/2007  | 2,145,738                 | 2,124,177         | 20,119                                  | 1,442                             | 1,357             | 20,119                                | 1,442                             | 22,918       | \$ 11,746  | \$ 358,300                             | \$ 25,681                          | \$ 395,727    |
| 11/1/2007   | 2,934,636                 | 2,904,578         | 28,059                                  | 1,999                             | 1,895             | 28,059                                | 1,999                             | 31,954       | \$ 14,647  | \$ 473,481                             | \$ 33,749                          | \$ 521,877    |
| 11/2/2007   | 1,390,612                 | 1,376,292         | 13,370                                  | 950                               | 904               | 13,370                                | 950                               | 15,224       | \$ 6,619   | \$ 220,163                             | \$ 15,653                          | \$ 242,435    |
| 11/5/2007   | 2,417,295                 | 2,391,981         | 23,642                                  | 1,672                             | 1,600             | 23,642                                | 1,672                             | 26,914       | \$ 11,651  | \$ 388,299                             | \$ 27,475                          | \$ 427,425    |
| 11/6/2007   | 2,397,928                 | 2,372,442         | 23,810                                  | 1,676                             | 1,614             | 23,810                                | 1,676                             | 27,099       | \$ 12,755  | \$ 406,039                             | \$ 28,584                          | \$ 447,377    |
| 11/7/2007   | 1,415,306                 | 1,400,145         | 14,166                                  | 994                               | 961               | 14,166                                | 994                               | 16,121       | \$ 7,199   | \$ 235,708                             | \$ 16,550                          | \$ 259,456    |
| 11/8/2007   | 1,659,663                 | 1,641,695         | 16,794                                  | 1,175                             | 1,140             | 16,794                                | 1,175                             | 19,108       | \$ 8,275   | \$ 275,462                             | \$ 19,280                          | \$ 303,017    |
| 11/9/2007   | 948,050                   | 937,728           | 9,648                                   | 673                               | 655               | 9,648                                 | 673                               | 10,977       | \$ 4,687   | \$ 157,216                             | \$ 10,984                          | \$ 172,886    |
| 11/12/2007  | 2,537,683                 | 2,509,666         | 26,198                                  | 1,820                             | 1,781             | 26,198                                | 1,820                             | 29,799       | \$ 9,559   | \$ 378,987                             | \$ 26,422                          | \$ 414,968    |
| 11/13/2007  | 2,348,944                 | 2,322,607         | 24,634                                  | 1,703                             | 1,677             | 24,634                                | 1,703                             | 28,014       | \$ 9,499   | \$ 364,113                             | \$ 25,235                          | \$ 398,848    |
| 11/14/2007  | 989,675                   | 978,515           | 10,440                                  | 720                               | 711               | 10,440                                | 720                               | 11,871       | \$ 4,582   | \$ 162,641                             | \$ 11,235                          | \$ 178,458    |
| 11/15/2007  | 770,888                   | 762,170           | 8,157                                   | 562                               | 556               | 8,157                                 | 562                               | 9,274        | \$ 3,341   | \$ 123,503                             | \$ 8,522                           | \$ 135,366    |
| 11/16/2007  | 1,686,984                 | 1,667,674         | 18,069                                  | 1,240                             | 1,232             | 18,069                                | 1,240                             | 20,542       | \$ 6,639   | \$ 261,801                             | \$ 18,040                          | \$ 286,480    |
| 11/19/2007  | 2,651,835                 | 2,621,045         | 28,821                                  | 1,969                             | 1,968             | 28,821                                | 1,969                             | 32,758       | \$ 7,979   | \$ 376,982                             | \$ 26,012                          | \$ 410,973    |
| 11/20/2007  | 2,086,246                 | 2,061,712         | 22,971                                  | 1,563                             | 1,570             | 22,971                                | 1,563                             | 26,104       | \$ 7,335   | \$ 315,443                             | \$ 21,610                          | \$ 344,388    |
| 11/21/2007  | 2,463,831                 | 2,434,434         | 27,533                                  | 1,864                             | 1,885             | 27,533                                | 1,864                             | 31,282       | \$ 8,803   | \$ 378,091                             | \$ 25,773                          | \$ 412,668    |
| 11/22/2007  | 471,941                   | 466,291           | 5,292                                   | 358                               | 362               | 5,292                                 | 358                               | 6,012        | \$ 1,564   | \$ 70,684                              | \$ 4,822                           | \$ 77,070     |
| 11/23/2007  | 861,373                   | 851,009           | 9,708                                   | 656                               | 665               | 9,708                                 | 656                               | 11,029       | \$ 3,521   | \$ 139,723                             | \$ 9,473                           | \$ 152,717    |
| 11/26/2007  | 1,519,004                 | 1,500,561         | 17,280                                  | 1,163                             | 1,185             | 17,280                                | 1,163                             | 19,628       | \$ 5,222   | \$ 232,502                             | \$ 15,778                          | \$ 253,503    |
| 11/27/2007  | 1,714,035                 | 1,693,013         | 19,700                                  | 1,322                             | 1,352             | 19,700                                | 1,322                             | 22,374       | \$ 6,736   | \$ 277,030                             | \$ 18,686                          | \$ 302,452    |
| 11/28/2007  | 1,844,437                 | 1,821,554         | 21,448                                  | 1,434                             | 1,473             | 21,448                                | 1,434                             | 24,355       | \$ 8,228   | \$ 315,273                             | \$ 21,134                          | \$ 344,635    |
| 11/29/2007  | 1,703,225                 | 1,681,873         | 20,018                                  | 1,333                             | 1,376             | 20,018                                | 1,333                             | 22,727       | \$ 7,891   | \$ 297,392                             | \$ 19,855                          | \$ 325,138    |
| 11/30/2007  | 4,594,953                 | 4,535,722         | 55,564                                  | 3,667                             | 3,829             | 55,564                                | 3,667                             | 63,060       | \$ 24,670  | \$ 865,674                             | \$ 57,200                          | \$ 947,544    |
| 12/3/2007   | 1,002,864                 | 989,849           | 12,210                                  | 804                               | 842               | 12,210                                | 804                               | 13,856       | \$ 4,869   | \$ 182,043                             | \$ 12,014                          | \$ 198,927    |
| 12/4/2007   | 866,229                   | 854,927           | 10,605                                  | 697                               | 731               | 10,605                                | 697                               | 12,034       | \$ 4,039   | \$ 155,173                             | \$ 10,234                          | \$ 169,446    |
| 12/5/2007   | 1,281,923                 | 1,265,069         | 15,817                                  | 1,037                             | 1,092             | 15,817                                | 1,037                             | 17,946       | \$ 6,237   | \$ 234,635                             | \$ 15,423                          | \$ 256,294    |
| 12/6/2007   | 789,621                   | 779,189           | 9,791                                   | 641                               | 676               | 9,791                                 | 641                               | 11,108       | \$ 3,666   | \$ 142,234                             | \$ 9,345                           | \$ 155,244    |
| 12/7/2007   | 686,041                   | 676,942           | 8,541                                   | 558                               | 590               | 8,541                                 | 558                               | 9,689        | \$ 3,027   | \$ 121,448                             | \$ 7,978                           | \$ 132,453    |
| 12/10/2007  | 1,311,703                 | 1,294,182         | 16,449                                  | 1,073                             | 1,137             | 16,449                                | 1,073                             | 18,658       | \$ 6,479   | \$ 243,759                             | \$ 15,934                          | \$ 266,172    |
| 12/11/2007  | 1,598,157                 | 1,576,571         | 20,268                                  | 1,317                             | 1,402             | 20,268                                | 1,317                             | 22,987       | \$ 8,030   | \$ 300,964                             | \$ 19,608                          | \$ 328,601    |
| 12/12/2007  | 636,179                   | 627,558           | 8,095                                   | 526                               | 560               | 8,095                                 | 526                               | 9,181        | \$ 3,053   | \$ 117,841                             | \$ 7,676                           | \$ 128,570    |

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Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|             |                           |                   | der Model Sales of<br>Purchase Volume | Investor                          |            | Damage                                | d Shares                          |              |            | OSA Section 13                         | 8.5(3) Damages                     |               |
|-------------|---------------------------|-------------------|---------------------------------------|-----------------------------------|------------|---------------------------------------|-----------------------------------|--------------|------------|----------------------------------------|------------------------------------|---------------|
|             | Investor                  | -                 | Retai                                 | ned                               |            | Retai                                 | ned                               |              |            | Retair                                 | ned                                |               |
| Date<br>[1] | Purchase<br>Volume<br>[2] | In-and-Out<br>[3] | Sold During<br>6/3 - 8/25/2011<br>[4] | Still Held on<br>8/25/2011<br>[5] | In-and-Out | Sold During<br>6/3 - 8/25/2011<br>[7] | Still Held on<br>8/25/2011<br>[8] | Total<br>[9] | In-and-Out | Sold During<br>6/3 - 8/25/2011<br>[11] | Still Held on<br>8/25/2011<br>[12] | Total<br>[13] |
| 12/13/2007  | 757,363                   | 747,048           | 9,687                                 | 628                               | 671        | 9,687                                 | 628                               | 10,986       | \$ 3,370   | \$ 136,665                             | \$ 8,905                           | \$ 148,940    |
| 12/14/2007  | 1,120,023                 | 1,104,672         | 14,418                                | 933                               | 999        | 14,418                                | 933                               | 16,350       | \$ 4,509   | \$ 195,632                             | \$ 12,750                          | \$ 212,891    |
| 12/17/2007  | 1,699,697                 | 1,676,156         | 22,115                                | 1,426                             | 1,533      | 22,115                                | 1,426                             | 25,074       | \$ 5,856   | \$ 283,821                             | \$ 18,499                          | \$ 308,177    |
| 12/18/2007  | 1,946,922                 | 1,919,632         | 25,643                                | 1,647                             | 1,779      | 25,643                                | 1,647                             | 29,069       | \$ 7,681   | \$ 342,552                             | \$ 22,183                          | \$ 372,416    |
| 12/19/2007  | 1,174,932                 | 1,158,347         | 15,586                                | 998                               | 1,082      | 15,586                                | 998                               | 17,667       | \$ 4,287   | \$ 202,365                             | \$ 13,097                          | \$ 219,749    |
| 12/20/2007  | 1,095,442                 | 1,079,871         | 14,635                                | 935                               | 1,017      | 14,635                                | 935                               | 16,587       | \$ 4,129   | \$ 191,557                             | \$ 12,364                          | \$ 208,050    |
| 12/21/2007  | 902,227                   | 889,337           | 12,117                                | 773                               | 842        | 12,117                                | 773                               | 13,733       | \$ 4,256   | \$ 171,313                             | \$ 10,986                          | \$ 186,554    |
| 12/24/2007  | 228,081                   | 224,818           | 3,068                                 | 196                               | 213        | 3,068                                 | 196                               | 3,476        | \$ 1,073   | \$ 43,301                              | \$ 2,776                           | \$ 47,150     |
| 12/27/2007  | 669,914                   | 660,319           | 9,021                                 | 575                               | 627        | 9,021                                 | 575                               | 10,222       | \$ 3,388   | \$ 130,844                             | \$ 8,363                           | \$ 142,595    |
| 12/28/2007  | 1,206,477                 | 1,189,039         | 16,396                                | 1,042                             | 1,141      | 16,396                                | 1,042                             | 18,579       | \$ 6,372   | \$ 241,024                             | \$ 15,356                          | \$ 262,753    |
| 12/31/2007  | 570,966                   | 562,673           | 7,798                                 | 495                               | 543        | 7,798                                 | 495                               | 8,835        | \$ 3,282   | \$ 118,356                             | \$ 7,523                           | \$ 129,161    |
| 1/2/2008    | 1,361,950                 | 1,342,033         | 18,731                                | 1,186                             | 1,304      | 18,731                                | 1,186                             | 21,222       | \$ 7,962   | \$ 285,386                             | \$ 18,094                          | \$ 311,441    |
| 1/3/2008    | 1,362,452                 | 1,342,364         | 18,895                                | 1,193                             | 1,317      | 18,895                                | 1,193                             | 21,405       | \$ 8,195   | \$ 290,191                             | \$ 18,351                          | \$ 316,737    |
| 1/4/2008    | 509,084                   | 501,559           | 7,079                                 | 447                               | 493        | 7,079                                 | 447                               | 8,019        | \$ 2,955   | \$ 107,038                             | \$ 6,764                           | \$ 116,757    |
| 1/7/2008    | 651,303                   | 641,671           | 9,061                                 | 571                               | 632        | 9.061                                 | 571                               | 10,264       | \$ 3,493   | \$ 132,660                             | \$ 8,385                           | \$ 144,539    |
| 1/8/2008    | 824,815                   | 812,519           | 11,568                                | 728                               | 807        | 11,568                                | 728                               | 13,103       | \$ 4,524   | \$ 170,306                             | \$ 10,746                          | \$ 185,576    |
| 1/9/2008    | 2,331,234                 | 2,296,039         | 33,120                                | 2,075                             | 2,312      | 33,120                                | 2,075                             | 37,507       | \$ 13,556  | \$ 170,300<br>\$ 496,513               | \$ 31,165                          | \$ 541,235    |
| 1/10/2008   | 579,968                   | 571,186           | 8,264                                 | 517                               | 577        | 8,264                                 | 517                               | 9,359        | \$ 3,314   | \$ 490,313<br>\$ 122,848               | \$ 7,706                           | \$ 133,869    |
|             |                           |                   |                                       | 495                               |            | 7,912                                 | 495                               |              |            |                                        |                                    |               |
| 1/11/2008   | 553,354                   | 544,947           | 7,912                                 |                                   | 553        | ,                                     |                                   | 8,960        | \$ 3,166   | \$ 117,492                             | \$ 7,363                           | \$ 128,021    |
| 1/14/2008   | 1,476,668                 | 1,454,197         | 21,152                                | 1,319                             | 1,479      | 21,152                                | 1,319                             | 23,949       | \$ 9,444   | \$ 328,337                             | \$ 20,503                          | \$ 358,284    |
| 1/15/2008   | 1,214,275                 | 1,195,567         | 17,612                                | 1,096                             | 1,232      | 17,612                                | 1,096                             | 19,940       | \$ 6,540   | \$ 253,752                             | \$ 15,853                          | \$ 276,145    |
| 1/16/2008   | 1,437,023                 | 1,414,710         | 21,009                                | 1,304                             | 1,470      | 21,009                                | 1,304                             | 23,784       | \$ 6,285   | \$ 279,716                             | \$ 17,512                          | \$ 303,512    |
| 1/17/2008   | 883,244                   | 869,461           | 12,979                                | 804                               | 909        | 12,979                                | 804                               | 14,692       | \$ 3,974   | \$ 174,160                             | \$ 10,881                          | \$ 189,015    |
| 1/18/2008   | 1,011,636                 | 995,754           | 14,957                                | 925                               | 1,048      | 14,957                                | 925                               | 16,930       | \$ 4,278   | \$ 196,116                             | \$ 12,248                          | \$ 212,642    |
| 1/21/2008   | 610,988                   | 601,358           | 9,070                                 | 560                               | 636        | 9,070                                 | 560                               | 10,266       | \$ 1,354   | \$ 103,711                             | \$ 6,592                           | \$ 111,657    |
| 1/22/2008   | 2,795,097                 | 2,750,369         | 42,138                                | 2,590                             | 2,957      | 42,138                                | 2,590                             | 47,685       | \$ 7,776   | \$ 499,735                             | \$ 31,389                          | \$ 538,899    |
| 1/23/2008   | 994,060                   | 978,063           | 15,072                                | 925                               | 1,058      | 15,072                                | 925                               | 17,055       | \$ 3,470   | \$ 186,861                             | \$ 11,634                          | \$ 201,965    |
| 1/24/2008   | 578,252                   | 568,914           | 8,799                                 | 539                               | 618        | 8,799                                 | 539                               | 9,956        | \$ 2,448   | \$ 114,246                             | \$ 7,075                           | \$ 123,768    |
| 1/25/2008   | 498,039                   | 489,975           | 7,599                                 | 465                               | 534        | 7,599                                 | 465                               | 8,598        | \$ 2,073   | \$ 98,041                              | \$ 6,068                           | \$ 106,182    |
| 1/28/2008   | 660,587                   | 649,852           | 10,117                                | 619                               | 711        | 10,117                                | 619                               | 11,446       | \$ 2,395   | \$ 126,166                             | \$ 7,824                           | \$ 136,384    |
| 1/29/2008   | 1,046,822                 | 1,029,709         | 16,128                                | 985                               | 1,134      | 16,128                                | 985                               | 18,246       | \$ 3,718   | \$ 199,953                             | \$ 12,386                          | \$ 216,057    |
| 1/30/2008   | 1,724,762                 | 1,696,295         | 26,834                                | 1,633                             | 1,888      | 26,834                                | 1,633                             | 30,355       | \$ 6,814   | \$ 339,755                             | \$ 20,926                          | \$ 367,494    |
| 1/31/2008   | 895,211                   | 880,363           | 13,997                                | 851                               | 985        | 13,997                                | 851                               | 15,833       | \$ 3,861   | \$ 181,122                             | \$ 11,121                          | \$ 196,103    |
| 2/1/2008    | 4,134,630                 | 4,064,429         | 66,208                                | 3,993                             | 4,668      | 66,208                                | 3,993                             | 74,869       | \$ 21,308  | \$ 901,869                             | \$ 54,779                          | \$ 977,957    |
| 2/4/2008    | 949,201                   | 933,008           | 15,274                                | 920                               | 1,077      | 15,274                                | 920                               | 17,271       | \$ 5,353   | \$ 214,586                             | \$ 12,988                          | \$ 232,927    |
| 2/5/2008    | 1,379,118                 | 1,355,405         | 22,370                                | 1,343                             | 1,579      | 22,370                                | 1,343                             | 25,292       | \$ 6,961   | \$ 301,025                             | \$ 18,220                          | \$ 326,206    |
| 2/6/2008    | 518,749                   | 509,803           | 8,439                                 | 506                               | 596        | 8,439                                 | 506                               | 9,542        | \$ 2,631   | \$ 113,632                             | \$ 6,871                           | \$ 123,135    |
| 2/7/2008    | 644,381                   | 633,269           | 10,484                                | 628                               | 740        | 10,484                                | 628                               | 11,852       | \$ 3,301   | \$ 141,629                             | \$ 8,552                           | \$ 153,482    |
| 2/8/2008    | 327,127                   | 321,454           | 5,352                                 | 321                               | 378        | 5,352                                 | 321                               | 6,051        | \$ 1,758   | \$ 73,392                              | \$ 4,425                           | \$ 79,575     |
| 2/11/2008   | 410,921                   | 403,787           | 6,731                                 | 403                               | 476        | 6,731                                 | 403                               | 7,610        | \$ 2,120   | \$ 90,938                              | \$ 5,484                           | \$ 98,542     |
| 2/12/2008   | 1,128,301                 | 1,108,562         | 18,626                                | 1,112                             | 1,316      | 18,626                                | 1,112                             | 21,055       | \$ 5,459   | \$ 245,490                             | \$ 14,797                          | \$ 265,746    |
| 2/13/2008   | 722,321                   | 709,634           | 11,973                                | 714                               | 847        | 11,973                                | 714                               | 13,534       | \$ 3,654   | \$ 159,960                             | \$ 9,621                           | \$ 173,235    |
| 2/14/2008   | 1,106,476                 | 1,086,951         | 18,428                                | 1,097                             | 1,304      | 18,428                                | 1,097                             | 20,829       | \$ 5,544   | \$ 244,952                             | \$ 14,708                          | \$ 265,204    |
| 2/15/2008   | 474,019                   | 465,643           | 7,906                                 | 470                               | 559        | 7,906                                 | 470                               | 8,936        | \$ 2,450   | \$ 106,157                             | \$ 6,364                           | \$ 114,971    |
| 2/18/2008   | 538                       | 528               | 9                                     | 1                                 | 1          | 9                                     | 1                                 | 10           | \$ 3       | \$ 121                                 | \$ 7                               | \$ 131        |
| 2/19/2008   | 568,040                   | 557,951           | 9,523                                 | 566                               | 674        | 9,523                                 | 566                               | 10,763       | \$ 2,881   | \$ 126,802                             | \$ 7,598                           | \$ 137,281    |
| 2/20/2008   | 708,139                   | 695,503           | 11,928                                | 708                               | 844        | 11,928                                | 708                               | 13,480       | \$ 3,346   | \$ 154,884                             | \$ 9,284                           | \$ 167,513    |
| 2/21/2008   | 564,168                   | 554,068           | 9,534                                 | 565                               | 675        | 9,534                                 | 565                               | 10,775       | \$ 3,082   | \$ 129,877                             | \$ 7,754                           | \$ 140,712    |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|             |                           |                   | der Model Sales of<br>Purchase Volume | Investor                          |                   | Damage                                | d Shares                          |              |            | OSA Section 13                         | 38.5(3) Damages                    |              |
|-------------|---------------------------|-------------------|---------------------------------------|-----------------------------------|-------------------|---------------------------------------|-----------------------------------|--------------|------------|----------------------------------------|------------------------------------|--------------|
|             | Investor                  |                   | Retai                                 | ned                               |                   | Retai                                 | ned                               |              |            | Retair                                 | ned                                |              |
| Date<br>[1] | Purchase<br>Volume<br>[2] | In-and-Out<br>[3] | Sold During<br>6/3 - 8/25/2011<br>[4] | Still Held on<br>8/25/2011<br>[5] | In-and-Out<br>[6] | Sold During<br>6/3 - 8/25/2011<br>[7] | Still Held on<br>8/25/2011<br>[8] | Total<br>[9] | In-and-Out | Sold During<br>6/3 - 8/25/2011<br>[11] | Still Held on<br>8/25/2011<br>[12] | Total        |
| 2/22/2008   | 1,039,186                 | 1,020,475         | 17,666                                | 1,045                             | 1,252             | 17,666                                | 1,045                             | 19,962       | \$ 5,145   | \$ 232,169                             | \$ 13,865                          | \$ 251,179   |
| 2/25/2008   | 425,116                   | 417,449           | 7,239                                 | 428                               | 513               | 7,239                                 | 428                               | 8,179        | \$ 2,269   | \$ 97,519                              | \$ 5,810                           | \$ 105,598   |
| 2/26/2008   | 560,854                   | 550,717           | 9,572                                 | 565                               | 678               | 9,572                                 | 565                               | 10,816       | \$ 2,977   | \$ 128,597                             | \$ 7,656                           | \$ 139,229   |
| 2/27/2008   | 343,316                   | 337,088           | 5,881                                 | 347                               | 417               | 5,881                                 | 347                               | 6,645        | \$ 1,873   | \$ 79,671                              | \$ 4,738                           | \$ 86,283    |
| 2/28/2008   | 279,845                   | 274,770           | 4,792                                 | 283                               | 340               | 4,792                                 | 283                               | 5,415        | \$ 1,462   | \$ 63,950                              | \$ 3,804                           | \$ 69,216    |
| 2/29/2008   | 410,734                   | 403,266           | 7,053                                 | 416                               | 500               | 7,053                                 | 416                               | 7,968        | \$ 2,152   | \$ 94,115                              | \$ 5,595                           | \$ 101,862   |
| 3/3/2008    | 1,746,563                 | 1,714,439         | 30,341                                | 1,783                             | 2,153             | 30,341                                | 1,783                             | 34,277       | \$ 9,508   | \$ 408,533                             | \$ 24,195                          | \$ 442,236   |
| 3/4/2008    | 1,015,734                 | 996,956           | 17,737                                | 1,040                             | 1,259             | 17,737                                | 1,040                             | 20,037       | \$ 5,490   | \$ 237,760                             | \$ 14,059                          | \$ 257,309   |
| 3/5/2008    | 1,469,031                 | 1,441,632         | 25,885                                | 1,514                             | 1,839             | 25,885                                | 1,514                             | 29,238       | \$ 8,786   | \$ 358,432                             | \$ 21,096                          | \$ 388,314   |
| 3/6/2008    | 1,006,397                 | 987,522           | 17,834                                | 1,041                             | 1,268             | 17,834                                | 1,041                             | 20,143       | \$ 5,112   | \$ 232,911                             | \$ 13,732                          | \$ 251,756   |
| 3/7/2008    | 1,515,520                 | 1,486,851         | 27,092                                | 1,577                             | 1,927             | 27,092                                | 1,577                             | 30,597       | \$ 6,706   | \$ 340,325                             | \$ 20,065                          | \$ 367,097   |
| 3/10/2008   | 1,032,222                 | 1,012,585         | 18,558                                | 1,079                             | 1,321             | 18,558                                | 1,079                             | 20,957       | \$ 3,500   | \$ 220,407                             | \$ 13,084                          | \$ 236,991   |
| 3/11/2008   | 704,285                   | 690,830           | 12,717                                | 738                               | 905               | 12,717                                | 738                               | 14,360       | \$ 3,304   | \$ 161,407                             | \$ 9,478                           | \$ 174,189   |
| 3/12/2008   | 446,872                   | 438,314           | 8,089                                 | 469                               | 576               | 8,089                                 | 469                               | 9,135        | \$ 1,878   | \$ 100,165                             | \$ 5,894                           | \$ 107,937   |
| 3/13/2008   | 1,273,915                 | 1,249,347         | 23,225                                | 1,344                             | 1,655             | 23,225                                | 1,344                             | 26,223       | \$ 5,444   | \$ 288,143                             | \$ 16,912                          | \$ 310,499   |
| 3/14/2008   | 889,036                   | 871,799           | 16,296                                | 941                               | 1,161             | 16,296                                | 941                               | 18,399       | \$ 2,950   | \$ 192,044                             | \$ 11,347                          | \$ 206,341   |
| 3/17/2008   | 703,892                   | 690,191           | 12,954                                | 747                               | 924               | 12,954                                | 747                               | 14,625       | \$ 2,226   | \$ 151,243                             | \$ 8,939                           | \$ 162,408   |
| 3/18/2008   | 2,052,404                 | 2,011,988         | 38,219                                | 2,197                             | 2,727             | 38,219                                | 2,197                             | 43,143       | \$ 6,464   | \$ 444,910                             | \$ 26,213                          | \$ 477,587   |
| 3/19/2008   | 8,067,347                 | 7,900,872         | 157,558                               | 8,918                             | 11,288            | 157,558                               | 8,918                             | 177,763      | \$ 6,095   | \$ 1,579,233                           | \$ 93,720                          | \$ 1,679,048 |
| 3/20/2008   | 1,166,534                 | 1,142,308         | 22,931                                | 1,295                             | 1,644             | 22,931                                | 1,295                             | 25,870       | \$ 756     | \$ 228,110                             | \$ 13,507                          | \$ 242,373   |
| 3/24/2008   | 789,033                   | 772,568           | 15,586                                | 879                               | 1,118             | 15,586                                | 879                               | 17,582       | \$ 1,430   | \$ 166,746                             | \$ 9,810                           | \$ 177,987   |
| 3/25/2008   | 1,236,934                 | 1,210,942         | 24,607                                | 1,385                             | 1,765             | 24,607                                | 1,385                             | 27,758       | \$ 2,401   | \$ 264,979                             | \$ 15,533                          | \$ 282,912   |
| 3/26/2008   | 598,576                   | 585,960           | 11,944                                | 671                               | 857               | 11,944                                | 671                               | 13,473       | \$ 1,586   | \$ 133,698                             | \$ 7,764                           | \$ 143,048   |
| 3/27/2008   | 1,111,978                 | 1,088,383         | 22,342                                | 1,253                             | 1,604             | 22,342                                | 1,253                             | 25,200       | \$ 2,422   | \$ 243,496                             | \$ 14,192                          | \$ 260,110   |
| 3/28/2008   | 572,045                   | 559,868           | 11,531                                | 646                               | 828               | 11,531                                | 646                               | 13,005       | \$ 1,068   | \$ 123,466                             | \$ 7,216                           | \$ 131,750   |
| 3/31/2008   | 1,044,643                 | 1,022,271         | 21,187                                | 1,185                             | 1,522             | 21,187                                | 1,185                             | 23,894       | \$ 2,344   | \$ 231,452                             | \$ 13,443                          | \$ 247,239   |
| 4/1/2008    | 1,187,289                 | 1,161,703         | 24,233                                | 1,353                             | 1,742             | 24,233                                | 1,353                             | 27,328       | \$ 3,833   | \$ 278,556                             | \$ 15,977                          | \$ 298,366   |
| 4/2/2008    | 1,699,529                 | 1,662,557         | 35,024                                | 1,949                             | 2,520             | 35,024                                | 1,949                             | 39,492       | \$ 6,980   | \$ 419,463                             | \$ 23,808                          | \$ 450,251   |
| 4/3/2008    | 2,418,942                 | 2,365,606         | 50,536                                | 2,800                             | 3,640             | 50,536                                | 2,800                             | 56,976       | \$ 11,939  | \$ 626,604                             | \$ 35,216                          | \$ 673,759   |
| 4/4/2008    | 497,289                   | 486,294           | 10,418                                | 577                               | 751               | 10,418                                | 577                               | 11,745       | \$ 2,372   | \$ 128,145                             | \$ 7,204                           | \$ 137,721   |
| 4/7/2008    | 432,929                   | 423,333           | 9,092                                 | 503                               | 655               | 9,092                                 | 503                               | 10,250       | \$ 2,254   | \$ 113,926                             | \$ 6,383                           | \$ 122,562   |
| 4/8/2008    | 1,160,868                 | 1,134,971         | 24,543                                | 1,355                             | 1,769             | 24,543                                | 1,355                             | 27,667       | \$ 5,113   | \$ 296,381                             | \$ 16,664                          | \$ 318,158   |
| 4/9/2008    | 5,541,634                 | 5,414,065         | 120,960                               | 6,609                             | 8,743             | 120,960                               | 6,609                             | 136,312      | \$ 19,583  | \$ 1,394,577                           | \$ 78,257                          | \$ 1,492,417 |
| 4/10/2008   | 344,810                   | 336,857           | 7,541                                 | 412                               | 545               | 7,541                                 | 412                               | 8,498        | \$ 1,101   | \$ 85,514                              | \$ 4,812                           | \$ 91,427    |
| 4/11/2008   | 605,252                   | 591,246           | 13,281                                | 724                               | 960               | 13,281                                | 724                               | 14,966       | \$ 1,565   | \$ 146,127                             | \$ 8,265                           | \$ 155,957   |
| 4/14/2008   | 696,229                   | 680,059           | 15,335                                | 835                               | 1,109             | 15,335                                | 835                               | 17,280       | \$ 1,730   | \$ 167,791                             | \$ 9,489                           | \$ 179,010   |
| 4/15/2008   | 187,035                   | 182,686           | 4,124                                 | 225                               | 298               | 4,124                                 | 225                               | 4,647        | \$ 349     | \$ 43,728                              | \$ 2,489                           | \$ 46,566    |
| 4/16/2008   | 409,901                   | 400,361           | 9,048                                 | 492                               | 655               | 9,048                                 | 492                               | 10,195       | \$ 753     | \$ 95,779                              | \$ 5,450                           | \$ 101,982   |
| 4/17/2008   | 2,051,572                 | 2,003,198         | 45,886                                | 2,488                             | 3,323             | 45,886                                | 2,488                             | 51,696       | \$ 2,625   | \$ 470,713                             | \$ 26,766                          | \$ 500,105   |
| 4/18/2008   | 557,971                   | 544,774           | 12,519                                | 678                               | 907               | 12,519                                | 678                               | 14,104       | \$ 1,297   | \$ 135,570                             | \$ 7,640                           | \$ 144,506   |
| 4/21/2008   | 566,877                   | 553,427           | 12,760                                | 690                               | 924               | 12,760                                | 690                               | 14,375       | \$ 693     | \$ 130,413                             | \$ 7,401                           | \$ 138,507   |
| 4/22/2008   | 181,984                   | 177,667           | 4,096                                 | 222                               | 297               | 4,096                                 | 222                               | 4,614        | \$ 264     | \$ 42,399                              | \$ 2,406                           | \$ 45,069    |
| 4/23/2008   | 361,395                   | 352,797           | 8,156                                 | 441                               | 591               | 8,156                                 | 441                               | 9,188        | \$ 378     | \$ 82,519                              | \$ 4,678                           | \$ 87,574    |
| 4/24/2008   | 1,076,468                 | 1,050,694         | 24,455                                | 1,319                             | 1,773             | 24,455                                | 1,319                             | 27,547       | \$ 1,436   | \$ 251,324                             | \$ 14,222                          | \$ 266,982   |
| 4/25/2008   | 723,022                   | 705,638           | 16,495                                | 889                               | 1,196             | 16,495                                | 889                               | 18,580       | \$ 1,184   | \$ 172,302                             | \$ 9,736                           | \$ 183,222   |
| 4/28/2008   | 659,683                   | 643,765           | 15,105                                | 813                               | 1,096             | 15,105                                | 813                               | 17,014       | \$ 1,238   | \$ 159,630                             | \$ 8,986                           | \$ 169,855   |
| 4/29/2008   | 853,083                   | 832,401           | 19,628                                | 1,055                             | 1,425             | 19,628                                | 1,055                             | 22,107       | \$ 1,510   | \$ 206,233                             | \$ 11,607                          | \$ 219,350   |
| 4/30/2008   | 976,423                   | 952,617           | 22,594                                | 1,212                             | 1,641             | 22,594                                | 1,212                             | 25,447       | \$ 1,296   | \$ 231,776                             | \$ 13,040                          | \$ 246,112   |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|                        |                      |                      | der Model Sales of I<br>Purchase Volume | Investor                   |                | Damage                         | d Shares                   |                  |                      | OSA Section 13                 | 8.5(3) Damages             |                          |
|------------------------|----------------------|----------------------|-----------------------------------------|----------------------------|----------------|--------------------------------|----------------------------|------------------|----------------------|--------------------------------|----------------------------|--------------------------|
|                        | Investor             |                      | Retai                                   | ned                        |                | Retai                          | ned                        |                  |                      | Retair                         | ned                        |                          |
| Date                   | Purchase<br>Volume   | In-and-Out           | Sold During<br>6/3 - 8/25/2011          | Still Held on<br>8/25/2011 | In-and-Out     | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total            | In-and-Out           | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                    |
| [1]                    | [2]                  | [3]                  | [4]                                     | [5]                        | [6]            | [7]                            | [8]                        | [9]              | [10]                 | [11]                           | [12]                       | [13]                     |
| 5/1/2008               | 863,893              | 842,741              | 20,077                                  | 1,075                      | 1,458          | 20,077                         | 1,075                      | 22,611           | \$ 1,196             | \$ 206,523                     | \$ 11,602                  | \$ 219,321               |
| 5/2/2008               | 487,175              | 475,215              | 11,352                                  | 607                        | 825            | 11,352                         | 607                        | 12,785           | \$ 1,270             | \$ 124,016                     | \$ 6,892                   | \$ 132,178               |
| 5/5/2008               | 537,307              | 524,079              | 12,557                                  | 671                        | 912            | 12,557                         | 671                        | 14,141           | \$ 1,652             | \$ 140,115                     | \$ 7,744                   | \$ 149,511               |
| 5/6/2008<br>5/7/2008   | 612,311<br>1,028,627 | 597,181              | 14,364<br>24,272                        | 767                        | 1,044<br>1.765 | 14,364<br>24,272               | 767                        | 16,175           | \$ 2,725             | \$ 170,119                     | \$ 9,284                   | \$ 182,128               |
| 5/8/2008               | 813,965              | 1,003,061<br>793,641 | 24,272<br>19,297                        | 1,294<br>1,027             | 1,765          | 24,272<br>19,297               | 1,294<br>1,027             | 27,331<br>21,728 | \$ 5,190<br>\$ 4,155 | \$ 294,133<br>\$ 234,159       | \$ 15,962<br>\$ 12,686     | \$ 315,285<br>\$ 251,001 |
| 5/9/2008               | 386,446              | 376,779              | 9,179                                   | 488                        | 668            | 9,179                          | 488                        | 10,335           | \$ 1,696             | \$ 234,139<br>\$ 108,175       | \$ 5,885                   | \$ 115,756               |
| 5/12/2008              | 689,321              | 672,009              | 16,439                                  | 873                        | 1,196          | 16,439                         | 873                        | 18,508           | \$ 2,130             | \$ 183,002                     | \$ 10,056                  | \$ 115,730               |
| 5/13/2008              | 1,912,316            | 1,863,758            | 46,117                                  | 2,441                      | 3,359          | 46,117                         | 2,441                      | 51,918           | \$ 8,398             | \$ 541,960                     | \$ 29,359                  | \$ 579,718               |
| 5/14/2008              | 644,393              | 627,978              | 15,591                                  | 824                        | 1,136          | 15,591                         | 824                        | 17,551           | \$ 2,692             | \$ 181,493                     | \$ 9,838                   | \$ 194,024               |
| 5/15/2008              | 1,559,388            | 1,519,320            | 38,062                                  | 2,007                      | 2,775          | 38,062                         | 2,007                      | 42,844           | \$ 11,429            | \$ 500,569                     | \$ 26,640                  | \$ 538,638               |
| 5/16/2008              | 648,811              | 632,076              | 15,898                                  | 837                        | 1,160          | 15,898                         | 837                        | 17,895           | \$ 4,635             | \$ 207,059                     | \$ 11,013                  | \$ 222,708               |
| 5/19/2008              | 814                  | 793                  | 20                                      | 1                          | 1,100          | 20                             | 1                          | 22               | \$ 6                 | \$ 260                         | \$ 14                      | \$ 280                   |
| 5/20/2008              | 5,471,000            | 5,330,174            | 133,774                                 | 7,051                      | 9,755          | 133,774                        | 7,051                      | 150,581          | \$ 32,875            | \$ 1,668,615                   | \$ 89,147                  | \$ 1,790,636             |
| 5/21/2008              | 351,750              | 342,682              | 8,614                                   | 454                        | 628            | 8,614                          | 454                        | 9,696            | \$ 2,243             | \$ 108,819                     | \$ 5,801                   | \$ 116,863               |
| 5/22/2008              | 541,839              | 527,821              | 13,317                                  | 701                        | 971            | 13,317                         | 701                        | 14,989           | \$ 3,711             | \$ 170,944                     | \$ 9,094                   | \$ 183,749               |
| 5/23/2008              | 550,147              | 535,871              | 13,563                                  | 713                        | 990            | 13,563                         | 713                        | 15,265           | \$ 3,632             | \$ 172,368                     | \$ 9,166                   | \$ 185,167               |
| 5/26/2008              | 89,356               | 87,036               | 2,204                                   | 116                        | 161            | 2,204                          | 116                        | 2,481            | \$ 624               | \$ 28,428                      | \$ 1,510                   | \$ 30,561                |
| 5/27/2008              | 1,183,050            | 1,152,129            | 29,380                                  | 1,541                      | 2,145          | 29,380                         | 1,541                      | 33,066           | \$ 9,609             | \$ 397,625                     | \$ 21,013                  | \$ 428,247               |
| 5/28/2008              | 917,202              | 893,110              | 22,894                                  | 1,199                      | 1,672          | 22,894                         | 1,199                      | 25,765           | \$ 8,297             | \$ 321,502                     | \$ 16,925                  | \$ 346,724               |
| 5/29/2008              | 1,269,937            | 1,236,329            | 31,939                                  | 1,669                      | 2,334          | 31,939                         | 1,669                      | 35,942           | \$ 11,747            | \$ 450,921                     | \$ 23,677                  | \$ 486,345               |
| 5/30/2008              | 2,365,389            | 2,301,954            | 60,298                                  | 3,137                      | 4,411          | 60,298                         | 3,137                      | 67,847           | \$ 24,673            | \$ 886,992                     | \$ 46,266                  | \$ 957,930               |
| 6/2/2008               | 2,040,243            | 1,984,859            | 52,654                                  | 2,729                      | 3,856          | 52,654                         | 2,729                      | 59,239           | \$ 19,350            | \$ 742,597                     | \$ 38,684                  | \$ 800,631               |
| 6/3/2008               | 1,034,956            | 1,006,699            | 26,868                                  | 1,390                      | 1,968          | 26,868                         | 1,390                      | 30,226           | \$ 9,208             | \$ 369,261                     | \$ 19,229                  | \$ 397,699               |
| 6/4/2008               | 2,099,898            | 2,041,869            | 55,185                                  | 2,844                      | 4,047          | 55,185                         | 2,844                      | 62,075           | \$ 19,763            | \$ 770,436                     | \$ 39,930                  | \$ 830,130               |
| 6/5/2008               | 2,085,193            | 2,026,882            | 55,463                                  | 2,848                      | 4,071          | 55,463                         | 2,848                      | 62,382           | \$ 20,372            | \$ 781,396                     | \$ 40,324                  | \$ 842,092               |
| 6/6/2008               | 1,348,901            | 1,310,890            | 36,160                                  | 1,852                      | 2,656          | 36,160                         | 1,852                      | 40,667           | \$ 13,158            | \$ 507,541                     | \$ 26,133                  | \$ 546,832               |
| 6/9/2008               | 1,056,988            | 1,027,023            | 28,508                                  | 1,457                      | 2,095          | 28,508                         | 1,457                      | 32,061           | \$ 9,309             | \$ 384,768                     | \$ 19,820                  | \$ 413,897               |
| 6/10/2008              | 478,463              | 464,862              | 12,940                                  | 661                        | 951            | 12,940                         | 661                        | 14,552           | \$ 3,970             | \$ 170,965                     | \$ 8,811                   | \$ 183,746               |
| 6/11/2008              | 1,904,458            | 1,849,729            | 52,078                                  | 2,651                      | 3,831          | 52,078                         | 2,651                      | 58,559           | \$ 14,173            | \$ 663,058                     | \$ 34,134                  | \$ 711,365               |
| 6/12/2008              | 366,251              | 355,704              | 10,036                                  | 511                        | 738            | 10,036                         | 511                        | 11,285           | \$ 2,847             | \$ 129,213                     | \$ 6,642                   | \$ 138,702               |
| 6/13/2008              | 325,335              | 315,949              | 8,932                                   | 454                        | 657            | 8,932                          | 454                        | 10,044           | \$ 2,688             | \$ 117,213                     | \$ 6,015                   | \$ 125,915               |
| 6/16/2008              | 203,684              | 197,800              | 5,599                                   | 285                        | 412            | 5,599                          | 285                        | 6,296            | \$ 1,778             | \$ 74,814                      | \$ 3,833                   | \$ 80,425                |
| 6/17/2008              | 945,756              | 918,290              | 26,140                                  | 1,326                      | 1,924          | 26,140                         | 1,326                      | 29,390           | \$ 8,361             | \$ 350,062                     | \$ 17,904                  | \$ 376,327               |
| 6/18/2008              | 267,909              | 260,116              | 7,416                                   | 376                        | 546            | 7,416                          | 376                        | 8,339            | \$ 2,372             | \$ 99,320                      | \$ 5,077                   | \$ 106,770               |
| 6/19/2008              | 344,428              | 334,390              | 9,554                                   | 484                        | 703            | 9,554                          | 484                        | 10,741           | \$ 2,887             | \$ 125,508                     | \$ 6,420                   | \$ 134,815               |
| 6/20/2008              | 323,548              | 314,101              | 8,991                                   | 455                        | 662            | 8,991                          | 455                        | 10,109           | \$ 2,544             | \$ 115,624                     | \$ 5,919                   | \$ 124,086               |
| 6/23/2008              | 697,889              | 677,431<br>422,990   | 19,473                                  | 985                        | 1,435<br>898   | 19,473                         | 985                        | 21,892           | \$ 5,877<br>\$ 3,546 | \$ 255,671                     | \$ 13,054                  | \$ 274,602<br>\$ 160,733 |
| 6/24/2008<br>6/25/2008 | 435,794<br>637,343   | 422,990<br>618,546   | 12,189<br>17,893                        | 616<br>903                 | 1,319          | 12,189<br>17,893               | 616<br>903                 | 13,703<br>20,115 | \$ 3,546<br>\$ 5,534 | \$ 158,115<br>\$ 236,808       | \$ 8,073<br>\$ 12,061      | \$ 169,733<br>\$ 254,403 |
| 6/25/2008              | 828,360              | 803,813              | 23,369                                  | 1,178                      | 1,319          | 23,369                         | 1,178                      | 26,270           | \$ 5,534<br>\$ 5,927 | \$ 236,808<br>\$ 292,845       | \$ 12,061<br>\$ 14,952     | \$ 254,403<br>\$ 313,724 |
| 6/26/2008              | 423,272              | 803,813<br>410,699   | 23,369<br>11,970                        | 1,178                      | 1,723<br>883   | 23,369<br>11,970               | 603                        | 13,456           | \$ 3,927<br>\$ 3,001 | \$ 292,845<br>\$ 149,610       | \$ 14,952<br>\$ 7,636      | \$ 313,724<br>\$ 160,247 |
| 6/30/2008              | 740,716              | 718,627              | 21,031                                  | 1,058                      | 1,551          | 21,031                         | 1,058                      | 23,640           | \$ 5,275             | \$ 262,855                     | \$ 7,030<br>\$ 13,398      | \$ 281,528               |
| 7/1/2008               | 1,695                | 1,647                | 21,031                                  | 1,038                      | 3              | 21,031                         | 1,038                      | 23,040           | \$ 3,273             | \$ 202,833                     | \$ 13,396<br>\$ 29         | \$ 201,328               |
| 7/2/2008               | 841,679              | 816,482              | 23,992                                  | 1,205                      | 1,770          | 23,992                         | 1,205                      | 26,968           | \$ 4,444             | \$ 282,160                     | \$ 14,502                  | \$ 301,106               |
| 7/3/2008               | 761,152              | 738,255              | 21,804                                  | 1,094                      | 1,610          | 21,804                         | 1,094                      | 24,507           | \$ 2,962             | \$ 243,859                     | \$ 12,642                  | \$ 259,463               |
| 7/4/2008               | 249,875              | 242,348              | 7,168                                   | 359                        | 529            | 7,168                          | 359                        | 8,056            | \$ 995               | \$ 80,414                      | \$ 4,164                   | \$ 85,574                |
| 7/7/2008               | 641,855              | 622,490              | 18,441                                  | 924                        | 1,362          | 18,441                         | 924                        | 20,726           | \$ 2,628             | \$ 207,681                     | \$ 10,735                  | \$ 221,044               |

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Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|                   |                    |                  | der Model Sales of<br>Purchase Volume | Investor                   |                | Damage                         | d Shares                   |                  |                       | OSA Section 13                 | 38.5(3) Damages            |                          |
|-------------------|--------------------|------------------|---------------------------------------|----------------------------|----------------|--------------------------------|----------------------------|------------------|-----------------------|--------------------------------|----------------------------|--------------------------|
|                   | Investor           |                  | Retai                                 | ned                        |                | Retai                          | ned                        |                  |                       | Retair                         | ned                        |                          |
| Date              | Purchase<br>Volume | In-and-Out       | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out     | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total            | In-and-Out            | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                    |
| [1]               | [2]                | [3]              | [4]                                   | [5]                        | [6]            | [7]                            | [8]                        | [9]              | [10]                  | [11]                           | [12]                       | [13]                     |
| 7/8/2008          | 953,041            | 924,081          | 27,581                                | 1,379                      | 2,038          | 27,581                         | 1,379                      | 30,997           | \$ 3,749              | \$ 308,468                     | \$ 15,941                  | \$ 328,159               |
| 7/9/2008          | 1,410,924          | 1,367,718        | 41,154                                | 2,053                      | 3,042          | 41,154                         | 2,053                      | 46,249           | \$ 5,597              | \$ 460,272                     | \$ 23,728                  | \$ 489,597               |
| 7/10/2008         | 271,764            | 263,432          | 7,936                                 | 396                        | 587            | 7,936                          | 396                        | 8,918            | \$ 1,103              | \$ 89,029                      | \$ 4,585                   | \$ 94,716                |
| 7/11/2008         | 1,149,463          | 1,113,988        | 33,793                                | 1,682                      | 2,500          | 33,793                         | 1,682                      | 37,974           | \$ 3,574              | \$ 365,911                     | \$ 18,948                  | \$ 388,433               |
| 7/14/2008         | 355,797            | 344,798          | 10,478                                | 521                        | 775            | 10,478                         | 521                        | 11,774           | \$ 1,287              | \$ 115,550                     | \$ 5,956                   | \$ 122,793               |
| 7/15/2008         | 370,033            | 358,569          | 10,921                                | 543                        | 808            | 10,921                         | 543                        | 12,272           | \$ 768                | \$ 113,671                     | \$ 5,927                   | \$ 120,366               |
| 7/16/2008         | 1,511,199          | 1,463,989        | 44,981                                | 2,230                      | 3,330          | 44,981                         | 2,230                      | 50,541           | \$ 3,297              | \$ 469,818                     | \$ 24,428                  | \$ 497,542               |
| 7/17/2008         | 2,678,664          | 2,593,806        | 80,867                                | 3,990                      | 5,994          | 80,867                         | 3,990                      | 90,852           | \$ 3,536              | \$ 814,235                     | \$ 42,133                  | \$ 859,904               |
| 7/18/2008         | 2,067,481          | 2,001,183        | 63,191                                | 3,107                      | 4,688          | 63,191                         | 3,107                      | 70,986           | \$ 1,594              | \$ 621,372                     | \$ 32,028                  | \$ 654,994               |
| 7/21/2008         | 509,886            | 493,497          | 15,622                                | 767                        | 1,159          | 15,622                         | 767                        | 17,548           | \$ 46                 | \$ 149,198                     | \$ 7,681                   | \$ 156,925               |
| 7/22/2008         | 639,773            | 619,126          | 19,682                                | 966                        | 1,461          | 19,682                         | 966                        | 22,108           | \$ 88                 | \$ 188,340                     | \$ 9,685                   | \$ 198,113               |
| 7/23/2008         | 520,896            | 504,037          | 16,071                                | 788                        | 1,193          | 16,071                         | 788                        | 18,052           | \$ 119                | \$ 154,394                     | \$ 7,933                   | \$ 162,446               |
| 7/24/2008         | 564,777            | 546,441          | 17,480                                | 856                        | 0              | 17,480                         | 856                        | 18,336           | \$0                   | \$ 166,118                     | \$ 8,526                   | \$ 174,643               |
| 7/25/2008         | 450,439            | 435,779          | 13,976                                | 684                        | 1,038          | 13,976                         | 684                        | 15,698           | \$ 93                 | \$ 134,138                     | \$ 6,880                   | \$ 141,111               |
| 7/28/2008         | 512,132            | 495,448          | 15,907                                | 778                        | 1,182          | 15,907                         | 778                        | 17,866           | \$ 118                | \$ 152,815                     | \$ 7,831                   | \$ 160,764               |
| 7/29/2008         | 1,124,536          | 1,087,608        | 35,210                                | 1,718                      | 2,617          | 35,210                         | 1,718                      | 39,545           | \$ 1,858              | \$ 358,499                     | \$ 18,349                  | \$ 378,706               |
| 7/30/2008         | 1,270,824          | 1,228,797        | 40,076                                | 1,951                      | 2,980          | 40,076                         | 1,951                      | 45,007           | \$ 4,530              | \$ 437,069                     | \$ 22,110                  | \$ 463,709               |
| 7/31/2008         | 705,958            | 682,521          | 22,350                                | 1,087                      | 1,662          | 22,350                         | 1,087                      | 25,099           | \$ 3,059              | \$ 249,960                     | \$ 12,562                  | \$ 265,580               |
| 8/1/2008          | 1,245,884          | 1,204,267        | 39,691                                | 1,926                      | 2,954          | 39,691                         | 1,926                      | 44,571           | \$ 4,076              | \$ 428,040                     | \$ 21,633                  | \$ 453,749               |
| 8/4/2008          | 768                | 743              | 24                                    | 1,720                      | 2,551          | 24                             | 1,720                      | 28               | \$ 3                  | \$ 264                         | \$ 13                      | \$ 280                   |
| 8/5/2008          | 1,089,392          | 1,052,756        | 34,944                                | 1,693                      | 2,602          | 34,944                         | 1,693                      | 39,238           | \$ 3,617              | \$ 377,144                     | \$ 19,021                  | \$ 399,782               |
| 8/6/2008          | 373,357            | 360,775          | 12,001                                | 581                        | 894            | 12,001                         | 581                        | 13,476           | \$ 760                | \$ 123,773                     | \$ 6,285                   | \$ 130,818               |
| 8/7/2008          | 797,759            | 771,167          | 25,365                                | 1,226                      | 1,890          | 25,365                         | 1,226                      | 28,481           | \$ 2,324              | \$ 270,234                     | \$ 13,641                  | \$ 286,199               |
| 8/8/2008          | 180,638            | 174,563          | 5,794                                 | 280                        | 432            | 5,794                          | 280                        | 6,506            | \$ 492                | \$ 61,278                      | \$ 3,097                   | \$ 64,867                |
| 8/11/2008         | 417,460            | 403,290          | 13,517                                | 653                        | 1,007          | 13,517                         | 653                        | 15,177           | \$ 544                | \$ 135,458                     | \$ 6,859                   | \$ 142,862               |
| 8/12/2008         | 1,602,134          | 1,547,277        | 52,337                                | 2,520                      | 3,902          | 52,337                         | 2,520                      | 58,760           | \$ 11,863             | \$ 638,613                     | \$ 31,272                  | \$ 681,749               |
| 8/13/2008         | 801,202            | 773,631          | 26,306                                | 1,265                      | 1,962          | 26,306                         | 1,265                      | 29,533           | \$ 6,357              | \$ 325,351                     | \$ 15,876                  | \$ 347,584               |
| 8/14/2008         | 450,575            | 435,051          | 14,813                                | 712                        | 1,105          | 14,813                         | 712                        | 16,629           | \$ 4,574              | \$ 195,160                     | \$ 9,462                   | \$ 209,197               |
| 8/15/2008         | 352,947            | 340,750          | 11,638                                | 559                        | 868            | 11,638                         | 559                        | 13,066           | \$ 3,619              | \$ 153,688                     | \$ 7,446                   | \$ 164,753               |
| 8/18/2008         | 384,523            | 371,292          | 12,625                                | 606                        | 942            | 12,625                         | 606                        | 14,173           | \$ 3,980              | \$ 167,470                     | \$ 8,107                   | \$ 179,557               |
| 8/19/2008         | 704,896            | 680,395          | 23,380                                | 1,121                      | 1,745          | 23,380                         | 1,121                      | 26,246           | \$ 6,915              | \$ 303,659                     | \$ 14,701                  | \$ 325,275               |
| 8/20/2008         | 442,831            | 427,434          | 14,693                                | 704                        | 1,097          | 14,693                         | 704                        | 16,494           | \$ 4,650              | \$ 195,125                     | \$ 9,427                   | \$ 209,201               |
| 8/21/2008         | 746,027            | 719,945          | 24,891                                | 1,191                      | 1,859          | 24,891                         | 1,191                      | 27,941           | \$ 8,116              | \$ 333,919                     | \$ 16,104                  | \$ 358,139               |
| 8/22/2008         | 870,918            | 840,899          | 28,650                                | 1,369                      | 2,140          | 28,650                         | 1,369                      | 32,159           | \$ 9,982              | \$ 393,354                     | \$ 18,916                  | \$ 422,253               |
| 8/25/2008         | 624,404            | 602,394          | 21,007                                | 1,003                      | 1,570          | 21,007                         | 1,003                      | 23,579           | \$ 6,720              | \$ 279,922                     | \$ 13,471                  | \$ 300,113               |
| 8/26/2008         | 794,261            | 766,460          | 26,536                                | 1,265                      | 1,984          | 26,536                         | 1,265                      | 29,784           | \$ 8,281              | \$ 350,617                     | \$ 16,859                  | \$ 375,757               |
| 8/27/2008         | 278,988            | 269,095          | 9,442                                 | 450                        | 706            | 9,442                          | 450                        | 10,598           | \$ 3,207              | \$ 128,438                     | \$ 6,162                   | \$ 137,807               |
| 8/28/2008         | 348,429            | 336,051          | 11,815                                | 563                        | 883            | 11,815                         | 563                        | 13,261           | \$ 4,340              | \$ 165,322                     | \$ 7,913                   | \$ 177,575               |
| 8/29/2008         | 311,282            | 300,232          | 10,548                                | 502                        | 789            | 10,548                         | 502                        | 11,838           | \$ 4,340<br>\$ 3,964  | \$ 163,322<br>\$ 148,850       | \$ 7,913<br>\$ 7,118       | \$ 177,373<br>\$ 159,931 |
| 9/1/2008          | 3,470              | 3,347            | 10,348                                | 6                          | 789            | 10,348                         | 6                          | 11,838           | \$ 3,964<br>\$ 44     | \$ 148,830<br>\$ 1,662         | \$ 7,118<br>\$ 79          | \$ 1,785                 |
| 9/1/2008 9/2/2008 | 3,470<br>290,287   | 3,347<br>279,970 | 9,849                                 | 468                        | 737            | 9,849                          | 468                        | 11,054           | \$ 44<br>\$ 3,441     | \$ 1,662<br>\$ 135,296         | \$ 79<br>\$ 6,477          | \$ 1,785<br>\$ 145,214   |
| 9/2/2008 9/3/2008 | 290,287<br>835,506 | 805,630          | 9,849<br>28,521                       | 1,355                      | 2,134          | 9,849<br>28,521                | 1,355                      | 32,010           | \$ 3,441<br>\$ 10,255 | \$ 135,296<br>\$ 395,866       | \$ 6,477<br>\$ 18,912      | \$ 145,214<br>\$ 425,032 |
| 9/3/2008 9/4/2008 | 1,232,133          |                  | 28,521<br>40,942                      | 1,355<br>1,940             | 2,134<br>3,065 | 28,521<br>40,942               | 1,355<br>1,940             | 32,010<br>45,946 |                       |                                |                            | \$ 425,032<br>\$ 580,295 |
|                   | , ,                | 1,189,252        |                                       |                            | ,              | ,                              |                            | ,                | \$ 12,839             | \$ 541,574                     | \$ 25,883                  |                          |
| 9/5/2008          | 442,741            | 426,773          | 15,246                                | 722                        | 1,142          | 15,246                         | 722                        | 17,109           | \$ 3,699              | \$ 188,563                     | \$ 9,058                   | \$ 201,319               |
| 9/8/2008          | 260,296            | 250,878          | 8,993                                 | 426                        | 673            | 8,993                          | 426                        | 10,092           | \$ 1,919              | \$ 108,308                     | \$ 5,223                   | \$ 115,449               |
| 9/9/2008          | 463,576            | 446,789          | 16,029                                | 758                        | 1,201          | 16,029                         | 758                        | 17,988           | \$ 2,569              | \$ 183,424                     | \$ 8,920                   | \$ 194,913               |
| 9/10/2008         | 421,950            | 406,624          | 14,634                                | 692                        | 1,096          | 14,634                         | 692                        | 16,422           | \$ 3,880              | \$ 184,568                     | \$ 8,826                   | \$ 197,275               |
| 9/11/2008         | 216,535            | 208,665          | 7,515                                 | 355                        | 563            | 7,515                          | 355                        | 8,433            | \$ 1,965              | \$ 94,491                      | \$ 4,520                   | \$ 100,975               |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         |              | OSA Section 13                 | 38.5(3) Damages            |                          |
|------------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|--------------|--------------------------------|----------------------------|--------------------------|
|            | Investor           |            | Retai                                 | ned                        |            | Retai                          | ned                        |         |              | Retair                         | ned                        |                          |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                    |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]         | [11]                           | [12]                       | [13]                     |
| 9/12/2008  | 363,095            | 349,873    | 12,627                                | 596                        | 946        | 12,627                         | 596                        | 14,169  | \$ 3,748     | \$ 163,997                     | \$ 7,821                   | \$ 175,567               |
| 9/15/2008  | 389,349            | 375,138    | 13,570                                | 640                        | 1,017      | 13,570                         | 640                        | 15,228  | \$ 3,600     | \$ 171,153                     | \$ 8,173                   | \$ 182,926               |
| 9/16/2008  | 294,401            | 283,640    | 10,277                                | 485                        | 770        | 10,277                         | 485                        | 11,532  | \$ 1,972     | \$ 121,293                     | \$ 5,850                   | \$ 129,115               |
| 9/17/2008  | 618,880            | 596,181    | 21,677                                | 1,021                      | 1,625      | 21,677                         | 1,021                      | 24,324  | \$ 2,389     | \$ 235,465                     | \$ 11,536                  | \$ 249,390               |
| 9/18/2008  | 1,665,318          | 1,603,674  | 58,878                                | 2,766                      | 4,417      | 58,878                         | 2,766                      | 66,061  | \$ 10,335    | \$ 683,900                     | \$ 32,949                  | \$ 727,184               |
| 9/19/2008  | 1,491,183          | 1,435,511  | 53,180                                | 2,492                      | 3,992      | 53,180                         | 2,492                      | 59,663  | \$ 10,299    | \$ 628,543                     | \$ 30,107                  | \$ 668,949               |
| 9/22/2008  | 268,024            | 258,002    | 9,573                                 | 448                        | 719        | 9,573                          | 448                        | 10,740  | \$ 1,294     | \$ 106,734                     | \$ 5,169                   | \$ 113,197               |
| 9/23/2008  | 1,071,824          | 1,031,507  | 38,516                                | 1,801                      | 2,893      | 38,516                         | 1,801                      | 43,209  | \$ 4,455     | \$ 420,711                     | \$ 20,427                  | \$ 445,593               |
| 9/24/2008  | 598,162            | 575,587    | 21,568                                | 1,007                      | 1,620      | 21,568                         | 1,007                      | 24,195  | \$ 2,366     | \$ 234,084                     | \$ 11,369                  | \$ 247,819               |
| 9/25/2008  | 908,872            | 874,541    | 32,801                                | 1,529                      | 2,465      | 32,801                         | 1,529                      | 36,796  | \$ 3,032     | \$ 349,442                     | \$ 17,015                  | \$ 369,489               |
| 9/26/2008  | 1,935,554          | 1,861,351  | 70,908                                | 3,295                      | 5,333      | 70,908                         | 3,295                      | 79,537  | \$ 2,880     | \$ 710,562                     | \$ 34,627                  | \$ 748,070               |
| 9/29/2008  | 2,547,127          | 2,448,065  | 94,682                                | 4,380                      | 0          | 94,682                         | 4,380                      | 99,062  | \$0          | \$ 767,870                     | \$ 37,271                  | \$ 805,141               |
| 9/30/2008  | 1,498,458          | 1,439,689  | 56,177                                | 2,592                      | 0          | 56,177                         | 2,592                      | 58,769  | \$ 0         | \$ 477,958                     | \$ 23,119                  | \$ 501,077               |
| 10/1/2008  | 650,286            | 624,732    | 24,428                                | 1,126                      | 0          | 24,428                         | 1,126                      | 25,554  | \$ 0         | \$ 199,293                     | \$ 9,636                   | \$ 208,929               |
| 10/2/2008  | 746,614            | 717,153    | 28,165                                | 1,296                      | 0          | 28,165                         | 1,296                      | 29,461  | \$ 0         | \$ 203,797                     | \$ 9,865                   | \$ 213,662               |
| 10/3/2008  | 1,628,810          | 1,563,950  | 62,013                                | 2,846                      | 0          | 62,013                         | 2,846                      | 64,860  | \$ 0         | \$ 478,227                     | \$ 23,054                  | \$ 501,281               |
| 10/6/2008  | 1,941,332          | 1,863,522  | 74,406                                | 3,404                      | 0          | 74,406                         | 3,404                      | 77,810  | \$ 0         | \$ 428,549                     | \$ 20,794                  | \$ 449,344               |
| 10/7/2008  | 1,406,949          | 1,350,083  | 54,383                                | 2,482                      | 0          | 54,383                         | 2,482                      | 56,865  | \$ 0         | \$ 281,138                     | \$ 13,697                  | \$ 294,836               |
| 10/8/2008  | 1,380,988          | 1,324,750  | 53,789                                | 2,449                      | 0          | 53,789                         | 2,449                      | 56,237  | \$ 0         | \$ 313,562                     | \$ 15,132                  | \$ 328,693               |
| 10/9/2008  | 1,932,893          | 1,853,164  | 76,269                                | 3,461                      | 0          | 76,269                         | 3,461                      | 79,729  | \$ 0         | \$ 391,218                     | \$ 18,962                  | \$ 410,180               |
| 10/10/2008 | 1,533,247          | 1,469,375  | 61,106                                | 2,765                      | 0          | 61,106                         | 2,765                      | 63,871  | \$ 0         | \$ 260,277                     | \$ 12,746                  | \$ 273,023               |
| 10/13/2008 | 8,336              | 7,992      | 329                                   | 15                         | 0          | 329                            | 15                         | 344     | \$0          | \$ 1,401                       | \$ 69                      | \$ 1,470                 |
| 10/14/2008 | 777,374            | 744,859    | 31,109                                | 1,406                      | 0          | 31,109                         | 1,406                      | 32,515  | \$0          | \$ 162,995                     | \$ 7,858                   | \$ 170,853               |
| 10/15/2008 | 1,738,097          | 1,664,784  | 70,150                                | 3,163                      | 0          | 70,150                         | 3,163                      | 73,313  | \$0          | \$ 333,871                     | \$ 16,158                  | \$ 350,029               |
| 10/16/2008 | 1,461,867          | 1,399,908  | 59,289                                | 2,669                      | 0          | 59,289                         | 2,669                      | 61,958  | \$0          | \$ 279,807                     | \$ 13,529                  | \$ 293,336               |
| 10/17/2008 | 1,114,985          | 1,067,608  | 45,338                                | 2,039                      | 0          | 45,338                         | 2,039                      | 47,378  | \$0          | \$ 227,116                     | \$ 10,929                  | \$ 238,045               |
| 10/20/2008 | 1,379,962          | 1,321,058  | 56,372                                | 2,532                      | 0          | 56,372                         | 2,532                      | 58,904  | \$0          | \$ 276,746                     | \$ 13,316                  | \$ 290,063               |
| 10/20/2008 | 980,870            | 939,094    | 39,979                                | 1,797                      | 0          | 39,979                         | 1,797                      | 41,776  | \$0          | \$ 181,877                     | \$ 8,803                   | \$ 190,680               |
| 10/22/2008 | 1,606,833          | 1,537,789  | 66,082                                | 2,962                      | 0          | 66,082                         | 2,962                      | 69,044  | \$ 0         | \$ 284,103                     | \$ 13,770                  | \$ 297,874               |
| 10/23/2008 | 1,630,177          | 1,559,499  | 67,653                                | 3,024                      | 0          | 67,653                         | 3,024                      | 70,677  | \$0          | \$ 328,744                     | \$ 15,751                  | \$ 344,496               |
| 10/24/2008 | 1,612,043          | 1,541,501  | 67,533                                | 3,010                      | 0          | 67,533                         | 3,010                      | 70,543  | \$0          | \$ 304,518                     | \$ 14,626                  | \$ 319,144               |
| 10/24/2008 | 909,811            | 869,802    | 38,304                                | 1,705                      | 0          | 38,304                         | 1,705                      | 40,008  | \$0          | \$ 153,566                     | \$ 7,430                   | \$ 160,996               |
| 10/27/2008 | 983,641            | 940,149    | 41,642                                | 1,850                      | 0          | 41,642                         | 1,850                      | 43,492  | \$0          | \$ 185,687                     | \$ 8,897                   | \$ 194,583               |
| 10/29/2008 | 2,328,231          | 2,223,931  | 99,880                                | 4,419                      | 0          | 99,880                         | 4,419                      | 104,299 | \$0          | \$ 550,247                     | \$ 25,893                  | \$ 576,140               |
| 10/29/2008 | 1,566,844          | 1,496,023  | 67,827                                | 2,993                      | 0          | 67,827                         | 2,993                      | 70,820  | \$0          | \$ 427,169                     | \$ 19,900                  | \$ 447,069               |
| 10/30/2008 | 1,428,636          | 1,363,544  | 62,347                                | 2,744                      | 0          | 62,347                         | 2,744                      | 65,091  | \$0          | \$ 401,240                     | \$ 18,631                  | \$ 419,872               |
| 11/3/2008  | 1,367,400          | 1,304,924  | 59,848                                | 2,628                      | 0          | 59,848                         | 2,628                      | 62,476  | \$ 0<br>\$ 0 | \$ 401,240<br>\$ 347,654       | \$ 16,186                  | \$ 363,841               |
| 11/3/2008  | 760,814            | 725,906    | 33,441                                | 1,467                      | 0          | 33,441                         | 2,628<br>1,467             | 34,908  | \$ 0<br>\$ 0 | \$ 347,634<br>\$ 189,243       | \$ 8,813                   | \$ 303,841<br>\$ 198,056 |
|            | 760,814<br>989.647 |            | ,                                     | ,                          | 0          |                                |                            | ,       | \$0          |                                |                            |                          |
| 11/5/2008  | ,                  | 944,171    | 43,569                                | 1,908                      | 0          | 43,569                         | 1,908                      | 45,477  |              | \$ 241,326                     | \$ 11,233<br>\$ 55,125     | \$ 252,559               |
| 11/6/2008  | 4,902,020          | 4,669,909  | 222,455                               | 9,656                      | 0          | 222,455                        | 9,656                      | 232,111 | \$0          | \$ 1,192,087                   | \$ 55,125                  | \$ 1,247,212             |
| 11/7/2008  | 599,371            | 570,850    | 27,336                                | 1,185                      | 0          | 27,336                         | 1,185                      | 28,521  | \$0          | \$ 133,091                     | \$ 6,186                   | \$ 139,277               |
| 11/10/2008 | 796,401            | 758,332    | 36,489                                | 1,580                      | Ü          | 36,489                         | 1,580                      | 38,069  | \$0          | \$ 164,154<br>\$ 127,222       | \$ 7,662                   | \$ 171,815               |
| 11/11/2008 | 682,064            | 649,337    | 31,370                                | 1,357                      | 0          | 31,370                         | 1,357                      | 32,727  | \$ 0         | \$ 127,323                     | \$ 5,982                   | \$ 133,305               |
| 11/12/2008 | 3,545,460          | 3,372,006  | 166,306                               | 7,148                      | 0          | 165,708                        | 7,148                      | 172,856 | \$ 0         | \$ 472,082                     | \$ 22,796                  | \$ 494,878               |
| 11/13/2008 | 1,190,060          | 1,131,432  | 56,217                                | 2,411                      | 0          | 55,197                         | 2,411                      | 57,609  | \$0          | \$ 100,614                     | \$ 5,134                   | \$ 105,748               |
| 11/14/2008 | 2,922,576          | 2,776,234  | 140,352                               | 5,990                      | 0          | 138,371                        | 5,990                      | 144,361 | \$ 0         | \$ 314,724                     | \$ 15,507                  | \$ 330,231               |
| 11/17/2008 | 1,155,325          | 1,097,143  | 55,805                                | 2,377                      | 0          | 55,018                         | 2,377                      | 57,395  | \$ 0         | \$ 113,031                     | \$ 5,631                   | \$ 118,661               |
| 11/18/2008 | 2,332,760          | 2,214,427  | 113,518                               | 4,815                      | 0          | 111,473                        | 4,815                      | 116,288 | \$ 0         | \$ 206,483                     | \$ 10,396                  | \$ 216,880               |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         |              | OSA Section 13                 | 38.5(3) Damages            |            |
|------------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|--------------|--------------------------------|----------------------------|------------|
|            | Investor           |            | Retai                                 | ned                        |            | Retai                          | ned                        |         |              | Retair                         | ned                        |            |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total      |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]         | [11]                           | [12]                       | [13]       |
| 11/19/2008 | 1,217,476          | 1,154,898  | 60,037                                | 2,541                      | 0          | 58,902                         | 2,541                      | 61,444  | \$0          | \$ 103,307                     | \$ 5,233                   | \$ 108,540 |
| 11/20/2008 | 1,716,565          | 1,627,505  | 85,453                                | 3,606                      | 0          | 73,890                         | 3,606                      | 77,496  | \$ 0         | \$ 106,317                     | \$ 5,622                   | \$ 111,940 |
| 11/21/2008 | 1,514,615          | 1,435,737  | 75,691                                | 3,186                      | 0          | 65,247                         | 3,186                      | 68,434  | \$0          | \$ 76,537                      | \$ 4,107                   | \$ 80,644  |
| 11/24/2008 | 1,124,433          | 1,065,170  | 56,874                                | 2,389                      | 0          | 49,027                         | 2,389                      | 51,416  | \$0          | \$ 58,977                      | \$ 3,152                   | \$ 62,129  |
| 11/25/2008 | 1,654,595          | 1,566,662  | 84,397                                | 3,535                      | 0          | 72,752                         | 3,535                      | 76,288  | \$0          | \$ 67,140                      | \$ 3,673                   | \$ 70,814  |
| 11/26/2008 | 3,554,954          | 3,362,211  | 185,039                               | 7,703                      | 0          | 159,508                        | 7,703                      | 167,211 | \$0          | \$ 161,526                     | \$ 8,697                   | \$ 170,223 |
| 11/27/2008 | 567,768            | 536,843    | 29,690                                | 1,235                      | 0          | 28,928                         | 1,235                      | 30,163  | \$0          | \$ 42,935                      | \$ 2,197                   | \$ 45,132  |
| 11/28/2008 | 933,216            | 882,565    | 48,632                                | 2,019                      | 0          | 48,213                         | 2,019                      | 50,232  | \$0          | \$ 116,730                     | \$ 5,551                   | \$ 122,281 |
| 12/1/2008  | 1,077,594          | 1,018,670  | 56,578                                | 2,345                      | 0          | 55,522                         | 2,345                      | 57,867  | \$0          | \$ 90,664                      | \$ 4,547                   | \$ 95,211  |
| 12/2/2008  | 2,474,563          | 2,337,047  | 132,066                               | 5,450                      | 0          | 130,236                        | 5,450                      | 135,686 | \$0          | \$ 272,614                     | \$ 13,129                  | \$ 285,744 |
| 12/3/2008  | 1,157,197          | 1,092,674  | 61,970                                | 2,552                      | 0          | 60,899                         | 2,552                      | 63,451  | \$0          | \$ 116,333                     | \$ 5,664                   | \$ 121,996 |
| 12/4/2008  | 730,920            | 690,071    | 39,236                                | 1,614                      | 0          | 38,693                         | 1,614                      | 40,307  | \$0          | \$ 80,215                      | \$ 3,855                   | \$ 84,070  |
| 12/5/2008  | 567,844            | 535,733    | 30,843                                | 1,267                      | 0          | 30,417                         | 1,267                      | 31,684  | \$0          | \$ 70,053                      | \$ 3,319                   | \$ 73,372  |
| 12/8/2008  | 634,058            | 598,084    | 34,555                                | 1,418                      | 0          | 34,555                         | 1,418                      | 35,973  | \$0          | \$ 120,867                     | \$ 5,459                   | \$ 126,326 |
| 12/9/2008  | 612,569            | 577,694    | 33,502                                | 1,374                      | 0          | 33,502                         | 1,374                      | 34,875  | \$ 0         | \$ 114,166                     | \$ 5,164                   | \$ 119,330 |
| 12/10/2008 | 1,270,757          | 1,197,895  | 69,998                                | 2,864                      | 0          | 69,998                         | 2,864                      | 72,862  | \$ 0         | \$ 338,634                     | \$ 14,860                  | \$ 353,495 |
| 12/11/2008 | 565,021            | 532,510    | 31,235                                | 1,277                      | 0          | 31,235                         | 1,277                      | 32,511  | \$0          | \$ 147,045                     | \$ 6,459                   | \$ 153,504 |
| 12/12/2008 | 532,670            | 501,925    | 29,539                                | 1,206                      | 0          | 29,539                         | 1,206                      | 30,746  | \$ 0         | \$ 134,632                     | \$ 5,921                   | \$ 140,554 |
| 12/15/2008 | 932,570            | 878,461    | 51,989                                | 2,120                      | 0          | 51,989                         | 2,120                      | 54,109  | \$ 0         | \$ 211,997                     | \$ 9,388                   | \$ 221,384 |
| 12/16/2008 | 794,462            | 748,158    | 44,492                                | 1,811                      | 0          | 44,492                         | 1,811                      | 46,304  | \$ 0         | \$ 193,883                     | \$ 8,530                   | \$ 202,413 |
| 12/17/2008 | 17,592             | 16,573     | 980                                   | 40                         | 0          | 980                            | 40                         | 1,019   | \$0          | \$ 4,122                       | \$ 182                     | \$ 4,304   |
| 12/17/2008 | 832,652            | 783,885    | 46,863                                | 1,905                      | 0          | 46,863                         | 1,905                      | 48,768  | \$0          | \$ 215,457                     | \$ 9,428                   | \$ 224,885 |
| 12/19/2008 | 844,806            | 795,161    | 47,708                                | 1,937                      | 0          | 47,708                         | 1,937                      | 49,644  | \$0          | \$ 274,683                     | \$ 11,831                  | \$ 286,514 |
| 12/22/2008 | 446,090            | 419,886    | 25,183                                | 1,021                      | 0          | 25,183                         | 1,021                      | 26,204  | \$0          | \$ 112,254                     | \$ 4,912                   | \$ 117,167 |
| 12/23/2008 | 487,458            | 458,619    | 27,715                                | 1,123                      | 0          | 27,715                         | 1,123                      | 28,838  | \$ 0         | \$ 124,929                     | \$ 5,458                   | \$ 130,386 |
| 12/24/2008 | 1,767,514          | 1,661,902  | 101,511                               | 4,101                      | 0          | 101,511                        | 4,101                      | 105,612 | \$0          | \$ 427,110                     | \$ 18,698                  | \$ 445,808 |
| 12/29/2008 | 301,162            | 283,145    | 17,318                                | 699                        | 0          | 17,318                         | 699                        | 18,017  | \$0          | \$ 83,081                      | \$ 3,601                   | \$ 86,682  |
| 12/30/2008 | 558,988            | 525,432    | 32,255                                | 1,301                      | 0          | 32,255                         | 1,301                      | 33,556  | \$0          | \$ 168,614                     | \$ 7,260                   | \$ 175,874 |
| 12/31/2008 | 2,454,841          | 2,305,355  | 143,713                               | 5,773                      | 0          | 143,713                        | 5,773                      | 149,486 | \$0          | \$ 722,505                     | \$ 31,053                  | \$ 753,558 |
| 1/2/2009   | 252,745            | 237,380    | 14,771                                | 593                        | 0          | 14,771                         | 593                        | 15,364  | \$0          | \$ 77,954                      | \$ 3,339                   | \$ 81,293  |
| 1/5/2009   | 279,199            | 262,202    | 16,341                                | 656                        | 0          | 16,341                         | 656                        | 16,997  | \$0          | \$ 83,462                      | \$ 3,581                   | \$ 87,042  |
| 1/6/2009   | 294,711            | 276,739    | 17,278                                | 693                        | 0          | 17,278                         | 693                        | 17,972  | \$0          | \$ 101,898                     | \$ 4,332                   | \$ 106,230 |
| 1/7/2009   | 759,645            | 713,154    | 44,700                                | 1,791                      | 0          | 44,700                         | 1,791                      | 46,491  | \$0          | \$ 227,405                     | \$ 9,742                   | \$ 237,147 |
| 1/8/2009   | 902,442            | 846,944    | 53,363                                | 2,135                      | 0          | 53,363                         | 2,135                      | 55,498  | \$0          | \$ 288,550                     | \$ 12,297                  | \$ 300,847 |
| 1/9/2009   | 498,536            | 467,798    | 29,556                                | 1,182                      | 0          | 29,556                         | 1,182                      | 30,738  | \$0          | \$ 152,432                     | \$ 6,511                   | \$ 158,942 |
| 1/12/2009  | 361,693            | 339,352    | 21,482                                | 858                        | 0          | 21,482                         | 858                        | 22,341  | \$0          | \$ 95,754                      | \$ 4,128                   | \$ 99,882  |
| 1/12/2009  | 310,545            | 291,334    | 18,473                                | 738                        | 0          | 18,473                         | 738                        | 19,210  | \$0          | \$ 83,261                      | \$ 3,585                   | \$ 86,847  |
| 1/13/2009  | 169,343            | 158,880    | 10,061                                | 402                        | 0          | 10,061                         | 402                        | 19,210  | \$ 0<br>\$ 0 | \$ 41,627                      | \$ 5,383<br>\$ 1,804       | \$ 43,431  |
|            | ,                  |            |                                       | 402<br>895                 | 0          | ,                              | 895                        | ,       | \$ 0<br>\$ 0 |                                |                            |            |
| 1/15/2009  | 376,563            | 353,242    | 22,426                                |                            | 0          | 22,426                         |                            | 23,321  |              | \$ 93,232<br>\$ 100 115        | \$ 4,036                   | \$ 97,267  |
| 1/16/2009  | 402,309            | 377,301    | 24,049                                | 959                        | 0          | 24,049                         | 959                        | 25,008  | \$0          | \$ 109,115                     | \$ 4,689                   | \$ 113,805 |
| 1/19/2009  | 66,062             | 61,954     | 3,951                                 | 158                        | 0          | 3,951                          | 158                        | 4,108   | \$0          | \$ 16,740<br>\$ 27,014         | \$ 723                     | \$ 17,463  |
| 1/20/2009  | 158,312            | 148,486    | 9,449                                 | 377<br>672                 |            | 9,449                          | 377                        | 9,826   | \$0          | \$ 37,014                      | \$ 1,608                   | \$ 38,623  |
| 1/21/2009  | 282,002            | 264,453    | 16,876                                | 673                        | 0          | 16,876                         | 673                        | 17,549  | \$ 0         | \$ 70,159                      | \$ 3,033                   | \$ 73,191  |
| 1/22/2009  | 188,413            | 176,666    | 11,297                                | 450                        | 0          | 11,297                         | 450                        | 11,747  | \$ 0         | \$ 46,964                      | \$ 2,029                   | \$ 48,993  |
| 1/23/2009  | 159,978            | 149,990    | 9,606                                 | 383                        | 0          | 9,606                          | 383                        | 9,988   | \$ 0         | \$ 38,012                      | \$ 1,649                   | \$ 39,660  |
| 1/26/2009  | 57,901             | 54,285     | 3,478                                 | 139                        | 0          | 3,478                          | 139                        | 3,616   | \$ 0         | \$ 14,110                      | \$ 611                     | \$ 14,721  |
| 1/27/2009  | 82,566             | 77,410     | 4,959                                 | 197                        | 0          | 4,959                          | 197                        | 5,156   | \$ 0         | \$ 20,219                      | \$ 875                     | \$ 21,094  |
| 1/28/2009  | 132,453            | 124,189    | 7,947                                 | 316                        | 0          | 7,947                          | 316                        | 8,263   | \$ 0         | \$ 33,117                      | \$ 1,430                   | \$ 34,547  |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         | OSA Section 138.5(3) Damages |                                |                            |            |  |
|-----------|--------------------|------------|---------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|------------------------------|--------------------------------|----------------------------|------------|--|
|           | Investor           |            | Retai                                 | ned                        |            | Retai                          | ned                        |         |                              | Retair                         | ned                        |            |  |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out                   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total      |  |
| [1]       | [2]                | [3]        | [4]                                   | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]                         | [11]                           | [12]                       | [13]       |  |
| 1/29/2009 | 142,080            | 133,206    | 8,534                                 | 340                        | 0          | 8,534                          | 340                        | 8,874   | \$0                          | \$ 33,515                      | \$ 1,454                   | \$ 34,969  |  |
| 1/30/2009 | 620,529            | 581,621    | 37,420                                | 1,488                      | 0          | 37,420                         | 1,488                      | 38,908  | \$0                          | \$ 163,048                     | \$ 7,008                   | \$ 170,056 |  |
| 2/2/2009  | 271,485            | 254,483    | 16,352                                | 650                        | 0          | 16,352                         | 650                        | 17,002  | \$ 0                         | \$ 62,910                      | \$ 2,729                   | \$ 65,640  |  |
| 2/3/2009  | 221,050            | 207,184    | 13,336                                | 530                        | 0          | 13,336                         | 530                        | 13,866  | \$ 0                         | \$ 57,175                      | \$ 2,458                   | \$ 59,633  |  |
| 2/4/2009  | 464,439            | 435,205    | 28,118                                | 1,117                      | 0          | 28,118                         | 1,117                      | 29,235  | \$ 0                         | \$ 130,951                     | \$ 5,593                   | \$ 136,544 |  |
| 2/5/2009  | 168,529            | 157,912    | 10,212                                | 405                        | 0          | 10,212                         | 405                        | 10,617  | \$ 0                         | \$ 50,826                      | \$ 2,160                   | \$ 52,986  |  |
| 2/6/2009  | 470,793            | 441,065    | 28,594                                | 1,134                      | 0          | 28,594                         | 1,134                      | 29,728  | \$ 0                         | \$ 180,028                     | \$ 7,542                   | \$ 187,570 |  |
| 2/9/2009  | 696,790            | 652,634    | 42,473                                | 1,683                      | 0          | 42,473                         | 1,683                      | 44,156  | \$0                          | \$ 251,744                     | \$ 10,568                  | \$ 262,312 |  |
| 2/10/2009 | 354,566            | 332,060    | 21,649                                | 857                        | 0          | 21,649                         | 857                        | 22,506  | \$0                          | \$ 123,335                     | \$ 5,187                   | \$ 128,522 |  |
| 2/11/2009 | 398,844            | 373,473    | 24,405                                | 966                        | 0          | 24,405                         | 966                        | 25,371  | \$ 0                         | \$ 142,455                     | \$ 5,979                   | \$ 148,433 |  |
| 2/12/2009 | 945,285            | 885,113    | 57,885                                | 2,288                      | 0          | 57,885                         | 2,288                      | 60,172  | \$0                          | \$ 356,403                     | \$ 14,892                  | \$ 371,294 |  |
| 2/13/2009 | 134,368            | 125,775    | 8,266                                 | 327                        | 0          | 8,266                          | 327                        | 8,592   | \$0                          | \$ 50,811                      | \$ 2,123                   | \$ 52,934  |  |
| 2/17/2009 | 197,058            | 184,444    | 12,135                                | 479                        | 0          | 12,135                         | 479                        | 12,615  | \$ 0                         | \$ 74,718                      | \$ 3,120                   | \$ 77,839  |  |
| 2/18/2009 | 536,478            | 502,045    | 33,125                                | 1,308                      | 0          | 33,125                         | 1,308                      | 34,433  | \$0                          | \$ 175,800                     | \$ 7,399                   | \$ 183,199 |  |
| 2/19/2009 | 111,919            | 104,734    | 6,912                                 | 273                        | 0          | 6,912                          | 273                        | 7,185   | \$ 0                         | \$ 36,615                      | \$ 1,541                   | \$ 38,156  |  |
| 2/20/2009 | 370,412            | 346,573    | 22,935                                | 905                        | 0          | 22,935                         | 905                        | 23,839  | \$0                          | \$ 118,276                     | \$ 4,983                   | \$ 123,259 |  |
| 2/23/2009 | 220,819            | 206,596    | 13,684                                | 540                        | 0          | 13,684                         | 540                        | 14,223  | \$0                          | \$ 61,674                      | \$ 2,622                   | \$ 64,295  |  |
| 2/24/2009 | 1,476,341          | 1,380,594  | 92,122                                | 3,624                      | 0          | 92,122                         | 3,624                      | 95,746  | \$0                          | \$ 336,894                     | \$ 14,528                  | \$ 351,423 |  |
| 2/25/2009 | 495,828            | 463,765    | 30,850                                | 1,213                      | 0          | 30,850                         | 1,213                      | 32,063  | \$ 0                         | \$ 121,459                     | \$ 5,201                   | \$ 126,660 |  |
| 2/26/2009 | 345,087            | 322,690    | 21,550                                | 847                        | 0          | 21,550                         | 847                        | 22,396  | \$ 0                         | \$ 80,963                      | \$ 3,479                   | \$ 84,441  |  |
| 2/27/2009 | 300,110            | 280,591    | 18,782                                | 738                        | 0          | 18,782                         | 738                        | 19,519  | \$0                          | \$ 68,685                      | \$ 2,957                   | \$ 71,641  |  |
| 3/2/2009  | 598,634            | 559,535    | 37,623                                | 1,476                      | 0          | 37,494                         | 1,476                      | 38,970  | \$ 0                         | \$ 101,112                     | \$ 4,486                   | \$ 105,598 |  |
| 3/3/2009  | 637,530            | 595,740    | 40,213                                | 1,576                      | 0          | 39,672                         | 1,576                      | 41,248  | \$ 0                         | \$ 86,535                      | \$ 3,939                   | \$ 90,474  |  |
| 3/4/2009  | 1,268,969          | 1,185,117  | 80,695                                | 3,157                      | 0          | 80,695                         | 3,157                      | 83,852  | \$0                          | \$ 238,609                     | \$ 10,446                  | \$ 249,055 |  |
| 3/5/2009  | 1,153,226          | 1,076,422  | 73,918                                | 2,887                      | 0          | 73,918                         | 2,887                      | 76,804  | \$ 0                         | \$ 257,003                     | \$ 11,053                  | \$ 268,056 |  |
| 3/6/2009  | 370,481            | 345,756    | 23,797                                | 929                        | 0          | 23,797                         | 929                        | 24,725  | \$ 0                         | \$ 82,024                      | \$ 3,528                   | \$ 85,552  |  |
| 3/9/2009  | 479,206            | 447,268    | 30,739                                | 1,199                      | 0          | 30,739                         | 1,199                      | 31,938  | \$ 0                         | \$ 103,186                     | \$ 4,447                   | \$ 107,633 |  |
| 3/10/2009 | 472,465            | 440,783    | 30,493                                | 1,188                      | 0          | 30,493                         | 1,188                      | 31,682  | \$0                          | \$ 120,658                     | \$ 5,121                   | \$ 125,779 |  |
| 3/11/2009 | 499,439            | 465,866    | 32,314                                | 1,258                      | 0          | 32,314                         | 1,258                      | 33,573  | \$ 0                         | \$ 123,016                     | \$ 5,234                   | \$ 128,250 |  |
| 3/12/2009 | 184,316            | 171,933    | 11,919                                | 464                        | 0          | 11,919                         | 464                        | 12,383  | \$0                          | \$ 47,757                      | \$ 2,023                   | \$ 49,780  |  |
| 3/13/2009 | 456,416            | 425,645    | 29,619                                | 1,152                      | 0          | 29,619                         | 1,152                      | 30,772  | \$0                          | \$ 110,682                     | \$ 4,712                   | \$ 115,394 |  |
| 3/15/2009 | 289,940            | 270,361    | 18,846                                | 733                        | 0          | 18,846                         | 733                        | 19,579  | \$0                          | \$ 59,872                      | \$ 2,586                   | \$ 62,458  |  |
| 3/17/2009 | 566,463            | 528,099    | 36,929                                | 1,435                      | 0          | 36,929                         | 1,435                      | 38,363  | \$0                          | \$ 114,730                     | \$ 4,963                   | \$ 119,693 |  |
| 3/17/2009 | 436,447            | 406,825    | 28,515                                | 1,107                      | 0          | 28,515                         | 1,107                      | 29,622  | \$0                          | \$ 89,730                      | \$ 3,874                   | \$ 93,604  |  |
| 3/18/2009 | 292,913            | 273,102    | 28,313<br>19,071                      | 740                        | 0          | 28,313<br>19,071               | 740                        | 19,811  | \$ 0<br>\$ 0                 | \$ 69,730<br>\$ 57,722         | \$ 3,874<br>\$ 2,501       | \$ 60,223  |  |
| 3/20/2009 | 379,568            | 353,801    | 24,805                                | 962                        | 0          | 24,720                         | 962                        | 25,683  | \$0                          | \$ 65,175                      | \$ 2,866                   | \$ 68,041  |  |
|           | ,                  |            |                                       |                            | 0          |                                |                            | ,       | \$ 0<br>\$ 0                 |                                |                            |            |  |
| 3/23/2009 | 579,535            | 540,097    | 37,966                                | 1,471                      | 0          | 37,966                         | 1,471                      | 39,438  |                              | \$ 119,091                     | \$ 5,134                   | \$ 124,225 |  |
| 3/24/2009 | 189,317            | 176,374    | 12,461                                | 483                        | 0          | 12,461                         | 483                        | 12,944  | \$ 0                         | \$ 38,090                      | \$ 1,646                   | \$ 39,735  |  |
| 3/25/2009 | 491,474            | 457,790    | 32,428                                | 1,255                      | 0          | 32,428                         | 1,255                      | 33,684  | \$ 0                         | \$ 98,151                      | \$ 4,242                   | \$ 102,394 |  |
| 3/26/2009 | 1,108,396          | 1,032,125  | 73,433                                | 2,838                      | · ·        | 73,433                         | 2,838                      | 76,271  | \$ 0                         | \$ 250,163                     | \$ 10,669                  | \$ 260,831 |  |
| 3/27/2009 | 555,105            | 516,737    | 36,941                                | 1,427                      | 0          | 36,941                         | 1,427                      | 38,368  | \$ 0                         | \$ 127,324                     | \$ 5,419                   | \$ 132,743 |  |
| 3/30/2009 | 434,811            | 404,692    | 29,000                                | 1,119                      | Ü          | 29,000                         | 1,119                      | 30,119  | \$ 0                         | \$ 91,833                      | \$ 3,938                   | \$ 95,771  |  |
| 3/31/2009 | 1,388,364          | 1,291,531  | 93,242                                | 3,591                      | 0          | 93,242                         | 3,591                      | 96,833  | \$ 0                         | \$ 367,993                     | \$ 15,436                  | \$ 383,430 |  |
| 4/1/2009  | 479,091            | 445,672    | 32,181                                | 1,238                      | 0          | 32,181                         | 1,238                      | 33,419  | \$ 0                         | \$ 129,580                     | \$ 5,423                   | \$ 135,002 |  |
| 4/2/2009  | 1,496,183          | 1,390,996  | 101,297                               | 3,889                      | 0          | 101,297                        | 3,889                      | 105,186 | \$ 0                         | \$ 537,542                     | \$ 22,009                  | \$ 559,550 |  |
| 4/3/2009  | 552,852            | 513,872    | 37,540                                | 1,440                      | 0          | 37,540                         | 1,440                      | 38,980  | \$ 0                         | \$ 173,304                     | \$ 7,156                   | \$ 180,460 |  |
| 4/6/2009  | 671,714            | 624,565    | 45,409                                | 1,740                      | 0          | 45,409                         | 1,740                      | 47,150  | \$ 0                         | \$ 224,165                     | \$ 9,204                   | \$ 233,369 |  |
| 4/7/2009  | 1,107,578          | 1,028,972  | 75,710                                | 2,896                      | 0          | 75,710                         | 2,896                      | 78,606  | \$ 0                         | \$ 328,316                     | \$ 13,581                  | \$ 341,897 |  |

Exhibit J Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of l           | Investor         |                    | Damage                         | d Shares                   |              |                     | OSA Section 13                 | 38.5(3) Damages            |               |
|-----------|--------------------|------------|--------------------------------|------------------|--------------------|--------------------------------|----------------------------|--------------|---------------------|--------------------------------|----------------------------|---------------|
|           |                    | l l        | Purchase Volume                |                  |                    |                                |                            |              |                     |                                | ., 0                       |               |
|           | Investor           |            | Retai                          |                  |                    | Retai                          |                            |              |                     | Retain                         |                            |               |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on    | In-and-Out         | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total        | In-and-Out          | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total         |
| [1]       | [2]                | [3]        | [4]                            | 8/25/2011<br>[5] | 111-and-Out<br>[6] | 6/3 - 8/25/2011<br>[7]         | [8]                        | 10tai<br>[9] | 111-and-Out<br>[10] | [11]                           | [12]                       | [13]          |
| 4/8/2009  | 291,090            | 270,360    | 19,967                         | 764              | 0                  | 19,967                         | <u>[6]</u><br>764          | 20,731       | \$0                 | \$ 79,798                      | \$ 3,321                   | \$ 83,119     |
| 4/9/2009  | 198,475            | 184,342    | 13,613                         | 520              | 0                  | 13,613                         | 520                        | 14,133       | \$ 0<br>\$ 0        | \$ 60,801                      | \$ 2,508                   | \$ 63,308     |
| 4/13/2009 | 211,224            | 196,155    | 14,514                         | 555              | 0                  | 14,514                         | 555                        | 15,068       | \$0                 | \$ 68,308                      | \$ 2,806                   | \$ 71,115     |
| 4/14/2009 | 476,862            | 442,800    | 32,808                         | 1,253            | 0                  | 32,808                         | 1,253                      | 34,061       | \$0                 | \$ 175,736                     | \$ 7,153                   | \$ 182,889    |
| 4/15/2009 | 448,856            | 416,726    | 30,948                         | 1,181            | 0                  | 30,948                         | 1,181                      | 32,129       | \$0                 | \$ 159.584                     | \$ 6,507                   | \$ 166,090    |
| 4/16/2009 | 607,119            | 563,510    | 42,008                         | 1,602            | 0                  | 42.008                         | 1,602                      | 43,609       | \$ 0                | \$ 216,189                     | \$ 8,807                   | \$ 224,997    |
| 4/17/2009 | 513,827            | 476,769    | 35,698                         | 1,360            | 0                  | 35,698                         | 1,360                      | 37,058       | \$0                 | \$ 194,783                     | \$ 7,900                   | \$ 202,683    |
| 4/20/2009 | 500,270            | 464,307    | 34,644                         | 1,319            | 0                  | 34,644                         | 1,319                      | 35,963       | \$0                 | \$ 175,867                     | \$ 7,160                   | \$ 183,027    |
| 4/21/2009 | 408,048            | 378,596    | 28,373                         | 1,079            | 0                  | 28,373                         | 1,079                      | 29,452       | \$0                 | \$ 140,058                     | \$ 5,709                   | \$ 145,767    |
| 4/22/2009 | 365,284            | 338,873    | 25,444                         | 967              | 0                  | 25,444                         | 967                        | 26,411       | \$ 0                | \$ 129,418                     | \$ 5,262                   | \$ 134,680    |
| 4/23/2009 | 987,422            | 915,477    | 69,313                         | 2,632            | 0                  | 69,313                         | 2,632                      | 71,945       | \$ 0                | \$ 357,404                     | \$ 14,498                  | \$ 371,902    |
| 4/24/2009 | 563,737            | 522,502    | 39,729                         | 1,507            | 0                  | 39,729                         | 1,507                      | 41,236       | \$ 0                | \$ 212,800                     | \$ 8,604                   | \$ 221,404    |
| 4/27/2009 | 248,936            | 230,747    | 17,524                         | 665              | 0                  | 17,524                         | 665                        | 18,189       | \$ 0                | \$ 93,691                      | \$ 3,787                   | \$ 97,478     |
| 4/28/2009 | 241,993            | 224,266    | 17,079                         | 647              | 0                  | 17,079                         | 647                        | 17,727       | \$ 0                | \$ 96,606                      | \$ 3,890                   | \$ 100,496    |
| 4/29/2009 | 307,773            | 285,190    | 21,758                         | 824              | 0                  | 21,758                         | 824                        | 22,582       | \$ 0                | \$ 125,680                     | \$ 5,053                   | \$ 130,732    |
| 4/30/2009 | 489,718            | 453,714    | 34,690                         | 1,313            | 0                  | 34,690                         | 1,313                      | 36,004       | \$ 0                | \$ 194,138                     | \$ 7,813                   | \$ 201,951    |
| 5/1/2009  | 316,006            | 292,720    | 22,438                         | 849              | 0                  | 22,438                         | 849                        | 23,287       | \$ 0                | \$ 145,222                     | \$ 5,798                   | \$ 151,020    |
| 5/4/2009  | 414,628            | 384,006    | 29,506                         | 1,116            | 0                  | 29,506                         | 1,116                      | 30,622       | \$ 0                | \$ 195,906                     | \$ 7,810                   | \$ 203,716    |
| 5/5/2009  | 648,219            | 600,209    | 46,263                         | 1,748            | 0                  | 46,263                         | 1,748                      | 48,010       | \$ 0                | \$ 307,615                     | \$ 12,251                  | \$ 319,865    |
| 5/6/2009  | 1,118,428          | 1,035,109  | 80,291                         | 3,028            | 0                  | 80,291                         | 3,028                      | 83,319       | \$ 0                | \$ 635,310                     | \$ 25,162                  | \$ 660,472    |
| 5/7/2009  | 1,423,267          | 1,316,449  | 102,944                        | 3,874            | 0                  | 102,944                        | 3,874                      | 106,818      | \$ 0                | \$ 750,551                     | \$ 29,711                  | \$ 780,262    |
| 5/8/2009  | 624,495            | 577,560    | 45,235                         | 1,701            | 0                  | 45,235                         | 1,701                      | 46,935       | \$ 0                | \$ 359,241                     | \$ 14,182                  | \$ 373,424    |
| 5/11/2009 | 387,632            | 358,398    | 28,175                         | 1,059            | 0                  | 28,175                         | 1,059                      | 29,234       | \$ 0                | \$ 199,945                     | \$ 7,907                   | \$ 207,852    |
| 5/12/2009 | 1,419,670          | 1,311,797  | 103,974                        | 3,898            | 0                  | 103,974                        | 3,898                      | 107,872      | \$ 0                | \$ 736,841                     | \$ 29,078                  | \$ 765,920    |
| 5/13/2009 | 646,506            | 597,303    | 47,426                         | 1,776            | 0                  | 47,426                         | 1,776                      | 49,202       | \$ 0                | \$ 321,354                     | \$ 12,682                  | \$ 334,036    |
| 5/14/2009 | 2,963,231          | 2,733,906  | 221,081                        | 8,243            | 0                  | 221,081                        | 8,243                      | 229,325      | \$ 0                | \$ 1,635,462                   | \$ 64,125                  | \$ 1,699,588  |
| 5/15/2009 | 248,043            | 228,826    | 18,526                         | 691              | 0                  | 18,526                         | 691                        | 19,217       | \$ 0                | \$ 139,388                     | \$ 5,461                   | \$ 144,850    |
| 5/18/2009 | 2,052              | 1,895      | 152                            | 6                | 0                  | 152                            | 6                          | 157          | \$ 0                | \$ 1,142                       | \$ 45                      | \$ 1,186      |
| 5/19/2009 | 315,072            | 290,621    | 23,573                         | 878              | 0                  | 23,573                         | 878                        | 24,451       | \$ 0                | \$ 183,311                     | \$ 7,174                   | \$ 190,485    |
| 5/20/2009 | 635,298            | 585,959    | 47,568                         | 1,770            | 0                  | 47,568                         | 1,770                      | 49,339       | \$ 0                | \$ 386,086                     | \$ 15,082                  | \$ 401,168    |
| 5/21/2009 | 693,758            | 639,551    | 52,264                         | 1,943            | 0                  | 52,264                         | 1,943                      | 54,207       | \$ 0                | \$ 414,038                     | \$ 16,165                  | \$ 430,202    |
| 5/22/2009 | 3,524,726          | 3,244,488  | 270,245                        | 9,993            | 0                  | 270,245                        | 9,993                      | 280,238      | \$ 0                | \$ 1,743,660                   | \$ 68,041                  | \$ 1,811,701  |
| 5/25/2009 | 1,232,750          | 1,134,065  | 95,172                         | 3,513            | 0                  | 95,172                         | 3,513                      | 98,685       | \$ 0                | \$ 631,854                     | \$ 24,584                  | \$ 656,439    |
| 5/26/2009 | 1,560,528          | 1,434,614  | 121,443                        | 4,471            | 0                  | 121,443                        | 4,471                      | 125,914      | \$ 0                | \$ 848,799                     | \$ 32,905                  | \$ 881,704    |
| 5/27/2009 | 1,197,412          | 1,100,202  | 93,764                         | 3,446            | 0                  | 93,764                         | 3,446                      | 97,210       | \$ 0                | \$ 637,121                     | \$ 24,669                  | \$ 661,790    |
| 5/28/2009 | 887,085            | 814,809    | 69,718                         | 2,559            | 0                  | 69,718                         | 2,559                      | 72,276       | \$ 0                | \$ 501,495                     | \$ 19,367                  | \$ 520,862    |
| 5/29/2009 | 1,505,543          | 1,381,999  | 119,180                        | 4,364            | 0                  | 119,180                        | 4,364                      | 123,544      | \$ 0                | \$ 931,386                     | \$ 35,824                  | \$ 967,210    |
| 6/1/2009  | 615,883            | 565,020    | 49,069                         | 1,795            | 0                  | 49,069                         | 1,795                      | 50,864       | \$ 0                | \$ 416,839                     | \$ 15,992                  | \$ 432,831    |
| 6/2/2009  | 1,040,400          | 954,241    | 83,122                         | 3,036            | 0                  | 83,122                         | 3,036                      | 86,158       | \$ 0                | \$ 715,812                     | \$ 27,412                  | \$ 743,223    |
| 6/3/2009  | 524,893            | 481,178    | 42,176                         | 1,539            | 0                  | 42,176                         | 1,539                      | 43,715       | \$ 0                | \$ 341,891                     | \$ 13,097                  | \$ 354,988    |
| 6/4/2009  | 512,578            | 469,798    | 41,275                         | 1,505            | 0                  | 41,275                         | 1,505                      | 42,780       | \$0                 | \$ 358,651                     | \$ 13,710                  | \$ 372,361    |
| 6/5/2009  | 1,864,383          | 1,707,191  | 151,677                        | 5,515            | 12,094             | 151,677                        | 5,515                      | 169,286      | \$ 4,838            | \$ 1,499,347                   | \$ 57,187                  | \$ 1,561,371  |
| 6/8/2009  | 35,278,848         | 31,717,982 | 3,436,049                      | 124,817          | 0                  | 3,436,049                      | 124,817                    | 3,560,866    | \$ 0                | \$ 32,574,619                  | \$ 1,240,557               | \$ 33,815,177 |
| 6/9/2009  | 852,903            | 780,503    | 69,865                         | 2,535            | 0                  | 69,865                         | 2,535                      | 72,400       | \$0                 | \$ 626,071                     | \$ 23,803                  | \$ 649,874    |
| 6/10/2009 | 1,250,955          | 1,144,211  | 103,011                        | 3,732            | 0                  | 103,011                        | 3,732                      | 106,744      | \$0                 | \$ 876,067                     | \$ 33,287                  | \$ 909,354    |
| 6/11/2009 | 1,599,251          | 1,461,910  | 132,549                        | 4,793            | 0                  | 132,549                        | 4,793                      | 137,341      | \$0                 | \$ 1,204,170                   | \$ 45,621                  | \$ 1,249,791  |
| 6/12/2009 | 505,583            | 462,069    | 41,996                         | 1,518            | ů,                 | 41,996                         | 1,518                      | 43,513       | \$0                 | \$ 373,067                     | \$ 14,127                  | \$ 387,194    |
| 6/15/2009 | 743,885            | 679,658    | 61,989                         | 2,238            | 0                  | 61,989                         | 2,238                      | 64,227       | \$ 0                | \$ 545,852                     | \$ 20,653                  | \$ 566,505    |

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Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|             |                           |            | der Model Sales of I<br>Purchase Volume | Investor                          |                   | Damageo                               | d Shares                          |         | OSA Section 138.5(3) Damages |                                        |                                    |               |  |
|-------------|---------------------------|------------|-----------------------------------------|-----------------------------------|-------------------|---------------------------------------|-----------------------------------|---------|------------------------------|----------------------------------------|------------------------------------|---------------|--|
|             | Investor                  |            | Retai                                   | ned                               |                   | Retai                                 | ned                               |         |                              | Retair                                 | ned                                |               |  |
| Date<br>[1] | Purchase<br>Volume<br>[2] | In-and-Out | Sold During<br>6/3 - 8/25/2011<br>[4]   | Still Held on<br>8/25/2011<br>[5] | In-and-Out<br>[6] | Sold During<br>6/3 - 8/25/2011<br>[7] | Still Held on<br>8/25/2011<br>[8] | Total   | In-and-Out                   | Sold During<br>6/3 - 8/25/2011<br>[11] | Still Held on<br>8/25/2011<br>[12] | Total<br>[13] |  |
| 6/16/2009   | 1,272,539                 | 1,162,550  | 106,163                                 | 3,827                             | [0]               | 106,163                               | 3,827                             | 109,989 | \$0                          | \$ 974,451                             | \$ 36,808                          | \$ 1,011,258  |  |
| 6/17/2009   | 701,445                   | 640,397    | 58,926                                  | 2,122                             | 0                 | 58,926                                | 2,122                             | 61,048  | \$ 0                         | \$ 521,169                             | \$ 19,669                          | \$ 540,838    |  |
| 6/18/2009   | 674,834                   | 615,950    | 56,839                                  | 2,045                             | 0                 | 56,839                                | 2,045                             | 58,884  | \$ 0                         | \$ 480,621                             | \$ 18,139                          | \$ 498,760    |  |
| 6/19/2009   | 3,096,734                 | 2,822,860  | 264,398                                 | 9,477                             | 0                 | 264,398                               | 9,477                             | 273,875 | \$ 0                         | \$ 2,338,447                           | \$ 87,838                          | \$ 2,426,285  |  |
| 6/22/2009   | 1,183,602                 | 1,078,819  | 101,162                                 | 3,620                             | 0                 | 101,162                               | 3,620                             | 104,783 | \$ 0                         | \$ 842,627                             | \$ 31,639                          | \$ 874,267    |  |
| 6/23/2009   | 759,427                   | 691,718    | 65,372                                  | 2,337                             | 0                 | 65,372                                | 2,337                             | 67,709  | \$ 0                         | \$ 524,823                             | \$ 19,702                          | \$ 544,525    |  |
| 6/24/2009   | 716,120                   | 652,086    | 61,826                                  | 2,209                             | 0                 | 61,826                                | 2,209                             | 64,034  | \$0                          | \$ 507,164                             | \$ 19,014                          | \$ 526,177    |  |
| 6/25/2009   | 784,798                   | 714,389    | 67,983                                  | 2,426                             | 0                 | 67,983                                | 2,426                             | 70,410  | \$ 0                         | \$ 566,923                             | \$ 21,227                          | \$ 588,150    |  |
| 6/26/2009   | 430,554                   | 391,858    | 37,364                                  | 1,333                             | 0                 | 37,364                                | 1,333                             | 38,696  | \$ 0                         | \$ 307,950                             | \$ 11,527                          | \$ 319,477    |  |
| 6/29/2009   | 387,766                   | 352,858    | 33,706                                  | 1,202                             | 0                 | 33,706                                | 1,202                             | 34,908  | \$0                          | \$ 269,292                             | \$ 10,081                          | \$ 279,373    |  |
| 6/30/2009   | 820,726                   | 746,595    | 71,582                                  | 2,549                             | 0                 | 71,582                                | 2,549                             | 74,131  | \$ 0                         | \$ 538,508                             | \$ 20,163                          | \$ 558,671    |  |
| 7/1/2009    | 8,479                     | 7,740      | 714                                     | 25                                | 0                 | 714                                   | 25                                | 739     | \$ 0                         | \$ 5,371                               | \$ 201                             | \$ 5,572      |  |
| 7/2/2009    | 688,926                   | 626,478    | 60,303                                  | 2,146                             | 0                 | 60,303                                | 2,146                             | 62,449  | \$ 0                         | \$ 459,517                             | \$ 17,186                          | \$ 476,703    |  |
| 7/3/2009    | 151,017                   | 137,315    | 13,230                                  | 471                               | 0                 | 13,230                                | 471                               | 13,701  | \$ 0                         | \$ 102,618                             | \$ 3,836                           | \$ 106,454    |  |
| 7/6/2009    | 779,176                   | 708,261    | 68,481                                  | 2,434                             | 0                 | 68,481                                | 2,434                             | 70,915  | \$ 0                         | \$ 499,880                             | \$ 18,691                          | \$ 518,571    |  |
| 7/7/2009    | 1,194,952                 | 1,085,655  | 105,551                                 | 3,746                             | 0                 | 105,551                               | 3,746                             | 109,297 | \$ 0                         | \$ 769,441                             | \$ 28,729                          | \$ 798,171    |  |
| 7/8/2009    | 1,812,354                 | 1,645,969  | 160,695                                 | 5,691                             | 0                 | 160,695                               | 5,691                             | 166,385 | \$0                          | \$ 1,052,499                           | \$ 39,316                          | \$ 1,091,816  |  |
| 7/9/2009    | 659,388                   | 598,462    | 58,844                                  | 2,082                             | 0                 | 58,844                                | 2,082                             | 60,926  | \$ 0                         | \$ 425,526                             | \$ 15,843                          | \$ 441,369    |  |
| 7/10/2009   | 456,814                   | 414,526    | 40,843                                  | 1,444                             | 0                 | 40,843                                | 1,444                             | 42,288  | \$0                          | \$ 303,290                             | \$ 11,279                          | \$ 314,569    |  |
| 7/13/2009   | 5,052,387                 | 4,574,727  | 461,444                                 | 16,215                            | 0                 | 461,444                               | 16,215                            | 477,660 | \$ 0                         | \$ 3,552,022                           | \$ 131,166                         | \$ 3,683,188  |  |
| 7/14/2009   | 1,550,412                 | 1,402,898  | 142,516                                 | 4,998                             | 0                 | 142,516                               | 4,998                             | 147,514 | \$0                          | \$ 1,189,798                           | \$ 43,782                          | \$ 1,233,580  |  |
| 7/15/2009   | 1,420,716                 | 1,284,740  | 131,376                                 | 4,600                             | 0                 | 131,376                               | 4,600                             | 135,976 | \$0                          | \$ 1,136,367                           | \$ 41,715                          | \$ 1,178,081  |  |
| 7/16/2009   | 244,626                   | 221,207    | 22,627                                  | 792                               | 0                 | 22,627                                | 792                               | 23,419  | \$ 0                         | \$ 195,498                             | \$ 7,174                           | \$ 202,672    |  |
| 7/17/2009   | 875,576                   | 791,388    | 81,344                                  | 2,844                             | 0                 | 81,344                                | 2,844                             | 84,188  | \$0                          | \$ 718,614                             | \$ 26,333                          | \$ 744,947    |  |
| 7/20/2009   | 437,792                   | 395,645    | 40,724                                  | 1,423                             | 0                 | 40,724                                | 1,423                             | 42,148  | \$ 0                         | \$ 361,749                             | \$ 13,247                          | \$ 374,996    |  |
| 7/21/2009   | 458,899                   | 414,614    | 42,790                                  | 1,494                             | 0                 | 42,790                                | 1,494                             | 44,285  | \$ 0                         | \$ 377,604                             | \$ 13,822                          | \$ 391,426    |  |
| 7/22/2009   | 300,939                   | 271,863    | 28,095                                  | 981                               | 0                 | 28,095                                | 981                               | 29,076  | \$0                          | \$ 247,654                             | \$ 9,062                           | \$ 256,716    |  |
| 7/23/2009   | 372,231                   | 336,304    | 34,716                                  | 1,211                             | 0                 | 34,716                                | 1,211                             | 35,927  | \$0                          | \$ 305,002                             | \$ 11,156                          | \$ 316,158    |  |
| 7/24/2009   | 466,498                   | 421,270    | 43,703                                  | 1,524                             | 0                 | 43,703                                | 1,524                             | 45,228  | \$0                          | \$ 370,801                             | \$ 13,564                          | \$ 384,364    |  |
| 7/27/2009   | 991,239                   | 894,745    | 93,246                                  | 3,248                             | 0                 | 93,246                                | 3,248                             | 96,494  | \$ 0                         | \$ 847,060                             | \$ 30,918                          | \$ 877,978    |  |
| 7/28/2009   | 380,884                   | 343,742    | 35,893                                  | 1,250                             | 0                 | 35,893                                | 1,250                             | 37,142  | \$0                          | \$ 318,826                             | \$ 11,633                          | \$ 330,459    |  |
| 7/29/2009   | 370,546                   | 334,358    | 34,971                                  | 1,217                             | 0                 | 34,971                                | 1,217                             | 36,188  | \$ 0                         | \$ 299,427                             | \$ 10,927                          | \$ 310,354    |  |
| 7/30/2009   | 311,229                   | 280,824    | 29,383                                  | 1,022                             | 0                 | 29,383                                | 1,022                             | 30,405  | \$ 0                         | \$ 268,021                             | \$ 9,771                           | \$ 277,791    |  |
| 7/31/2009   | 599,767                   | 540,986    | 56,807                                  | 1,975                             | 4,577             | 56,807                                | 1,975                             | 63,359  | \$ 1,099                     | \$ 552,937                             | \$ 20,159                          | \$ 574,195    |  |
| 8/3/2009    | 8,270                     | 7,478      | 766                                     | 27                                | 62                | 766                                   | 27                                | 855     | \$ 1,099                     | \$ 7,458                               | \$ 20,139                          | \$ 7,745      |  |
| 8/4/2009    | 812,957                   | 733,054    | 77,222                                  | 2,682                             | 6,224             | 77,222                                | 2,682                             | 86,127  | \$ 4,979                     | \$ 792,361                             | \$ 28,878                          | \$ 826,218    |  |
| 8/5/2009    | 608,717                   | 548,709    | 57,996                                  | 2,012                             | 4,675             | 57,996                                | 2,012                             | 64,683  | \$ 5,283                     | \$ 612,522                             | \$ 22,246                          | \$ 640,050    |  |
| 8/6/2009    | 1,334,565                 | 1,202,295  | 127,841                                 | 4,429                             | 10,309            | 127,841                               | 4,429                             | 142,579 | \$ 15,979                    | \$ 1,397,096                           | \$ 50,275                          | \$ 1,463,350  |  |
| 8/7/2009    | 489,637                   | 441,029    | 46,981                                  | 1,627                             | 3,789             | 46,981                                | 1,627                             | 52,397  | \$ 6,555                     | \$ 520,811                             | \$ 18,672                          | \$ 546,039    |  |
| 8/10/2009   | 355,373                   | 320,091    | 34,103                                  | 1,180                             | 2,751             | 34,103                                | 1,180                             | 38,033  | \$ 4,016                     | \$ 370,005                             | \$ 13,322                          | \$ 340,039    |  |
| 8/11/2009   | 644,803                   | 580,487    | 62,166                                  | 2,150                             | 5,015             | 62,166                                | 2,150                             | 69,330  | \$ 4,815                     | \$ 647,232                             | \$ 23,493                          | \$ 675,540    |  |
| 8/12/2009   | 443,573                   | 399,251    | 42,842                                  | 1,481                             | 3,457             | 42,842                                | 1,481                             | 47,779  | \$ 4,978                     | \$ 464,075                             | \$ 25,493<br>\$ 16,692             | \$ 485,745    |  |
| 8/13/2009   | 769,042                   | 691,947    | 74,522                                  | 2,573                             | 6,014             | 74,522                                | 2,573                             | 83,109  | \$ 9,562                     | \$ 817,005                             | \$ 29,282                          | \$ 855,850    |  |
| 8/14/2009   | 383,870                   | 345,325    | 37,259                                  | 1,286                             | 3,007             | 37,259                                | 1,286                             | 41,552  | \$ 5,112                     | \$ 412,060                             | \$ 29,282<br>\$ 14,734             | \$ 431,906    |  |
| 8/17/2009   | 975,976                   | 877,600    | 95,098                                  | 3,278                             | 7,678             | 95,098                                | 3,278                             | 106,054 | \$ 6,987                     | \$ 985,623                             | \$ 35,661                          | \$ 1,028,271  |  |
| 8/18/2009   | 388,782                   | 349,547    | 37,928                                  | 1,307                             | 3,062             | 37,928                                | 1,307                             | 42,298  | \$ 2,879                     | \$ 394,172                             | \$ 14,255                          | \$ 411,306    |  |
| 8/19/2009   | 518,575                   | 466,096    | 50,732                                  | 1,747                             | 4,097             | 50,732                                | 1,747                             | 56,575  | \$ 2,827                     | \$ 515,291                             | \$ 18,618                          | \$ 536,736    |  |
| 8/20/2009   | 582,064                   | 523,037    | 57,064                                  | 1,747                             | 4,609             | 57,064                                | 1,747                             | 63,636  | \$ 2,827<br>\$ 1,567         | \$ 560,803                             | \$ 20,240                          | \$ 582,610    |  |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |                                       | Damage                         | d Shares                   |         | OSA Section 138.5(3) Damages |                                |                            |              |  |
|------------|--------------------|------------|---------------------------------------|----------------------------|---------------------------------------|--------------------------------|----------------------------|---------|------------------------------|--------------------------------|----------------------------|--------------|--|
|            | Investor           |            | Retained                              |                            |                                       | Retai                          | ned                        |         | Retained                     |                                |                            |              |  |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out                            | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out                   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total        |  |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]                                   | [7]                            | [8]                        | [9]     | [10]                         | [11]                           | [12]                       | [13]         |  |
| 8/21/2009  | 492,826            | 442,766    | 48,396                                | 1,664                      | 3,909                                 | 48,396                         | 1,664                      | 53,969  | \$ 3,088                     | \$ 496,118                     | \$ 17,904                  | \$ 517,110   |  |
| 8/24/2009  | 273,773            | 245,922    | 26,926                                | 926                        | 2,175                                 | 26,926                         | 926                        | 30,027  | \$ 1,175                     | \$ 269,687                     | \$ 9,726                   | \$ 280,589   |  |
| 8/25/2009  | 324,076            | 291,066    | 31,914                                | 1,097                      | 2,578                                 | 31,914                         | 1,097                      | 35,589  | \$ 2,011                     | \$ 326,855                     | \$ 11,787                  | \$ 340,653   |  |
| 8/26/2009  | 536,218            | 481,457    | 52,943                                | 1,818                      | 4,278                                 | 52,943                         | 1,818                      | 59,039  | \$ 1,668                     | \$ 522,798                     | \$ 18,832                  | \$ 543,299   |  |
| 8/27/2009  | 368,925            | 331,195    | 36,479                                | 1,252                      | 2,948                                 | 36,479                         | 1,252                      | 40,679  | \$ 2,211                     | \$ 372,576                     | \$ 13,420                  | \$ 388,207   |  |
| 8/28/2009  | 575,729            | 516,707    | 57,065                                | 1,957                      | 4,612                                 | 57,065                         | 1,957                      | 63,634  | \$ 1,107                     | \$ 555,434                     | \$ 19,980                  | \$ 576,521   |  |
| 8/31/2009  | 1,338,958          | 1,200,966  | 133,424                               | 4,568                      | 0                                     | 133,424                        | 4,568                      | 137,992 | \$ 0                         | \$ 1,159,207                   | \$ 41,614                  | \$ 1,200,821 |  |
| 9/1/2009   | 1,242,804          | 1,114,134  | 124,417                               | 4,254                      | 0                                     | 124,417                        | 4,254                      | 128,671 | \$ 0                         | \$ 1,066,447                   | \$ 38,235                  | \$ 1,104,682 |  |
| 9/2/2009   | 269,667            | 241,908    | 26,842                                | 917                        | 0                                     | 26,842                         | 917                        | 27,759  | \$ 0                         | \$ 235,554                     | \$ 8,439                   | \$ 243,993   |  |
| 9/3/2009   | 262,338            | 235,110    | 26,328                                | 900                        | 0                                     | 26,328                         | 900                        | 27,228  | \$0                          | \$ 242,630                     | \$ 8,688                   | \$ 251,318   |  |
| 9/4/2009   | 399,215            | 357,733    | 40,112                                | 1,370                      | 0                                     | 40,112                         | 1,370                      | 41,482  | \$ 0                         | \$ 380,988                     | \$ 13,642                  | \$ 394,629   |  |
| 9/7/2009   | 364                | 326        | 37                                    | 1                          | 0                                     | 37                             | 1                          | 38      | \$0                          | \$ 347                         | \$ 12                      | \$ 360       |  |
| 9/8/2009   | 1,240,531          | 1,110,894  | 125,363                               | 4,274                      | 10,147                                | 125,363                        | 4,274                      | 139,784 | \$ 11,060                    | \$ 1,319,599                   | \$ 47,128                  | \$ 1,377,787 |  |
| 9/9/2009   | 952,978            | 853,053    | 96,634                                | 3,291                      | 7,823                                 | 96,634                         | 3,291                      | 107,749 | \$ 13,378                    | \$ 1,069,533                   | \$ 37,732                  | \$ 1,120,642 |  |
| 9/10/2009  | 900,893            | 806,068    | 91,705                                | 3,120                      | 7,426                                 | 91,705                         | 3,120                      | 102,251 | \$ 20,051                    | \$ 1,093,146                   | \$ 37,957                  | \$ 1,151,154 |  |
| 9/11/2009  | 723,279            | 646,912    | 73,857                                | 2,510                      | 5,982                                 | 73,857                         | 2,510                      | 82,349  | \$ 17,468                    | \$ 893,959                     | \$ 30,934                  | \$ 942,361   |  |
| 9/14/2009  | 437,018            | 390,773    | 44,725                                | 1,519                      | 3,623                                 | 44,725                         | 1,519                      | 49,867  | \$ 10,326                    | \$ 538,736                     | \$ 18,647                  | \$ 567,709   |  |
| 9/15/2009  | 603,308            | 539,360    | 61,849                                | 2,099                      | 5,011                                 | 61,849                         | 2,099                      | 68,959  | \$ 14,833                    | \$ 750,682                     | \$ 25,931                  | \$ 791,445   |  |
| 9/16/2009  | 791,065            | 706,874    | 81,429                                | 2,761                      | 6,599                                 | 81,429                         | 2,761                      | 90,790  | \$ 19,071                    | \$ 983,579                     | \$ 33,970                  | \$ 1,036,620 |  |
| 9/17/2009  | 467,232            | 417,429    | 48,170                                | 1.633                      | 3.904                                 | 48.170                         | 1,633                      | 53,706  | \$ 11,283                    | \$ 581,838                     | \$ 20,083                  | \$ 613,204   |  |
| 9/18/2009  | 761,782            | 680,331    | 78,783                                | 2,668                      | 6,387                                 | 78,783                         | 2,668                      | 87,838  | \$ 23,950                    | \$ 1,006,422                   | \$ 34,442                  | \$ 1,064,815 |  |
| 9/21/2009  | 675,262            | 602,838    | 70,054                                | 2,370                      | 5,680                                 | 70,054                         | 2,370                      | 78,104  | \$ 19,540                    | \$ 878,172                     | \$ 30,080                  | \$ 927,791   |  |
| 9/22/2009  | 428,885            | 382,792    | 44,586                                | 1,508                      | 3,616                                 | 44,586                         | 1,508                      | 49,709  | \$ 14,095                    | \$ 576,255                     | \$ 19,679                  | \$ 610,029   |  |
| 9/23/2009  | 657,925            | 587,028    | 68,581                                | 2,317                      | 5,562                                 | 68,581                         | 2,317                      | 76,460  | \$ 21,842                    | \$ 888,429                     | \$ 30,311                  | \$ 940,582   |  |
| 9/24/2009  | 549,608            | 490,265    | 57,406                                | 1,938                      | 4,657                                 | 57,406                         | 1,938                      | 64,001  | \$ 11,176                    | \$ 669,751                     | \$ 23,170                  | \$ 704,097   |  |
| 9/25/2009  | 1,344,725          | 1,198,671  | 141,291                               | 4,762                      | 11,466                                | 141,291                        | 4,762                      | 157,520 | \$ 17,658                    | \$ 1,542,796                   | \$ 54,028                  | \$ 1,614,482 |  |
| 9/28/2009  | 554,231            | 493,894    | 58,370                                | 1,966                      | 4,738                                 | 58,370                         | 1,966                      | 65,074  | \$ 10,612                    | \$ 672,906                     | \$ 23,281                  | \$ 706,799   |  |
| 9/29/2009  | 1,472,862          | 1,311,559  | 156,056                               | 5,247                      | 12,672                                | 156,056                        | 5,247                      | 173,975 | \$ 30,285                    | \$ 1,819,351                   | \$ 62,686                  | \$ 1,912,322 |  |
| 9/30/2009  | 676,267            | 601,981    | 71,871                                | 2,414                      | 5,837                                 | 71,871                         | 2,414                      | 80,122  | \$ 30,283<br>\$ 14,301       | \$ 841,630                     | \$ 28,948                  | \$ 884,879   |  |
| 10/1/2009  | 811,800            | 722,397    | 86,500                                | 2,414                      | 7,027                                 | 86,500                         | 2,414                      | 96,429  | \$ 14,301<br>\$ 10,470       | \$ 841,630<br>\$ 940,729       | \$ 28,948                  | \$ 984,028   |  |
| 10/1/2009  | 1,016,663          | 904,183    | 108,832                               | 2,903<br>3,648             | 8,843                                 | 108,832                        | 2,903<br>3,648             | 121,323 | \$ 10,470<br>\$ 17,952       | \$ 1,234,809                   | \$ 32,830<br>\$ 42,651     | \$ 1,295,412 |  |
|            |                    |            |                                       |                            | · · · · · · · · · · · · · · · · · · · |                                |                            |         |                              |                                |                            |              |  |
| 10/5/2009  | 307,580            | 273,507    | 32,969                                | 1,105                      | 2,679                                 | 32,969                         | 1,105                      | 36,753  | \$ 5,332                     | \$ 372,920                     | \$ 12,884                  | \$ 391,136   |  |
| 10/6/2009  | 522,559            | 464,547    | 56,133                                | 1,880                      | 4,562                                 | 56,133                         | 1,880                      | 62,574  | \$ 8,623                     | \$ 630,064                     | \$ 21,789                  | \$ 660,476   |  |
| 10/7/2009  | 296,713            | 263,755    | 31,890                                | 1,067                      | 2,592                                 | 31,890                         | 1,067                      | 35,550  | \$ 6,454                     | \$ 374,516                     | \$ 12,829                  | \$ 393,798   |  |
| 10/8/2009  | 524,000            | 465,638    | 56,473                                | 1,889                      | 4,591                                 | 56,473                         | 1,889                      | 62,953  | \$ 9,779                     | \$ 645,642                     | \$ 22,221                  | \$ 677,642   |  |
| 10/9/2009  | 265,467            | 235,867    | 28,642                                | 958                        | 2,329                                 | 28,642                         | 958                        | 31,928  | \$ 5,449                     | \$ 332,674                     | \$ 11,409                  | \$ 349,532   |  |
| 10/12/2009 | 821                | 729        | 89                                    | 3                          | 7                                     | 89                             | 3                          | 99      | \$ 17                        | \$ 1,029                       | \$ 35                      | \$ 1,081     |  |
| 10/13/2009 | 1,324,272          | 1,175,786  | 143,689                               | 4,797                      | 11,686                                | 143,689                        | 4,797                      | 160,172 | \$ 27,814                    | \$ 1,673,917                   | \$ 57,278                  | \$ 1,759,008 |  |
| 10/14/2009 | 408,903            | 362,978    | 44,442                                | 1,483                      | 3,615                                 | 44,442                         | 1,483                      | 49,540  | \$ 8,893                     | \$ 520,805                     | \$ 17,791                  | \$ 547,489   |  |
| 10/15/2009 | 309,401            | 274,687    | 33,593                                | 1,121                      | 2,733                                 | 33,593                         | 1,121                      | 37,447  | \$ 5,957                     | \$ 385,522                     | \$ 13,220                  | \$ 404,700   |  |
| 10/16/2009 | 276,485            | 245,612    | 29,876                                | 996                        | 2,431                                 | 29,876                         | 996                        | 33,303  | \$ 5,931                     | \$ 349,598                     | \$ 11,937                  | \$ 367,465   |  |
| 10/19/2009 | 201,723            | 179,033    | 21,957                                | 732                        | 1,786                                 | 21,957                         | 732                        | 24,476  | \$ 3,912                     | \$ 252,176                     | \$ 8,641                   | \$ 264,730   |  |
| 10/20/2009 | 338,061            | 299,928    | 36,903                                | 1,230                      | 3,003                                 | 36,903                         | 1,230                      | 41,136  | \$ 6,576                     | \$ 423,826                     | \$ 14,517                  | \$ 444,919   |  |
| 10/21/2009 | 969,814            | 859,936    | 106,339                               | 3,539                      | 8,655                                 | 106,339                        | 3,539                      | 118,533 | \$ 22,676                    | \$ 1,260,453                   | \$ 42,861                  | \$ 1,325,990 |  |
| 10/22/2009 | 556,717            | 493,505    | 61,177                                | 2,035                      | 4,980                                 | 61,177                         | 2,035                      | 68,192  | \$ 10,657                    | \$ 699,954                     | \$ 23,949                  | \$ 734,560   |  |
| 10/23/2009 | 478,737            | 424,271    | 52,714                                | 1,752                      | 4,292                                 | 52,714                         | 1,752                      | 58,758  | \$ 8,068                     | \$ 591,227                     | \$ 20,301                  | \$ 619,596   |  |
| 10/26/2009 | 401,788            | 356,003    | 44,313                                | 1,472                      | 3,608                                 | 44,313                         | 1,472                      | 49,393  | \$ 7,721                     | \$ 506,998                     | \$ 17,328                  | \$ 532,048   |  |
| 10/27/2009 | 417,085            | 369,471    | 46,084                                | 1,530                      | 3,753                                 | 46,084                         | 1,530                      | 51,367  | \$ 6,192                     | \$ 507,625                     | \$ 17,480                  | \$ 531,297   |  |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|             |                                       |                   | der Model Sales of<br>Purchase Volume | Investor                          |            | Damage                                | d Shares                          |              | OSA Section 138.5(3) Damages |                                        |                                    |               |  |
|-------------|---------------------------------------|-------------------|---------------------------------------|-----------------------------------|------------|---------------------------------------|-----------------------------------|--------------|------------------------------|----------------------------------------|------------------------------------|---------------|--|
|             | Investor<br>Purchase<br>Volume<br>[2] | Retained          |                                       |                                   |            | Retai                                 | ned                               |              | Retained                     |                                        |                                    |               |  |
| Date<br>[1] |                                       | In-and-Out<br>[3] | Sold During<br>6/3 - 8/25/2011<br>[4] | Still Held on<br>8/25/2011<br>[5] | In-and-Out | Sold During<br>6/3 - 8/25/2011<br>[7] | Still Held on<br>8/25/2011<br>[8] | Total<br>[9] | In-and-Out                   | Sold During<br>6/3 - 8/25/2011<br>[11] | Still Held on<br>8/25/2011<br>[12] | Total         |  |
| 10/28/2009  | 675,618                               | 598,374           | 74,763                                | 2,481                             | 6,089      | 74,763                                | 2,481                             | 83,333       | \$ 3,897                     | \$ 755,805                             | \$ 26,316                          | \$ 786,018    |  |
| 10/29/2009  | 381,610                               | 337,908           | 42,300                                | 1,403                             | 3,446      | 42,300                                | 1,403                             | 47,148       | \$ 4,100                     | \$ 448,938                             | \$ 15,566                          | \$ 468,604    |  |
| 10/30/2009  | 799,640                               | 707,695           | 88,996                                | 2,949                             | 7,251      | 88,996                                | 2,949                             | 99,196       | \$ 5,583                     | \$ 910,585                             | \$ 31,664                          | \$ 947,832    |  |
| 11/2/2009   | 621,576                               | 549,803           | 69,474                                | 2,300                             | 5,661      | 69,474                                | 2,300                             | 77,435       | \$ 10,983                    | \$ 782,816                             | \$ 26,745                          | \$ 820,544    |  |
| 11/3/2009   | 764,090                               | 675,543           | 85,712                                | 2,835                             | 6,986      | 85,712                                | 2,835                             | 95,533       | \$ 10,759                    | \$ 935,892                             | \$ 32,161                          | \$ 978,812    |  |
| 11/4/2009   | 984,465                               | 869,912           | 110,889                               | 3,663                             | 9,041      | 110,889                               | 3,663                             | 123,593      | \$ 27,665                    | \$ 1,355,182                           | \$ 45,505                          | \$ 1,428,352  |  |
| 11/5/2009   | 457,208                               | 403,915           | 51,589                                | 1,703                             | 4,207      | 51,589                                | 1,703                             | 57,499       | \$ 13,377                    | \$ 635,643                             | \$ 21,303                          | \$ 670,324    |  |
| 11/6/2009   | 306,482                               | 270,708           | 34,631                                | 1,143                             | 2,824      | 34,631                                | 1,143                             | 38,598       | \$ 8,924                     | \$ 426,121                             | \$ 14,279                          | \$ 449,324    |  |
| 11/9/2009   | 615,165                               | 543,190           | 69,677                                | 2,298                             | 5,683      | 69,677                                | 2,298                             | 77,658       | \$ 22,073                    | \$ 899,519                             | \$ 29,962                          | \$ 951,554    |  |
| 11/10/2009  | 518,996                               | 458,122           | 58,932                                | 1,942                             | 4,807      | 58,932                                | 1,942                             | 65,681       | \$ 15,335                    | \$ 726,607                             | \$ 24,306                          | \$ 766,248    |  |
| 11/11/2009  | 354,352                               | 312,731           | 40,294                                | 1,327                             | 3,287      | 40,294                                | 1,327                             | 44,908       | \$ 10,158                    | \$ 493,443                             | \$ 16,518                          | \$ 520,118    |  |
| 11/12/2009  | 753,446                               | 664,683           | 85,935                                | 2,828                             | 7,012      | 85,935                                | 2,828                             | 95,775       | \$ 22,789                    | \$ 1,063,840                           | \$ 35,515                          | \$ 1,122,145  |  |
| 11/13/2009  | 384,533                               | 339,160           | 43,928                                | 1,445                             | 3,585      | 43,928                                | 1,445                             | 48,957       | \$ 12,977                    | \$ 556,864                             | \$ 18,525                          | \$ 588,366    |  |
| 11/16/2009  | 809,121                               | 713,314           | 92,758                                | 3,048                             | 7,572      | 92,758                                | 3,048                             | 103,378      | \$ 29,301                    | \$ 1,196,101                           | \$ 39,706                          | \$ 1,265,107  |  |
| 11/17/2009  | 1,035,811                             | 912,649           | 119,248                               | 3,914                             | 9,737      | 119,248                               | 3,914                             | 132,899      | \$ 45,895                    | \$ 1,644,014                           | \$ 54,282                          | \$ 1,744,191  |  |
| 11/18/2009  | 998,631                               | 879,374           | 115,472                               | 3,785                             | 9,431      | 115,472                               | 3,785                             | 128,688      | \$ 38,569                    | \$ 1,515,816                           | \$ 50,136                          | \$ 1,604,521  |  |
| 11/19/2009  | 570,780                               | 502,458           | 66,154                                | 2,167                             | 5,404      | 66,154                                | 2,167                             | 73,725       | \$ 22,483                    | \$ 873,374                             | \$ 28,857                          | \$ 924,714    |  |
| 11/20/2009  | 322,600                               | 283,939           | 37,435                                | 1,226                             | 3,058      | 37,435                                | 1,226                             | 41,719       | \$ 12,420                    | \$ 490,295                             | \$ 16,201                          | \$ 518,917    |  |
| 11/23/2009  | 300,642                               | 264,567           | 34,932                                | 1,143                             | 2,854      | 34,932                                | 1,143                             | 38,929       | \$ 12,218                    | \$ 465,621                             | \$ 15,363                          | \$ 493,203    |  |
| 11/24/2009  | 368,704                               | 324,407           | 42,894                                | 1,403                             | 3,505      | 42,894                                | 1,403                             | 47,802       | \$ 14,135                    | \$ 560,501                             | \$ 18,508                          | \$ 593,144    |  |
| 11/25/2009  | 620,179                               | 545,439           | 72,374                                | 2,366                             | 5,915      | 72,374                                | 2,366                             | 80,655       | \$ 24,231                    | \$ 950,608                             | \$ 31,356                          | \$ 1,006,195  |  |
| 11/26/2009  | 72,603                                | 63,850            | 8,476                                 | 277                               | 693        | 8,476                                 | 277                               | 9,445        | \$ 2,793                     | \$ 110,752                             | \$ 3,654                           | \$ 117,200    |  |
| 11/27/2009  | 306,879                               | 269,858           | 35,850                                | 1,171                             | 2,930      | 35,850                                | 1,171                             | 39,951       | \$ 11,713                    | \$ 467,115                             | \$ 15,408                          | \$ 494,237    |  |
| 11/30/2009  | 693,443                               | 610,026           | 80,780                                | 2,637                             | 6,604      | 80,780                                | 2,637                             | 90,021       | \$ 26,023                    | \$ 1,047,700                           | \$ 34,540                          | \$ 1,108,264  |  |
| 12/1/2009   | 1,261,716                             | 1,108,079         | 148,786                               | 4,850                             | 12,167     | 148,786                               | 4,850                             | 165,804      | \$ 59,768                    | \$ 2,082,454                           | \$ 68,231                          | \$ 2,210,454  |  |
| 12/2/2009   | 1,303,686                             | 1,144,106         | 154,550                               | 5,030                             | 12,643     | 154,550                               | 5,030                             | 172,223      | \$ 54,576                    | \$ 2,065,864                           | \$ 67,764                          | \$ 2,188,205  |  |
| 12/3/2009   | 703,475                               | 617,523           | 83,245                                | 2,707                             | 6,811      | 83,245                                | 2,707                             | 92,764       | \$ 28,678                    | \$ 1,103,385                           | \$ 36,181                          | \$ 1,168,243  |  |
| 12/4/2009   | 1,048,392                             | 919,462           | 124,875                               | 4,055                             | 10,221     | 124,875                               | 4,055                             | 139,151      | \$ 42,017                    | \$ 1,642,066                           | \$ 53,801                          | \$ 1,737,884  |  |
| 12/7/2009   | 481,751                               | 422,221           | 57,659                                | 1,871                             | 4,720      | 57,659                                | 1,871                             | 64,251       | \$ 18,433                    | \$ 745,672                             | \$ 24,442                          | \$ 788,547    |  |
| 12/8/2009   | 477,887                               | 418,735           | 57,293                                | 1,858                             | 4,691      | 57,293                                | 1,858                             | 63,843       | \$ 16,793                    | \$ 724,581                             | \$ 23,772                          | \$ 765,146    |  |
| 12/9/2009   | 924,037                               | 809,193           | 111,240                               | 3,604                             | 9,110      | 111,240                               | 3,604                             | 123,954      | \$ 29,515                    | \$ 1,376,207                           | \$ 45,234                          | \$ 1,450,957  |  |
| 12/10/2009  | 4,805,056                             | 4,195,889         | 590,160                               | 19,007                            | 48,396     | 590,160                               | 19,007                            | 657,563      | \$ 113,247                   | \$ 6,854,562                           | \$ 226,409                         | \$ 7,194,219  |  |
| 12/11/2009  | 7,415,973                             | 6,445,448         | 940,518                               | 30,007                            | 77,294     | 940,518                               | 30,007                            | 1,047,819    | \$ 238,066                   | \$ 11,509,957                          | \$ 373,189                         | \$ 12,121,212 |  |
| 12/14/2009  | 1,760,086                             | 1,527,972         | 224,953                               | 7,161                             | 18,496     | 224,953                               | 7,161                             | 250,610      | \$ 59,004                    | \$ 2,773,630                           | \$ 89,623                          | \$ 2,922,256  |  |
| 12/15/2009  | 899,531                               | 780,831           | 115,042                               | 3,658                             | 9,462      | 115,042                               | 3,658                             | 128,162      | \$ 29,520                    | \$ 1,411,720                           | \$ 45,601                          | \$ 1,486,841  |  |
| 12/16/2009  | 1,217,320                             | 1,055,399         | 156,938                               | 4,983                             | 12,912     | 156,938                               | 4,983                             | 174,833      | \$ 39,639                    | \$ 1,919,279                           | \$ 61,938                          | \$ 2,020,856  |  |
| 12/17/2009  | 2,200,071                             | 1,904,964         | 286,050                               | 9,058                             | 23,549     | 286,050                               | 9,058                             | 318,656      | \$ 72,060                    | \$ 3,495,871                           | \$ 112,519                         | \$ 3,680,450  |  |
| 12/18/2009  | 23,307,933                            | 19,583,033        | 3,610,754                             | 114,146                           | 297,365    | 3,610,754                             | 114,146                           | 4,022,265    | \$ 850,464                   | \$ 43,523,986                          | \$ 1,401,800                       | \$ 45,776,250 |  |
| 12/21/2009  | 674,424                               | 583,272           | 88,361                                | 2,791                             | 7,278      | 88,361                                | 2,791                             | 98,430       | \$ 25,183                    | \$ 1,109,170                           | \$ 35,466                          | \$ 1,169,818  |  |
| 12/22/2009  | 1,704,052                             | 1,471,880         | 225,076                               | 7,097                             | 18,547     | 225,076                               | 7,097                             | 250,720      | \$ 76,773                    | \$ 2,966,496                           | \$ 94,346                          | \$ 3,137,615  |  |
| 12/23/2009  | 1,169,135                             | 1,009,131         | 155,119                               | 4,884                             | 12,786     | 155,119                               | 4,884                             | 172,790      | \$ 57,913                    | \$ 2,108,393                           | \$ 66,842                          | \$ 2,233,148  |  |
| 12/24/2009  | 248,614                               | 214,573           | 33,002                                | 1,039                             | 2,721      | 33,002                                | 1,039                             | 36,762       | \$ 12,901                    | \$ 455,990                             | \$ 14,438                          | \$ 483,328    |  |
| 12/28/2009  | 1,074                                 | 929               | 140                                   | 4                                 | 12         | 140                                   | 4                                 | 156          | \$ 55                        | \$ 1,938                               | \$ 61                              | \$ 2,055      |  |
| 12/29/2009  | 689,753                               | 595,019           | 91,845                                | 2,889                             | 7,573      | 91,845                                | 2,889                             | 102,307      | \$ 36,177                    | \$ 1,272,451                           | \$ 40,252                          | \$ 1,348,881  |  |
| 12/30/2009  | 313,852                               | 270,691           | 41,846                                | 1,316                             | 3,450      | 41,846                                | 1,316                             | 46,612       | \$ 15,701                    | \$ 569,714                             | \$ 18,035                          | \$ 603,450    |  |
| 12/30/2009  | 172,412                               | 148,693           | 22,997                                | 723                               | 1,896      | 22,997                                | 723                               | 25,616       | \$ 8,696                     | \$ 313,949                             | \$ 9,935                           | \$ 332,581    |  |
| 1/4/2010    | 962,937                               | 830,147           | 128,747                               | 4,044                             | 10,619     | 128,747                               | 4,044                             | 143,409      | \$ 50,730                    | \$ 1,783,696                           | \$ 56,340                          | \$ 1,890,765  |  |
| 1/5/2010    | 1,622,913                             | 1,400,040         | 216,097                               | 6,776                             | 17,830     | 216,097                               | 6,776                             | 240,702      | \$ 92,640                    | \$ 3,089,398                           | \$ 97,243                          | \$ 3,279,281  |  |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|                      |                    |            | Multi-Trader Model Sales of Investor<br>Purchase Volume |                            |                                       | Damage                         | d Shares                   |         | OSA Section 138.5(3) Damages |                                |                            |              |  |
|----------------------|--------------------|------------|---------------------------------------------------------|----------------------------|---------------------------------------|--------------------------------|----------------------------|---------|------------------------------|--------------------------------|----------------------------|--------------|--|
|                      | Investor           |            | Retai                                                   | ned                        |                                       | Retai                          | ned                        |         |                              | Retair                         | ned                        |              |  |
| Date                 | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011                          | Still Held on<br>8/25/2011 | In-and-Out                            | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out                   | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total        |  |
| [1]                  | [2]                | [3]        | [4]                                                     | [5]                        | [6]                                   | [7]                            | [8]                        | [9]     | [10]                         | [11]                           | [12]                       | [13]         |  |
| 1/6/2010             | 1,267,904          | 1,091,275  | 171,266                                                 | 5,363                      | 14,135                                | 171,266                        | 5,363                      | 190,764 | \$ 76,550                    | \$ 2,488,260                   | \$ 78,147                  | \$ 2,642,958 |  |
| 1/7/2010             | 1,502,520          | 1,292,119  | 204,022                                                 | 6,379                      | 16,845                                | 204,022                        | 6.379                      | 227,246 | \$ 85,012                    | \$ 2,884,682                   | \$ 90,598                  | \$ 3,060,293 |  |
| 1/8/2010             | 1,116,836          | 959,935    | 152,150                                                 | 4,752                      | 12,565                                | 152,150                        | 4,752                      | 169,467 | \$ 65,196                    | \$ 2,174,055                   | \$ 68,160                  | \$ 2,307,412 |  |
| 1/11/2010            | 1,379,112          | 1,184,441  | 188,783                                                 | 5,888                      | 15,595                                | 188,783                        | 5,888                      | 210,266 | \$ 83,795                    | \$ 2,734,285                   | \$ 85,537                  | \$ 2,903,617 |  |
| 1/12/2010            | 1,289,485          | 1,106,559  | 177,401                                                 | 5,525                      | 14,660                                | 177,401                        | 5,525                      | 197,585 | \$ 83,860                    | \$ 2,634,507                   | \$ 82,193                  | \$ 2,800,559 |  |
| 1/13/2010            | 1,077,264          | 923,906    | 148,731                                                 | 4,627                      | 12,294                                | 148,731                        | 4,627                      | 165,651 | \$ 69,279                    | \$ 2,195,385                   | \$ 68,440                  | \$ 2,333,103 |  |
| 1/14/2010            | 671,943            | 576,013    | 93,038                                                  | 2,893                      | 7,691                                 | 93,038                         | 2,893                      | 103,622 | \$ 40,290                    | \$ 1,334,301                   | \$ 41,634                  | \$ 1,416,226 |  |
| 1/15/2010            | 863,560            | 740,053    | 119,786                                                 | 3,721                      | 9,905                                 | 119,786                        | 3,721                      | 133,412 | \$ 48,583                    | \$ 1,675,724                   | \$ 52,316                  | \$ 1,776,623 |  |
| 1/18/2010            | 192,690            | 165,074    | 26,784                                                  | 832                        | 2,215                                 | 26,784                         | 832                        | 29,830  | \$ 11,130                    | \$ 378,098                     | \$ 11,796                  | \$ 401,024   |  |
| 1/19/2010            | 659,061            | 564,398    | 91,814                                                  | 2,849                      | 7,593                                 | 91,814                         | 2,849                      | 102,257 | \$ 35,845                    | \$ 1,266,530                   | \$ 39,539                  | \$ 1,341,915 |  |
| 1/20/2010            | 1,961,290          | 1,677,843  | 274,932                                                 | 8,515                      | 22,748                                | 274,932                        | 8,515                      | 306,195 | \$ 108,032                   | \$ 3,800,789                   | \$ 118,400                 | \$ 4,027,221 |  |
| 1/21/2010            | 1,321,728          | 1,129,704  | 186,263                                                 | 5,761                      | 15,416                                | 186,263                        | 5,761                      | 207,440 | \$ 68,403                    | \$ 2,513,580                   | \$ 78,308                  | \$ 2,660,292 |  |
| 1/22/2010            | 1,369,279          | 1,169,370  | 193,919                                                 | 5,990                      | 16,055                                | 193,919                        | 5,990                      | 215,964 | \$ 71,010                    | \$ 2,614,007                   | \$ 81,328                  | \$ 2,766,344 |  |
| 1/25/2010            | 1,229,876          | 1,050,228  | 174,272                                                 | 5,376                      | 14,433                                | 174,272                        | 5,376                      | 194,081 | \$ 60,764                    | \$ 2,309,994                   | \$ 71,852                  | \$ 2,442,610 |  |
| 1/26/2010            | 1,275,866          | 1,087,959  | 182,291                                                 | 5,616                      | 15,101                                | 182,291                        | 5,616                      | 203,008 | \$ 61,973                    | \$ 2,395,801                   | \$ 74,462                  | \$ 2,532,236 |  |
| 1/27/2010            | 1,462,436          | 1,246,486  | 209,505                                                 | 6,445                      | 17,361                                | 209,505                        | 6,445                      | 233,311 | \$ 64,064                    | \$ 2,667,067                   | \$ 82,937                  | \$ 2,814,068 |  |
| 1/28/2010            | 984,736            | 838,496    | 141,880                                                 | 4,360                      | 11,760                                | 141,880                        | 4,360                      | 158,000 | \$ 46,010                    | \$ 1,835,983                   | \$ 56,975                  | \$ 1,938,968 |  |
| 1/29/2010            | 1,134,861          | 965,655    | 164,167                                                 | 5,039                      | 13,611                                | 164,167                        | 5,039                      | 182,817 | \$ 54,603                    | \$ 2,141,617                   | \$ 66,348                  | \$ 2,262,569 |  |
| 2/1/2010             | 1,538,972          | 1,308,519  | 223,601                                                 | 6,852                      | 18,545                                | 223,601                        | 6,852                      | 248,998 | \$ 82,682                    | \$ 3,022,495                   | \$ 93,286                  | \$ 3,198,464 |  |
| 2/2/2010             | 740,603            | 629,216    | 108.077                                                 | 3,310                      | 8.965                                 | 108.077                        | 3,310                      | 120,352 | \$ 44.993                    | \$ 1,524,896                   | \$ 46,909                  | \$ 1,616,799 |  |
| 2/2/2010 2/3/2010    | 840,649            | 713,835    | 123,049                                                 | - /                        | 10,209                                | ,                              | 3,765                      | 137,024 | \$ 44,993<br>\$ 48,268       | \$ 1,524,896<br>\$ 1,698,343   | \$ 46,909<br>\$ 52,267     |              |  |
|                      |                    |            |                                                         | 3,765                      |                                       | 123,049<br>120,940             |                            |         |                              |                                |                            | \$ 1,798,878 |  |
| 2/4/2010<br>2/5/2010 | 823,734<br>894,848 | 699,096    | 120,940                                                 | 3,697                      | 10,036                                |                                | 3,697                      | 134,674 | \$ 40,832                    | \$ 1,584,963                   | \$ 48,890                  | \$ 1,674,685 |  |
|                      | ,                  | 759,232    | 131,598                                                 | 4,019                      | 10,923<br>10,274                      | 131,598                        | 4,019                      | 146,540 | \$ 42,426                    | \$ 1,698,989                   | \$ 52,408                  | \$ 1,793,822 |  |
| 2/8/2010             | 837,690            | 710,159    | 123,754                                                 | 3,776                      | · · · · · · · · · · · · · · · · · · · | 123,754                        | 3,776                      | 137,805 | \$ 39,978                    | \$ 1,598,655                   | \$ 49,269                  | \$ 1,687,902 |  |
| 2/9/2010             | 736,377            | 624,001    | 109,051                                                 | 3,325                      | 9,055                                 | 109,051                        | 3,325                      | 121,432 | \$ 40,242                    | \$ 1,472,461                   | \$ 45,222                  | \$ 1,557,925 |  |
| 2/10/2010            | 739,700            | 626,556    | 109,799                                                 | 3,345                      | 9,119                                 | 109,799                        | 3,345                      | 122,263 | \$ 41,236                    | \$ 1,491,606                   | \$ 45,758                  | \$ 1,578,601 |  |
| 2/11/2010            | 439,773            | 372,371    | 65,411                                                  | 1,992                      | 5,433                                 | 65,411                         | 1,992                      | 72,836  | \$ 25,955                    | \$ 906,241                     | \$ 27,756                  | \$ 959,952   |  |
| 2/12/2010            | 447,806            | 379,075    | 66,701                                                  | 2,030                      | 5,541                                 | 66,701                         | 2,030                      | 74,272  | \$ 25,448                    | \$ 911,125                     | \$ 27,916                  | \$ 964,489   |  |
| 2/15/2010            | 573                | 485        | 85                                                      | 3                          | 7                                     | 85                             | 3                          | 95      | \$ 33                        | \$ 1,166                       | \$ 36                      | \$ 1,234     |  |
| 2/16/2010            | 503,466            | 426,081    | 75,100                                                  | 2,285                      | 6,239                                 | 75,100                         | 2,285                      | 83,624  | \$ 29,320                    | \$ 1,034,291                   | \$ 31,658                  | \$ 1,095,268 |  |
| 2/17/2010            | 826,759            | 699,242    | 123,755                                                 | 3,762                      | 10,283                                | 123,755                        | 3,762                      | 137,800 | \$ 49,855                    | \$ 1,723,849                   | \$ 52,683                  | \$ 1,826,388 |  |
| 2/18/2010            | 734,401            | 621,060    | 109,999                                                 | 3,341                      | 9,142                                 | 109,999                        | 3,341                      | 122,482 | \$ 47,692                    | \$ 1,575,096                   | \$ 48,024                  | \$ 1,670,812 |  |
| 2/19/2010            | 625,875            | 528,899    | 94,119                                                  | 2,857                      | 7,823                                 | 94,119                         | 2,857                      | 104,799 | \$ 39,149                    | \$ 1,326,546                   | \$ 40,457                  | \$ 1,406,152 |  |
| 2/22/2010            | 213,632            | 180,503    | 32,153                                                  | 976                        | 2,673                                 | 32,153                         | 976                        | 35,802  | \$ 13,223                    | \$ 451,250                     | \$ 13,763                  | \$ 478,236   |  |
| 2/23/2010            | 353,369            | 298,615    | 53,142                                                  | 1,612                      | 4,418                                 | 53,142                         | 1,612                      | 59,172  | \$ 20,698                    | \$ 731,088                     | \$ 22,315                  | \$ 774,101   |  |
| 2/24/2010            | 513,310            | 433,581    | 77,382                                                  | 2,347                      | 6,433                                 | 77,382                         | 2,347                      | 86,162  | \$ 31,192                    | \$ 1,077,904                   | \$ 32,860                  | \$ 1,141,956 |  |
| 2/25/2010            | 468,815            | 396,078    | 70,597                                                  | 2,140                      | 5,870                                 | 70,597                         | 2,140                      | 78,607  | \$ 28,751                    | \$ 987,088                     | \$ 30,070                  | \$ 1,045,909 |  |
| 2/26/2010            | 1,045,164          | 882,082    | 158,289                                                 | 4,792                      | 13,165                                | 158,289                        | 4,792                      | 176,246 | \$ 70,547                    | \$ 2,290,295                   | \$ 69,558                  | \$ 2,430,400 |  |
| 3/1/2010             | 563,816            | 475,474    | 85,748                                                  | 2,595                      | 7,132                                 | 85,748                         | 2,595                      | 95,475  | \$ 38,879                    | \$ 1,249,041                   | \$ 37,898                  | \$ 1,325,818 |  |
| 3/2/2010             | 559,940            | 472,037    | 85,322                                                  | 2,580                      | 7,098                                 | 85,322                         | 2,580                      | 95,001  | \$ 38,188                    | \$ 1,236,453                   | \$ 37,505                  | \$ 1,312,146 |  |
| 3/3/2010             | 893,649            | 753,092    | 136,435                                                 | 4,122                      | 11,352                                | 136,435                        | 4,122                      | 151,910 | \$ 65,505                    | \$ 2,033,335                   | \$ 61,526                  | \$ 2,160,365 |  |
| 3/4/2010             | 849,817            | 716,369    | 129,538                                                 | 3,910                      | 10,781                                | 129,538                        | 3,910                      | 144,229 | \$ 64,881                    | \$ 1,963,497                   | \$ 59,335                  | \$ 2,087,713 |  |
| 3/5/2010             | 854,132            | 718,816    | 131,354                                                 | 3,962                      | 10,934                                | 131,354                        | 3,962                      | 146,249 | \$ 67,276                    | \$ 2,008,870                   | \$ 60,647                  | \$ 2,136,794 |  |
| 3/8/2010             | 267,980            | 225,528    | 41,210                                                  | 1,243                      | 3,431                                 | 41,210                         | 1,243                      | 45,883  | \$ 20,962                    | \$ 628,478                     | \$ 18,969                  | \$ 668,409   |  |
| 3/9/2010             | 506,958            | 426,488    | 78,116                                                  | 2,354                      | 6,504                                 | 78,116                         | 2,354                      | 86,974  | \$ 35,728                    | \$ 1,141,383                   | \$ 34,486                  | \$ 1,211,597 |  |
| 3/10/2010            | 605,089            | 508,749    | 93,523                                                  | 2,817                      | 7,787                                 | 93,523                         | 2,817                      | 104,127 | \$ 43,554                    | \$ 1,376,306                   | \$ 41,542                  | \$ 1,461,401 |  |
| 3/11/2010            | 927,686            | 780,028    | 143,345                                                 | 4,313                      | 11,938                                | 143,345                        | 4,313                      | 159,597 | \$ 64,654                    | \$ 2,082,666                   | \$ 62,847                  | \$ 2,210,166 |  |
| 3/12/2010            | 1,238,528          | 1,039,824  | 192,907                                                 | 5,797                      | 16,071                                | 192,907                        | 5,797                      | 214,774 | \$ 97,175                    | \$ 2,929,543                   | \$ 88,126                  | \$ 3,114,843 |  |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of I<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |           |            | OSA Section 13                 | 38.5(3) Damages            |               |
|-----------|--------------------|------------|-----------------------------------------|----------------------------|------------|--------------------------------|----------------------------|-----------|------------|--------------------------------|----------------------------|---------------|
|           | Investor           |            | Retai                                   | ned                        |            | Retai                          | ned                        |           |            | Retair                         | ned                        |               |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011          | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total         |
| [1]       | [2]                | [3]        | [4]                                     | [5]                        | [6]        | [ <b>7</b> ]                   | [8]                        | [9]       | [10]       | [11]                           | [12]                       | [13]          |
| 3/15/2010 | 1,323,981          | 1,110,573  | 207,190                                 | 6,218                      | 17,266     | 207,190                        | 6,218                      | 230,674   | \$ 102,811 | \$ 3,127,195                   | \$ 93,949                  | \$ 3,323,954  |
| 3/16/2010 | 1,022,244          | 857,000    | 160,434                                 | 4,810                      | 13,373     | 160,434                        | 4,810                      | 178,617   | \$ 73,655  | \$ 2,346,582                   | \$ 70,523                  | \$ 2,490,759  |
| 3/17/2010 | 1,584,559          | 1,326,806  | 250,263                                 | 7,490                      | 20,868     | 250,263                        | 7,490                      | 278,621   | \$ 106,947 | \$ 3,559,209                   | \$ 106,961                 | \$ 3,773,117  |
| 3/18/2010 | 2,234,096          | 1,868,340  | 355,146                                 | 10,609                     | 29,627     | 355,146                        | 10,609                     | 395,382   | \$ 149,312 | \$ 5,018,929                   | \$ 150,602                 | \$ 5,318,842  |
| 3/19/2010 | 2,158,390          | 1,802,406  | 345,679                                 | 10,304                     | 28,851     | 345,679                        | 10,304                     | 384,834   | \$ 142,538 | \$ 4,848,884                   | \$ 145,250                 | \$ 5,136,672  |
| 3/22/2010 | 5,700,555          | 4,741,035  | 931,906                                 | 27,614                     | 77,883     | 931,906                        | 27,614                     | 1,037,404 | \$ 418,470 | \$ 13,497,946                  | \$ 401,187                 | \$ 14,317,603 |
| 3/23/2010 | 1,441,544          | 1,197,663  | 236,872                                 | 7,008                      | 19,803     | 236,872                        | 7,008                      | 263,684   | \$ 109,071 | \$ 3,464,624                   | \$ 102,766                 | \$ 3,676,460  |
| 3/24/2010 | 1,299,824          | 1,078,912  | 214,572                                 | 6,340                      | 17,944     | 214,572                        | 6,340                      | 238,856   | \$ 89,035  | \$ 3,014,665                   | \$ 89,504                  | \$ 3,193,204  |
| 3/25/2010 | 2,911,406          | 2,411,453  | 485,647                                 | 14,306                     | 40,641     | 485,647                        | 14,306                     | 540,594   | \$ 193,585 | \$ 6,721,315                   | \$ 199,126                 | \$ 7,114,026  |
| 3/26/2010 | 1,830,224          | 1,514,061  | 307,132                                 | 9,031                      | 25,713     | 307,132                        | 9,031                      | 341,875   | \$ 116,462 | \$ 4,174,744                   | \$ 123,579                 | \$ 4,414,786  |
| 3/29/2010 | 4,019,566          | 3,314,854  | 684,665                                 | 20,047                     | 57,375     | 684,665                        | 20,047                     | 762,087   | \$ 249,696 | \$ 9,178,219                   | \$ 270,780                 | \$ 9,698,695  |
| 3/30/2010 | 1,582,808          | 1,303,737  | 271,145                                 | 7,926                      | 22,730     | 271,145                        | 7,926                      | 301,802   | \$ 107,143 | \$ 3,738,431                   | \$ 109,926                 | \$ 3,955,500  |
| 3/31/2010 | 1,729,933          | 1,423,043  | 298,189                                 | 8,701                      | 25,008     | 298,189                        | 8,701                      | 331,897   | \$ 123,905 | \$ 4,187,260                   | \$ 122,772                 | \$ 4,433,937  |
| 4/1/2010  | 1,475,116          | 1,212,605  | 255,080                                 | 7,432                      | 21,400     | 255,080                        | 7,432                      | 283,911   | \$ 109,973 | \$ 3,631,603                   | \$ 106,233                 | \$ 3,847,809  |
| 4/5/2010  | 509,095            | 418,358    | 88,169                                  | 2,567                      | 7,398      | 88,169                         | 2,567                      | 98,135    | \$ 38,227  | \$ 1,257,922                   | \$ 36,773                  | \$ 1,332,922  |
| 4/6/2010  | 691,705            | 568,097    | 120,113                                 | 3,495                      | 10,079     | 120,113                        | 3,495                      | 133,687   | \$ 51,585  | \$ 1,707,364                   | \$ 49,887                  | \$ 1,808,836  |
| 4/7/2010  | 729,504            | 598,816    | 126,996                                 | 3,693                      | 10,659     | 126,996                        | 3,693                      | 141,348   | \$ 52,358  | \$ 1,777,614                   | \$ 51,947                  | \$ 1,881,919  |
| 4/8/2010  | 644,174            | 528,513    | 112,395                                 | 3,266                      | 9,435      | 112,395                        | 3,266                      | 125,095   | \$ 47,750  | \$ 1,590,917                   | \$ 46,431                  | \$ 1,685,098  |
| 4/9/2010  | 362,438            | 297,320    | 63,280                                  | 1,838                      | 5,312      | 63,280                         | 1,838                      | 70,430    | \$ 27,677  | \$ 905,668                     | \$ 26,405                  | \$ 959,751    |
| 4/12/2010 | 1,403,162          | 1,149,630  | 246,385                                 | 7.146                      | 20,691     | 246,385                        | 7.146                      | 274,222   | \$ 114,987 | \$ 3,616,721                   | \$ 105,144                 | \$ 3,836,853  |
| 4/13/2010 | 833,144            | 682,161    | 146,730                                 | 4,252                      | 12,324     | 146,730                        | 4,252                      | 163,307   | \$ 67,094  | \$ 2,136,294                   | \$ 62,081                  | \$ 2,265,469  |
| 4/14/2010 | 880,979            | 720,828    | 155,645                                 | 4,507                      | 13,076     | 155,645                        | 4,507                      | 173,227   | \$ 70,999  | \$ 2,263,758                   | \$ 65,729                  | \$ 2,400,486  |
| 4/15/2010 | 880,091            | 719,678    | 155,903                                 | 4,510                      | 13,100     | 155,903                        | 4,510                      | 173,513   | \$ 69,552  | \$ 2,247,660                   | \$ 65,235                  | \$ 2,382,447  |
| 4/16/2010 | 1,256,385          | 1,026,361  | 223,565                                 | 6,459                      | 18,791     | 223,565                        | 6,459                      | 248,815   | \$ 91,772  | \$ 3,122,632                   | \$ 90,678                  | \$ 3,305,082  |
| 4/19/2010 | 2,477,697          | 2,019,844  | 445,029                                 | 12,824                     | 37,427     | 445,029                        | 12,824                     | 495,280   | \$ 181,461 | \$ 6,199,267                   | \$ 179,586                 | \$ 6,560,314  |
| 4/20/2010 | 1,369,634          | 1,115,610  | 246,919                                 | 7,105                      | 20,773     | 246,919                        | 7,105                      | 274,797   | \$ 97,621  | \$ 3,400,743                   | \$ 98,443                  | \$ 3,596,806  |
| 4/21/2010 | 1,038,560          | 845,040    | 188,112                                 | 5,407                      | 15,829     | 188,112                        | 5,407                      | 209,349   | \$ 76,185  | \$ 2,613,363                   | \$ 75,531                  | \$ 2,765,078  |
| 4/22/2010 | 944,387            | 767,791    | 171,666                                 | 4,930                      | 14,449     | 171,666                        | 4,930                      | 191,044   | \$ 70,564  | \$ 2,397,747                   | \$ 69,210                  | \$ 2,537,520  |
| 4/23/2010 | 1,191,641          | 967,847    | 217,554                                 | 6,240                      | 18,316     | 217,554                        | 6,240                      | 242,110   | \$ 85,425  | \$ 2,988,169                   | \$ 86,231                  | \$ 3,159,825  |
| 4/26/2010 | 742,179            | 602,439    | 135,846                                 | 3,893                      | 11,439     | 135,846                        | 3,893                      | 151,179   | \$ 52,621  | \$ 1,856,726                   | \$ 53,555                  | \$ 1,962,902  |
| 4/27/2010 | 1,907,070          | 1,545,769  | 351,254                                 | 10,047                     | 29,590     | 351,254                        | 10,047                     | 390,891   | \$ 119,755 | \$ 4,595,602                   | \$ 132,647                 | \$ 4,848,004  |
| 4/28/2010 | 618,507            | 501,034    | 114,208                                 | 3,265                      | 9,622      | 114,208                        | 3,265                      | 127,095   | \$ 37,442  | \$ 1,475,402                   | \$ 42,593                  | \$ 1,555,437  |
| 4/29/2010 | 2,292,010          | 1,852,979  | 426,859                                 | 12,173                     | 35,984     | 426,859                        | 12,173                     | 475,015   | \$ 122,344 | \$ 5,337,519                   | \$ 154,154                 | \$ 5,614,017  |
| 4/30/2010 | 3,096,106          | 2,496,457  | 583,074                                 | 16,575                     | 49,188     | 583,074                        | 16,575                     | 648,836   | \$ 177,076 | \$ 7,383,533                   | \$ 212,244                 | \$ 7,772,853  |
| 5/3/2010  | 1,709,190          | 1,375,803  | 324,188                                 | 9,199                      | 27,359     | 324,188                        | 9,199                      | 360,746   | \$ 99,587  | \$ 4,115,017                   | \$ 118,060                 | \$ 4,332,664  |
| 5/4/2010  | 1,062,633          | 854,576    | 202,322                                 | 5,735                      | 17,079     | 202,322                        | 5,735                      | 225,136   | \$ 57,897  | \$ 2,528,216                   | \$ 72,582                  | \$ 2,658,695  |
| 5/5/2010  | 1,514,071          | 1,216,036  | 289,833                                 | 8,202                      | 24,474     | 289,833                        | 8,202                      | 322,510   | \$ 90,800  | \$ 3,694,246                   | \$ 105,675                 | \$ 3,890,721  |
| 5/6/2010  | 1,315,802          | 1,055,565  | 253,084                                 | 7,153                      | 21,378     | 253,084                        | 7,153                      | 281,615   | \$ 66,271  | \$ 3,101,571                   | \$ 89,057                  | \$ 3,256,899  |
| 5/7/2010  | 1,257,800          | 1,007,909  | 243,032                                 | 6,860                      | 20,535     | 243,032                        | 6,860                      | 270,426   | \$ 53,390  | \$ 2,876,539                   | \$ 82,977                  | \$ 3,012,905  |
| 5/10/2010 | 1,203,183          | 963,167    | 233,435                                 | 6,581                      | 19,729     | 233,435                        | 6,581                      | 259,745   | \$ 66,093  | \$ 2,909,311                   | \$ 83,100                  | \$ 3,058,504  |
| 5/11/2010 | 868,818            | 695,050    | 169,008                                 | 4,760                      | 14,287     | 169,008                        | 4,760                      | 188,055   | \$ 42,004  | \$ 2,048,567                   | \$ 58,727                  | \$ 2,149,298  |
| 5/12/2010 | 1,150,040          | 918,924    | 224,793                                 | 6,324                      | 19,008     | 224,793                        | 6,324                      | 250,124   | \$ 71,469  | \$ 2,873,690                   | \$ 81,695                  | \$ 3,026,854  |
| 5/13/2010 | 1,493,900          | 1,193,487  | 292,205                                 | 8,208                      | 24,716     | 292,205                        | 8,208                      | 325,129   | \$ 83,789  | \$ 3,651,414                   | \$ 103,878                 | \$ 3,839,081  |
| 5/14/2010 | 923,444            | 736,302    | 182,034                                 | 5,108                      | 15,401     | 182,034                        | 5,108                      | 202,543   | \$ 48,974  | \$ 2,243,041                   | \$ 63,890                  | \$ 2,355,906  |
| 5/17/2010 | 1,434,444          | 1,142,185  | 284,292                                 | 7,966                      | 24,060     | 284,292                        | 7,966                      | 316,318   | \$ 76,030  | \$ 3,498,319                   | \$ 99,520                  | \$ 3,673,869  |
| 5/18/2010 | 1,567,102          | 1,246,020  | 312,344                                 | 8,738                      | 26,444     | 312,344                        | 8,738                      | 347,525   | \$ 83,827  | \$ 3,846,122                   | \$ 109,224                 | \$ 4,039,173  |
| 5/19/2010 | 1,387,625          | 1,101,888  | 277,972                                 | 7,765                      | 23,541     | 277,972                        | 7,765                      | 309,278   | \$ 57,676  | \$ 3,254,955                   | \$ 93,101                  | \$ 3,405,733  |
| 5/20/2010 | 1,528,980          | 1,212,381  | 308,008                                 | 8,590                      | 26,094     | 308,008                        | 8,590                      | 342,693   | \$ 47,753  | \$ 3,440,492                   | \$ 99,222                  | \$ 3,587,466  |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|           |                    |            | der Model Sales of I<br>Purchase Volume | Investor                   |            | Damage                         | d Shares                   |         |            | OSA Section 13                 | 38.5(3) Damages            |              |
|-----------|--------------------|------------|-----------------------------------------|----------------------------|------------|--------------------------------|----------------------------|---------|------------|--------------------------------|----------------------------|--------------|
|           | Investor           |            | Retai                                   | ned                        |            | Retai                          | ned                        |         |            | Retain                         | ned                        |              |
| Date      | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011          | Still Held on<br>8/25/2011 | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total   | In-and-Out | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total        |
| [1]       | [2]                | [3]        | [4]                                     | [5]                        | [6]        | [7]                            | [8]                        | [9]     | [10]       | [11]                           | [12]                       | [13]         |
| 5/21/2010 | 1,416,284          | 1,121,550  | 286,748                                 | 7,986                      | 24,301     | 286,748                        | 7,986                      | 319,035 | \$ 56,136  | \$ 3,322,798                   | \$ 94,955                  | \$ 3,473,889 |
| 5/24/2010 | 1,554              | 1,239      | 306                                     | 9                          | 26         | 306                            | 9                          | 340     | \$ 60      | \$ 3,543                       | \$ 101                     | \$ 3,705     |
| 5/25/2010 | 2,318,673          | 1,832,081  | 473,439                                 | 13,153                     | 40,145     | 473,439                        | 13,153                     | 526,737 | \$ 101,566 | \$ 5,575,711                   | \$ 158,451                 | \$ 5,835,728 |
| 5/26/2010 | 992,000            | 783,297    | 203,067                                 | 5,636                      | 17,223     | 203,067                        | 5,636                      | 225,926 | \$ 43,918  | \$ 2,394,949                   | \$ 67,973                  | \$ 2,506,840 |
| 5/27/2010 | 816,506            | 644,042    | 167,810                                 | 4,653                      | 14,235     | 167,810                        | 4,653                      | 186,698 | \$ 45,552  | \$ 2,070,588                   | \$ 58,269                  | \$ 2,174,409 |
| 5/28/2010 | 2,044,604          | 1,609,554  | 423,336                                 | 11,714                     | 35,928     | 423,336                        | 11,714                     | 470,979 | \$ 128,623 | \$ 5,354,467                   | \$ 149,839                 | \$ 5,632,929 |
| 5/31/2010 | 177,917            | 140,034    | 36,863                                  | 1,020                      | 3,129      | 36,863                         | 1,020                      | 41,012  | \$ 11,670  | \$ 470,424                     | \$ 13,154                  | \$ 495,248   |
| 6/1/2010  | 1,584,437          | 1,244,855  | 330,455                                 | 9,127                      | 28,057     | 330,455                        | 9,127                      | 367,639 | \$ 69,862  | \$ 3,880,637                   | \$ 109,696                 | \$ 4,060,195 |
| 6/2/2010  | 1,109,027          | 870,373    | 232,246                                 | 6,407                      | 19,724     | 232,246                        | 6,407                      | 258,377 | \$ 43,589  | \$ 2,671,015                   | \$ 75,735                  | \$ 2,790,338 |
| 6/3/2010  | 1,087,941          | 852,904    | 228,733                                 | 6,303                      | 19,430     | 228,733                        | 6,303                      | 254,467 | \$ 37,112  | \$ 2,570,904                   | \$ 73,164                  | \$ 2,681,180 |
| 6/4/2010  | 899,415            | 704,464    | 189,728                                 | 5,224                      | 16,120     | 189,728                        | 5,224                      | 211,071 | \$ 30,306  | \$ 2,127,536                   | \$ 60,520                  | \$ 2,218,361 |
| 6/7/2010  | 1,092,956          | 855,138    | 231,453                                 | 6,365                      | 19,670     | 231,453                        | 6,365                      | 257,489 | \$ 30,096  | \$ 2,524,546                   | \$ 72,166                  | \$ 2,626,808 |
| 6/8/2010  | 622,321            | 486,612    | 132,079                                 | 3,630                      | 11,227     | 132,079                        | 3,630                      | 146,936 | \$ 22,341  | \$ 1,493,727                   | \$ 42,339                  | \$ 1,558,407 |
| 6/9/2010  | 1,135,385          | 886,963    | 241,783                                 | 6,639                      | 20,555     | 241,783                        | 6,639                      | 268,977 | \$ 43,372  | \$ 2,759,648                   | \$ 77,997                  | \$ 2,881,017 |
| 6/10/2010 | 447,801            | 349,668    | 95,512                                  | 2,621                      | 8,121      | 95,512                         | 2,621                      | 106,254 | \$ 17,216  | \$ 1,090,980                   | \$ 30,816                  | \$ 1,139,012 |
| 6/11/2010 | 464,854            | 362,807    | 99,322                                  | 2,725                      | 8,446      | 99,322                         | 2,725                      | 110,493 | \$ 20,185  | \$ 1,157,835                   | \$ 32,551                  | \$ 1,210,572 |
| 6/14/2010 | 507,790            | 396,118    | 108,692                                 | 2,980                      | 9,244      | 108,692                        | 2,980                      | 120,915 | \$ 23,756  | \$ 1,283,724                   | \$ 35,983                  | \$ 1,343,464 |
| 6/15/2010 | 1,348,216          | 1,050,260  | 290,015                                 | 7,940                      | 24,672     | 290,015                        | 7,940                      | 322,627 | \$ 65,133  | \$ 3,442,385                   | \$ 96,272                  | \$ 3,603,790 |
| 6/16/2010 | 520,442            | 405,228    | 112,145                                 | 3,069                      | 9,541      | 112,145                        | 3,069                      | 124,755 | \$ 24,140  | \$ 1,320,730                   | \$ 36,968                  | \$ 1,381,837 |
| 6/17/2010 | 308,216            | 239,903    | 66,494                                  | 1.819                      | 5,658      | 66,494                         | 1.819                      | 73,970  | \$ 14,710  | \$ 787,015                     | \$ 22,002                  | \$ 823,728   |
| 6/18/2010 | 986,401            | 766,983    | 213,582                                 | 5,837                      | 18,177     | 213,582                        | 5,837                      | 237,595 | \$ 53,623  | \$ 2,590,641                   | \$ 72,049                  | \$ 2,716,313 |
| 6/21/2010 | 916,903            | 712,307    | 199,158                                 | 5,437                      | 16,953     | 199,158                        | 5,437                      | 221,549 | \$ 56,624  | \$ 2,480,516                   | \$ 68,623                  | \$ 2,605,763 |
| 6/22/2010 | 666,918            | 517,921    | 145,040                                 | 3,957                      | 12,348     | 145,040                        | 3,957                      | 161,346 | \$ 35,563  | \$ 1,750,763                   | \$ 48,651                  | \$ 1,834,978 |
| 6/23/2010 | 357,070            | 277,098    | 77,849                                  | 2,123                      | 6,628      | 77,849                         | 2,123                      | 86,600  | \$ 20,415  | \$ 952,749                     | \$ 26,404                  | \$ 999,569   |
| 6/24/2010 | 948,377            | 735,482    | 207,248                                 | 5,647                      | 17,650     | 207,248                        | 5,647                      | 230,544 | \$ 49,773  | \$ 2,491,241                   | \$ 69,183                  | \$ 2,610,197 |
| 6/25/2010 | 532,036            | 412,239    | 116,622                                 | 3,176                      | 9,933      | 116,622                        | 3,176                      | 129,731 | \$ 24,038  | \$ 1,362,543                   | \$ 38,008                  | \$ 1,424,589 |
| 6/28/2010 | 517,338            | 401,729    | 112,546                                 | 3,063                      | 9,587      | 112,546                        | 3,063                      | 125,196 | \$ 20,325  | \$ 1,285,537                   | \$ 36,009                  | \$ 1,341,870 |
| 6/29/2010 | 1,091,823          | 844,538    | 240,740                                 | 6,545                      | 20,512     | 240,740                        | 6,545                      | 267,797 | \$ 17,025  | \$ 2,475,761                   | \$ 70,674                  | \$ 2,563,460 |
| 6/30/2010 | 1,194,857          | 923,058    | 264,614                                 | 7,185                      | 22,553     | 264,614                        | 7,185                      | 294,351 | \$ 15,110  | \$ 2,681,425                   | \$ 76,438                  | \$ 2,772,974 |
| 7/1/2010  | 7,050              | 5,462      | 1,546                                   | 42                         | 132        | 1,546                          | 42                         | 1,719   | \$ 88      | \$ 15,664                      | \$ 447                     | \$ 16,198    |
| 7/2/2010  | 1,351,337          | 1,043,187  | 300,016                                 | 8,135                      | 25,578     | 300,016                        | 8,135                      | 333,728 | \$ 16,370  | \$ 3,031,686                   | \$ 86,300                  | \$ 3,134,356 |
| 7/5/2010  | 326,239            | 251,758    | 72,515                                  | 1,966                      | 6,183      | 72,515                         | 1,966                      | 80,664  | \$ 4,513   | \$ 738,917                     | \$ 21,029                  | \$ 764,459   |
| 7/6/2010  | 1,173,857          | 904,770    | 261,995                                 | 7,093                      | 22,344     | 261,995                        | 7,093                      | 291,431 | \$ 19,439  | \$ 2,704,179                   | \$ 76,879                  | \$ 2,800,497 |
| 7/7/2010  | 1,660,077          | 1,277,262  | 372,742                                 | 10,074                     | 31,801     | 372,742                        | 10.074                     | 414,616 | \$ 30,211  | \$ 3,875,304                   | \$ 109,996                 | \$ 4,015,510 |
| 7/8/2010  | 1,820,829          | 1,398,214  | 411,513                                 | 11,101                     | 35,123     | 411,513                        | 11,101                     | 457,738 | \$ 45,309  | \$ 4,401,892                   | \$ 123,969                 | \$ 4,571,170 |
| 7/9/2010  | 755,149            | 579,422    | 171,115                                 | 4,612                      | 14,608     | 171,115                        | 4,612                      | 190,335 | \$ 24,687  | \$ 1,890,338                   | \$ 52,817                  | \$ 1,967,842 |
| 7/12/2010 | 577,952            | 443,166    | 131,250                                 | 3,536                      | 11,206     | 131,250                        | 3,536                      | 145,992 | \$ 17,033  | \$ 1,430,400                   | \$ 40,062                  | \$ 1,487,495 |
| 7/13/2010 | 1,164,139          | 892,172    | 264,841                                 | 7,126                      | 22,617     | 264,841                        | 7,126                      | 294,585 | \$ 41,616  | \$ 2,960,501                   | \$ 82,360                  | \$ 3,084,477 |
| 7/14/2010 | 597,705            | 457,447    | 136,586                                 | 3,673                      | 11,666     | 136,586                        | 3.673                      | 151,924 | \$ 16,799  | \$ 1,478,972                   | \$ 41,407                  | \$ 1,537,178 |
| 7/15/2010 | 1,277,160          | 976,094    | 293,192                                 | 7,874                      | 25,049     | 293,192                        | 7,874                      | 326,115 | \$ 34,568  | \$ 3,159,319                   | \$ 88,433                  | \$ 3,282,320 |
| 7/16/2010 | 758,324            | 579,092    | 174,548                                 | 4,684                      | 14,915     | 174,548                        | 4,684                      | 194,148 | \$ 15,214  | \$ 1,825,776                   | \$ 51,411                  | \$ 1,892,401 |
| 7/19/2010 | 313,505            | 239,374    | 72,195                                  | 1,937                      | 6,170      | 72,195                         | 1,937                      | 80,301  | \$ 7,218   | \$ 764,650                     | \$ 21,463                  | \$ 793,331   |
| 7/20/2010 | 1,011,544          | 771,299    | 233,975                                 | 6,270                      | 20,000     | 233,975                        | 6,270                      | 260,245 | \$ 41,999  | \$ 2,668,442                   | \$ 73,623                  | \$ 2,784,063 |
| 7/21/2010 | 915,917            | 698,010    | 212,225                                 | 5,682                      | 18.144     | 212,225                        | 5.682                      | 236,051 | \$ 34,655  | \$ 2,385,278                   | \$ 65,951                  | \$ 2,485,884 |
| 7/22/2010 | 1,589,166          | 1,209,961  | 369,333                                 | 9,872                      | 31,588     | 369,333                        | 9,872                      | 410,793 | \$ 88,445  | \$ 4,433,408                   | \$ 120,817                 | \$ 4,642,670 |
| 7/23/2010 | 1,026,209          | 779,450    | 240,341                                 | 6,417                      | 20,560     | 240,341                        | 6,417                      | 267,319 | \$ 49,344  | \$ 2,803,798                   | \$ 76,718                  | \$ 2,929,861 |
| 7/26/2010 | 471,256            | 357,735    | 110,570                                 | 2,951                      | 9,460      | 110,570                        | 2,951                      | 122,981 | \$ 23,839  | \$ 1,301,239                   | \$ 35,529                  | \$ 1,360,607 |
| 7/27/2010 | 825,982            | 626,428    | 194,371                                 | 5,183                      | 16,633     | 194,371                        | 5,183                      | 216,187 | \$ 29,939  | \$ 2,165,929                   | \$ 59,757                  | \$ 2,255,625 |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|                        |                           |                                       | der Model Sales of<br>Purchase Volume | Investor                          |                  | Damage                                | d Shares                          |                    |                        | OSA Section 13                         | 38.5(3) Damages                    |               |
|------------------------|---------------------------|---------------------------------------|---------------------------------------|-----------------------------------|------------------|---------------------------------------|-----------------------------------|--------------------|------------------------|----------------------------------------|------------------------------------|---------------|
|                        | Investor                  | -                                     | Retai                                 | ned                               |                  | Retai                                 | ned                               |                    |                        | Retair                                 | ned                                |               |
| Date<br>[1]            | Purchase<br>Volume<br>[2] | In-and-Out<br>[3]                     | Sold During<br>6/3 - 8/25/2011<br>[4] | Still Held on<br>8/25/2011<br>[5] | In-and-Out       | Sold During<br>6/3 - 8/25/2011<br>[7] | Still Held on<br>8/25/2011<br>[8] | Total<br>[9]       | In-and-Out             | Sold During<br>6/3 - 8/25/2011<br>[11] | Still Held on<br>8/25/2011<br>[12] | Total         |
| 7/28/2010              | 319,436                   | 242,176                               | 75,254                                | 2,006                             | 6,440            | 75,254                                | 2,006                             | 83,700             | \$ 10,497              | \$ 827,374                             | \$ 22,886                          | \$ 860,758    |
| 7/29/2010              | 573,555                   | 434,550                               | 135,397                               | 3,607                             | 11,588           | 135,397                               | 3,607                             | 150,593            | \$ 18,889              | \$ 1,488,618                           | \$ 41,153                          | \$ 1,548,660  |
| 7/30/2010              | 649,526                   | 491,921                               | 153,518                               | 4,087                             | 13,141           | 153,518                               | 4,087                             | 170,746            | \$ 18,004              | \$ 1,652,874                           | \$ 45,876                          | \$ 1,716,754  |
| 8/2/2010               | 3,769                     | 2,856                                 | 890                                   | 24                                | 76               | 890                                   | 24                                | 989                | \$ 104                 | \$ 9,577                               | \$ 266                             | \$ 9,947      |
| 8/3/2010               | 2,143,361                 | 1,619,250                             | 510,548                               | 13,563                            | 43,725           | 510,548                               | 13,563                            | 567,836            | \$ 87,450              | \$ 5,778,204                           | \$ 158,292                         | \$ 6,023,945  |
| 8/4/2010               | 370,258                   | 279,549                               | 88,362                                | 2,346                             | 7,568            | 88,362                                | 2,346                             | 98,277             | \$ 13,547              | \$ 983,865                             | \$ 27,036                          | \$ 1,024,448  |
| 8/5/2010               | 995,868                   | 751,618                               | 237,937                               | 6,312                             | 20,384           | 237,937                               | 6,312                             | 264,633            | \$ 45,660              | \$ 2,742,602                           | \$ 74,742                          | \$ 2,863,004  |
| 8/6/2010               | 1,774,389                 | 1,335,966                             | 427,113                               | 11,310                            | 36,605           | 427,113                               | 11,310                            | 475,028            | \$ 87,487              | \$ 4,978,915                           | \$ 135,125                         | \$ 5,201,527  |
| 8/9/2010               | 460,879                   | 347,345                               | 110,607                               | 2,927                             | 9,480            | 110,607                               | 2,927                             | 123,014            | \$ 25,502              | \$ 1,317,498                           | \$ 35,599                          | \$ 1,378,599  |
| 8/10/2010              | 843,800                   | 634,152                               | 204,246                               | 5,401                             | 17,510           | 204,246                               | 5,401                             | 227,157            | \$ 43,249              | \$ 2,395,040                           | \$ 64,838                          | \$ 2,503,127  |
| 8/11/2010              | 761,946                   | 572,013                               | 185,043                               | 4,890                             | 15,866           | 185,043                               | 4,890                             | 205,799            | \$ 34,747              | \$ 2,124,855                           | \$ 57,725                          | \$ 2,217,327  |
| 8/12/2010              | 3,289,642                 | 2,460,466                             | 807,900                               | 21,276                            | 69,325           | 807,900                               | 21,276                            | 898,501            | \$ 199,656             | \$ 9,752,050                           | \$ 261,583                         | \$ 10,213,288 |
| 8/13/2010              | 1,186,439                 | 885,881                               | 292,855                               | 7,703                             | 25,136           | 292,855                               | 7,703                             | 325,694            | \$ 78,928              | \$ 3,598,840                           | \$ 96,125                          | \$ 3,773,894  |
| 8/16/2010              | 310,625                   | 231,866                               | 76,741                                | 2,018                             | 6,587            | 76,741                                | 2,018                             | 85,346             | \$ 19,630              | \$ 932,763                             | \$ 24,952                          | \$ 977,345    |
| 8/17/2010              | 577,222                   | 430,552                               | 142,914                               | 3,756                             | 12,269           | 142,914                               | 3,756                             | 158,939            | \$ 41,715              | \$ 1,787,106                           | \$ 47,559                          | \$ 1,876,381  |
| 8/18/2010              | 792,191                   | 590,444                               | 196,585                               | 5,162                             | 16,880           | 196,585                               | 5,162                             | 218,627            | \$ 68,554              | \$ 2,575,092                           | \$ 68,222                          | \$ 2,711,867  |
| 8/19/2010              | 1,057,596                 | 787,127                               | 263,556                               | 6,913                             | 22,636           | 263,556                               | 6,913                             | 293,104            | \$ 92,572              | \$ 3,460,244                           | \$ 91,560                          | \$ 3,644,375  |
| 8/20/2010              | 642,718                   | 480,495                               | 158,080                               | 4,144                             | 13,579           | 158,080                               | 4,144                             | 175,802            | \$ 53,992              | \$ 2,056,487                           | \$ 54,411                          | \$ 2,164,890  |
| 8/23/2010              | 231,205                   | 171,883                               | 57,807                                | 1,515                             | 4,966            | 57,807                                | 1,515                             | 64,287             | \$ 19,815              | \$ 752,886                             | \$ 19,914                          | \$ 792,615    |
| 8/24/2010              | 672,659                   | 499,652                               | 168,592                               | 4,415                             | 14,485           | 168,592                               | 4,415                             | 187,492            | \$ 45,192              | \$ 2,068,973                           | \$ 55,033                          | \$ 2,169,199  |
| 8/25/2010              | 723,389                   | 536,851                               | 181,782                               | 4,757                             | 15,620           | 181,782                               | 4,757                             | 202,159            | \$ 46,705              | \$ 2,211,028                           | \$ 58,857                          | \$ 2,316,590  |
| 8/26/2010              | 630,715                   | 467,762                               | 158,801                               | 4,153                             | 13,648           | 158,801                               | 4,153                             | 176,601            | \$ 48,176              | \$ 2,002,636                           | \$ 52,973                          | \$ 2,103,785  |
| 8/27/2010              | 317,904                   | 235,657                               | 80,152                                | 2,095                             | 6,889            | 80,152                                | 2,095                             | 89,136             | \$ 26,024              | \$ 1,025,888                           | \$ 27,100                          | \$ 1,079,011  |
| 8/30/2010              | 622,697                   | 461,211                               | 157,375                               | 4,112                             | 13,528           | 157,375                               | 4,112                             | 175,014            | \$ 47,754              | \$ 1,984,657                           | \$ 52,447                          | \$ 2,084,857  |
| 8/31/2010              | 742,100                   | 549,158                               | 188,033                               | 4,909                             | 16,166           | 188,033                               | 4,909                             | 209,108            | \$ 62,560              | \$ 2,425,018                           | \$ 63,939                          | \$ 2,551,517  |
| 9/1/2010               | 874,527                   | 646,458                               | 222,271                               | 5,797                             | 19,113           | 222,271                               | 5,797                             | 247,182            | \$ 82,910              | \$ 2,976,519                           | \$ 78,227                          | \$ 3,137,656  |
| 9/1/2010               | 857,020                   | 632,603                               | 218,717                               | 5,797                             | 18,811           | 218,717                               | 5,700                             | 247,182            | \$ 81,200              | \$ 2,970,319                           | \$ 76,788                          | \$ 3,081,993  |
| 9/2/2010               | 667,984                   | 493,351                               | 170,201                               | 4,432                             | 14,641           | 170,201                               | 4,432                             | 189,274            | \$ 63,405              | \$ 2,277,956                           | \$ 59,777                          | \$ 2,401,138  |
| 9/6/2010               | 572                       | 422                                   | 146                                   | 4,432                             | 13               | 146                                   | 4,432                             | 163,274            | \$ 03,403              | \$ 2,277,930                           | \$ 59,777                          | \$ 2,401,138  |
| 9/0/2010               | 1,000,170                 | 736,688                               | 256,801                               | 6,681                             | 22,095           | 256,801                               | 6,681                             | 285,577            | \$ 91,772              | \$ 3,388,899                           | \$ 88,915                          | \$ 3,569,586  |
| 9/8/2010               | 975,118                   | 717,334                               | 251,254                               | 6,530                             | 21,623           | 251,254                               | 6,530                             | 279,407            | \$ 93,336              | \$ 3,358,999                           | \$ 87,972                          | \$ 3,540,306  |
| 9/9/2010               | 740,602                   | 544,423                               | 191,214                               | 4,966                             | 16,458           | 191,214                               | 4,966                             | 212,638            | \$ 62,992              | \$ 2,457,451                           | \$ 64,470                          | \$ 2,584,913  |
|                        | 698,533                   | 512,976                               | 180,863                               | ,                                 | 15,570           | ,                                     | ,                                 | ,                  |                        |                                        | \$ 60,570                          |               |
| 9/10/2010              |                           |                                       |                                       | 4,694                             |                  | 180,863                               | 4,694                             | 201,127            | \$ 58,232              | \$ 2,309,509                           |                                    | \$ 2,428,312  |
| 9/13/2010<br>9/14/2010 | 885,154<br>862,869        | 649,193<br>635,886                    | 229,997                               | 5,963<br>5,732                    | 19,804<br>19,054 | 229,997<br>221,251                    | 5,963<br>5,732                    | 255,764<br>246,037 | \$ 79,165<br>\$ 75,224 | \$ 2,997,265<br>\$ 2,871,682           | \$ 78,435<br>\$ 75,102             | \$ 3,154,865  |
|                        | ,                         | · · · · · · · · · · · · · · · · · · · | 221,251                               |                                   |                  |                                       |                                   | ,                  |                        |                                        |                                    | \$ 3,022,008  |
| 9/15/2010              | 903,834                   | 661,452                               | 236,268                               | 6,115                             | 20,352           | 236,268                               | 6,115                             | 262,734            | \$ 67,161              | \$ 2,934,978                           | \$ 77,003                          | \$ 3,079,142  |
| 9/16/2010              | 1,043,489                 | 762,518                               | 273,889                               | 7,081                             | 23,598           | 273,889                               | 7,081                             | 304,568            | \$ 71,030              | \$ 3,335,936                           | \$ 87,713                          | \$ 3,494,679  |
| 9/17/2010              | 1,435,604                 | 1,047,200                             | 378,629                               | 9,774                             | 32,633           | 378,629                               | 9,774                             | 421,037            | \$ 90,067              | \$ 4,532,278                           | \$ 119,344                         | \$ 4,741,690  |
| 9/20/2010              | 1,458,591                 | 1,061,749                             | 386,869                               | 9,972                             | 33,354           | 386,869                               | 9,972                             | 430,196            | \$ 110,736             | \$ 4,812,189                           | \$ 125,718                         | \$ 5,048,644  |
| 9/21/2010              | 634,544                   | 461,570                               | 168,630                               | 4,344                             | 14,541           | 168,630                               | 4,344                             | 187,515            | \$ 43,477              | \$ 2,051,067                           | \$ 53,747                          | \$ 2,148,291  |
| 9/22/2010              | 803,825                   | 584,006                               | 214,303                               | 5,516                             | 18,482           | 214,303                               | 5,516                             | 238,302            | \$ 50,457              | \$ 2,559,865                           | \$ 67,230                          | \$ 2,677,552  |
| 9/23/2010              | 1,427,397                 | 1,035,522                             | 382,057                               | 9,819                             | 32,961           | 382,057                               | 9,819                             | 424,836            | \$ 77,787              | \$ 4,443,633                           | \$ 117,106                         | \$ 4,638,526  |
| 9/24/2010              | 913,880                   | 661,848                               | 245,723                               | 6,309                             | 21,203           | 245,723                               | 6,309                             | 273,235            | \$ 53,857              | \$ 2,895,874                           | \$ 76,052                          | \$ 3,025,782  |
| 9/27/2010              | 777,378                   | 562,380                               | 209,620                               | 5,378                             | 18,091           | 209,620                               | 5,378                             | 233,089            | \$ 44,143              | \$ 2,452,656                           | \$ 64,445                          | \$ 2,561,243  |
| 9/28/2010              | 1,704,029                 | 1,229,853                             | 462,335                               | 11,841                            | 39,917           | 462,335                               | 11,841                            | 514,094            | \$ 93,806              | \$ 5,373,303                           | \$ 141,134                         | \$ 5,608,242  |
| 9/29/2010              | 1,827,817                 | 1,315,824                             | 499,231                               | 12,762                            | 43,121           | 499,231                               | 12,762                            | 555,113            | \$ 135,830             | \$ 6,139,189                           | \$ 159,349                         | \$ 6,434,368  |
| 9/30/2010              | 1,963,349                 | 1,411,546                             | 538,076                               | 13,727                            | 46,497           | 538,076                               | 13,727                            | 598,300            | \$ 124,611             | \$ 6,404,772                           | \$ 166,827                         | \$ 6,696,210  |
| 10/1/2010              | 1,097,960                 | 787,147                               | 303,090                               | 7,724                             | 26,197           | 303,090                               | 7,724                             | 337,011            | \$ 67,851              | \$ 3,584,731                           | \$ 93,372                          | \$ 3,745,954  |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|            |           |            | der Model Sales of I<br>Purchase Volume | Investor      |            | Damageo         | d Shares      |           |            | OSA Section 13  | 8.5(3) Damages |               |
|------------|-----------|------------|-----------------------------------------|---------------|------------|-----------------|---------------|-----------|------------|-----------------|----------------|---------------|
|            | Investor  |            | Retai                                   | ned           |            | Retai           | ned           |           |            | Retair          | ned            |               |
|            | Purchase  |            | Sold During                             | Still Held on |            | Sold During     | Still Held on |           | •          | Sold During     | Still Held on  |               |
| Date       | Volume    | In-and-Out | 6/3 - 8/25/2011                         | 8/25/2011     | In-and-Out | 6/3 - 8/25/2011 | 8/25/2011     | Total     | In-and-Out | 6/3 - 8/25/2011 | 8/25/2011      | Total         |
| [1]        | [2]       | [3]        | [4]                                     | [5]           | [6]        | [7]             | [8]           | [9]       | [10]       | [11]            | [12]           | [13]          |
| 10/4/2010  | 1,547,768 | 1,107,180  | 429,657                                 | 10,931        | 37,150     | 429,657         | 10,931        | 477,738   | \$ 105,878 | \$ 5,175,507    | \$ 134,168     | \$ 5,415,552  |
| 10/5/2010  | 1,729,435 | 1,236,090  | 481,126                                 | 12,219        | 41,617     | 481,126         | 12,219        | 534,962   | \$ 147,739 | \$ 6,074,845    | \$ 156,038     | \$ 6,378,622  |
| 10/6/2010  | 758,378   | 540,553    | 212,434                                 | 5,391         | 18,378     | 212,434         | 5,391         | 236,204   | \$ 59,914  | \$ 2,631,918    | \$ 67,734      | \$ 2,759,566  |
| 10/7/2010  | 1,046,407 | 744,716    | 294,232                                 | 7,459         | 25,461     | 294,232         | 7,459         | 327,152   | \$ 75,365  | \$ 3,571,381    | \$ 92,128      | \$ 3,738,873  |
| 10/8/2010  | 3,198,623 | 2,265,686  | 909,946                                 | 22,991        | 78,799     | 909,946         | 22,991        | 1,011,736 | \$ 282,099 | \$ 11,509,886   | \$ 294,080     | \$ 12,086,065 |
| 10/11/2010 | 1,563     | 1,116      | 436                                     | 11            | 38         | 436             | 11            | 484       | \$ 135     | \$ 5,509        | \$ 141         | \$ 5,785      |
| 10/12/2010 | 1,850,058 | 1,310,637  | 526,152                                 | 13,269        | 45,582     | 526,152         | 13,269        | 585,003   | \$ 196,435 | \$ 7,030,275    | \$ 178,659     | \$ 7,405,370  |
| 10/13/2010 | 4,860,656 | 3,410,163  | 1,414,989                               | 35,503        | 122,722    | 1,414,989       | 35,503        | 1,573,214 | \$ 550,619 | \$ 19,171,770   | \$ 484,340     | \$ 20,206,729 |
| 10/14/2010 | 1,377,184 | 965,491    | 401,630                                 | 10,063        | 34,844     | 401,630         | 10,063        | 446,537   | \$ 163,501 | \$ 5,528,984    | \$ 139,350     | \$ 5,831,835  |
| 10/15/2010 | 1,679,895 | 1,177,735  | 489,906                                 | 12,254        | 42,519     | 489,906         | 12,254        | 544,679   | \$ 197,402 | \$ 6,718,546    | \$ 169,079     | \$ 7,085,027  |
| 10/18/2010 | 1,961,827 | 1,364,845  | 582,444                                 | 14,539        | 50,572     | 582,444         | 14,539        | 647,555   | \$ 257,743 | \$ 8,266,934    | \$ 207,207     | \$ 8,731,884  |
| 10/19/2010 | 981,083   | 681,485    | 292,309                                 | 7,289         | 25,386     | 292,309         | 7,289         | 324,984   | \$ 123,261 | \$ 4,074,425    | \$ 102,128     | \$ 4,299,814  |
| 10/20/2010 | 589,104   | 408,830    | 175,890                                 | 4,383         | 15,278     | 175,890         | 4,383         | 195,551   | \$ 75,696  | \$ 2,470,148    | \$ 61,851      | \$ 2,607,695  |
| 10/21/2010 | 2,167,416 | 1,498,875  | 652,320                                 | 16,220        | 56,688     | 652,320         | 16,220        | 725,229   | \$ 301,370 | \$ 9,410,286    | \$ 234,738     | \$ 9,946,393  |
| 10/22/2010 | 1,688,726 | 1,164,842  | 511,196                                 | 12,689        | 44,441     | 511,196         | 12,689        | 568,326   | \$ 260,209 | \$ 7,665,382    | \$ 190,471     | \$ 8,116,062  |
| 10/25/2010 | 1,561,253 | 1,075,563  | 473,945                                 | 11,746        | 41,217     | 473,945         | 11,746        | 526,907   | \$ 245,716 | \$ 7,157,645    | \$ 177,557     | \$ 7,580,919  |
| 10/26/2010 | 1,109,360 | 761,787    | 339,178                                 | 8,396         | 29,504     | 339,178         | 8,396         | 377,078   | \$ 158,945 | \$ 4,918,358    | \$ 122,101     | \$ 5,199,405  |
| 10/27/2010 | 1,258,909 | 862,696    | 386,654                                 | 9,559         | 33,644     | 386,654         | 9,559         | 429,857   | \$ 171,704 | \$ 5,490,919    | \$ 136,301     | \$ 5,798,923  |
| 10/28/2010 | 301,308   | 206,436    | 92,585                                  | 2,288         | 8,057      | 92,585          | 2,288         | 102,929   | \$ 40,089  | \$ 1,302,315    | \$ 32,335      | \$ 1,374,739  |
| 10/29/2010 | 700,999   | 479,538    | 216,124                                 | 5,338         | 18,810     | 216,124         | 5,338         | 240,271   | \$ 96,664  | \$ 3,077,296    | \$ 76,297      | \$ 3,250,257  |
| 11/1/2010  | 800,836   | 547,491    | 247,244                                 | 6,101         | 21,522     | 247,244         | 6,101         | 274,867   | \$ 117,317 | \$ 3,601,924    | \$ 89,115      | \$ 3,808,356  |
| 11/2/2010  | 888,751   | 606,767    | 275,199                                 | 6,785         | 23,960     | 275,199         | 6,785         | 305,944   | \$ 127,550 | \$ 3,972,071    | \$ 98,234      | \$ 4,197,855  |
| 11/3/2010  | 884,654   | 603,953    | 273,954                                 | 6,748         | 23,857     | 273,954         | 6,748         | 304,558   | \$ 133,764 | \$ 4,036,173    | \$ 99,615      | \$ 4,269,552  |
| 11/4/2010  | 1,112,079 | 755,697    | 347,824                                 | 8,558         | 30,297     | 347,824         | 8,558         | 386,679   | \$ 174,387 | \$ 5,179,206    | \$ 127,605     | \$ 5,481,198  |
| 11/5/2010  | 4,486,642 | 3,024,774  | 1,426,925                               | 34,943        | 124,419    | 1,426,925       | 34,943        | 1,586,287 | \$ 734,672 | \$ 21,468,393   | \$ 526,246     | \$ 22,729,311 |
| 11/8/2010  | 1,230,562 | 828,060    | 392,893                                 | 9,609         | 34,267     | 392,893         | 9,609         | 436,769   | \$ 230,284 | \$ 6,233,675    | \$ 152,549     | \$ 6,616,508  |
| 11/9/2010  | 1,111,346 | 747,131    | 355,530                                 | 8,685         | 31,016     | 355,530         | 8,685         | 395,231   | \$ 183,146 | \$ 5,349,028    | \$ 130,802     | \$ 5,662,976  |
| 11/10/2010 | 2,000,224 | 1,338,257  | 646,213                                 | 15,754        | 56,401     | 646,213         | 15,754        | 718,368   | \$ 356,634 | \$ 9,994,830    | \$ 243,845     | \$ 10,595,309 |
| 11/11/2010 | 1,436,610 | 958,582    | 466,668                                 | 11,360        | 40,744     | 466,668         | 11,360        | 518,772   | \$ 279,586 | \$ 7,470,763    | \$ 181,955     | \$ 7,932,303  |
| 11/12/2010 | 2,883,770 | 1,914,106  | 946,688                                 | 22,976        | 82,708     | 946,688         | 22,976        | 1,052,372 | \$ 506,553 | \$ 14,452,892   | \$ 351,068     | \$ 15,310,513 |
| 11/15/2010 | 598,823   | 397,045    | 196,999                                 | 4,778         | 17,213     | 196,999         | 4,778         | 218,990   | \$ 106,888 | \$ 3,024,434    | \$ 73,420      | \$ 3,204,742  |
| 11/16/2010 | 792,147   | 524,568    | 261,247                                 | 6,332         | 22,831     | 261,247         | 6,332         | 290,410   | \$ 145,820 | \$ 4,057,439    | \$ 98,407      | \$ 4,301,666  |
| 11/17/2010 | 498,210   | 329,610    | 164,613                                 | 3,987         | 14,387     | 164,613         | 3,987         | 182,988   | \$ 87,607  | \$ 2,507,230    | \$ 60,787      | \$ 2,655,625  |
| 11/18/2010 | 724,390   | 478,584    | 239,996                                 | 5,810         | 20,979     | 239,996         | 5,810         | 266,785   | \$ 139,051 | \$ 3,785,568    | \$ 91,694      | \$ 4,016,314  |
| 11/19/2010 | 742,754   | 490,027    | 246,759                                 | 5,969         | 21,574     | 246,759         | 5,969         | 274,301   | \$ 146,053 | \$ 3,927,429    | \$ 95,052      | \$ 4,168,534  |
| 11/22/2010 | 874,290   | 575,912    | 291,337                                 | 7,041         | 25,476     | 291,337         | 7,041         | 323,854   | \$ 174,096 | \$ 4,655,640    | \$ 112,575     | \$ 4,942,312  |
| 11/23/2010 | 2,584,719 | 1,694,708  | 869,061                                 | 20,950        | 76,038     | 869,061         | 20,950        | 966,049   | \$ 508,296 | \$ 13,757,692   | \$ 331,844     | \$ 14,597,832 |
| 11/24/2010 | 1,459,485 | 954,142    | 493,465                                 | 11,878        | 43,190     | 493,465         | 11,878        | 548,533   | \$ 293,919 | \$ 7,871,630    | \$ 189,573     | \$ 8,355,122  |
| 11/25/2010 | 81,645    | 53,366     | 27,614                                  | 665           | 2,417      | 27,614          | 665           | 30,695    | \$ 16,430  | \$ 440,287      | \$ 10,603      | \$ 467,320    |
| 11/26/2010 | 514,075   | 335,718    | 174,168                                 | 4,190         | 15,246     | 174,168         | 4,190         | 193,603   | \$ 102,779 | \$ 2,767,100    | \$ 66,601      | \$ 2,936,481  |
| 11/29/2010 | 514,138   | 335,410    | 174,532                                 | 4,196         | 15,279     | 174,532         | 4,196         | 194,007   | \$ 99,756  | \$ 2,735,554    | \$ 65,812      | \$ 2,901,122  |
| 11/30/2010 | 537,099   | 350,082    | 182,630                                 | 4,388         | 15,990     | 182,630         | 4,388         | 203,008   | \$ 105,757 | \$ 2,878,103    | \$ 69,201      | \$ 3,053,062  |
| 12/1/2010  | 1,044,761 | 678,521    | 357,655                                 | 8,585         | 31,322     | 357,655         | 8,585         | 397,562   | \$ 216,266 | \$ 5,740,922    | \$ 137,869     | \$ 6,095,057  |
| 12/2/2010  | 1,485,855 | 962,152    | 511,446                                 | 12,257        | 44,806     | 511,446         | 12,257        | 568,508   | \$ 342,404 | \$ 8,588,532    | \$ 205,887     | \$ 9,136,823  |
| 12/3/2010  | 780,171   | 504,482    | 269,241                                 | 6,448         | 23,591     | 269,241         | 6,448         | 299,280   | \$ 174,094 | \$ 4,450,322    | \$ 106,611     | \$ 4,731,027  |
| 12/6/2010  | 572,740   | 369,907    | 198,093                                 | 4,741         | 17,359     | 198,093         | 4,741         | 220,193   | \$ 129,828 | \$ 3,294,063    | \$ 78,864      | \$ 3,502,755  |
| 12/7/2010  | 1,434,219 | 923,603    | 498,699                                 | 11,918        | 43,716     | 498,699         | 11,918        | 554,333   | \$ 325,088 | \$ 8,271,489    | \$ 197,737     | \$ 8,794,314  |
| 12/8/2010  | 1,217,549 | 782,186    | 425,214                                 | 10,149        | 37,285     | 425,214         | 10,149        | 472,648   | \$ 276,997 | \$ 7,049,634    | \$ 168,315     | \$ 7,494,947  |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|            |                    |            | der Model Sales of<br>Purchase Volume | Investor                   |                                       | Damage                         | d Shares                   |           |                          | OSA Section 13                 | 38.5(3) Damages            |                              |
|------------|--------------------|------------|---------------------------------------|----------------------------|---------------------------------------|--------------------------------|----------------------------|-----------|--------------------------|--------------------------------|----------------------------|------------------------------|
|            | Investor           |            | Retai                                 | ned                        |                                       | Retai                          | ined                       |           |                          | Retain                         | ned                        |                              |
| Date       | Purchase<br>Volume | In-and-Out | Sold During<br>6/3 - 8/25/2011        | Still Held on<br>8/25/2011 | In-and-Out                            | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total     | In-and-Out               | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                        |
| [1]        | [2]                | [3]        | [4]                                   | [5]                        | [6]                                   | [7]                            | [8]                        | [9]       | [10]                     | [11]                           | [12]                       | [13]                         |
| 12/9/2010  | 583,259            | 374,254    | 204,136                               | 4,869                      | 17,902                                | 204,136                        | 4,869                      | 226,907   | \$ 133,887               | \$ 3,394,562                   | \$ 80,997                  | \$ 3,609,445                 |
| 12/10/2010 | 698,311            | 447,491    | 244,981                               | 5,839                      | 21,487                                | 244,981                        | 5,839                      | 272,307   | \$ 162,529               | \$ 4,094,699                   | \$ 97,631                  | \$ 4,354,859                 |
| 12/13/2010 | 939,434            | 600,964    | 330,596                               | 7,874                      | 29,001                                | 330,596                        | 7,874                      | 367,471   | \$ 228,415               | \$ 5,629,263                   | \$ 134,100                 | \$ 5,991,779                 |
| 12/14/2010 | 665,708            | 425,290    | 234,829                               | 5,589                      | 20,603                                | 234,829                        | 5,589                      | 261,022   | \$ 168,262               | \$ 4,067,138                   | \$ 96,813                  | \$ 4,332,213                 |
| 12/15/2010 | 1,134,475          | 723,010    | 401,910                               | 9,554                      | 35,272                                | 401,910                        | 9,554                      | 446,736   | \$ 274,299               | \$ 6,803,521                   | \$ 161,775                 | \$ 7,239,595                 |
| 12/16/2010 | 364,746            | 232,400    | 129,274                               | 3,072                      | 11,346                                | 129,274                        | 3,072                      | 143,692   | \$ 87,833                | \$ 2,183,745                   | \$ 51,906                  | \$ 2,323,484                 |
| 12/17/2010 | 1,425,883          | 905,300    | 508,517                               | 12,066                     | 44,646                                | 508,517                        | 12,066                     | 565,229   | \$ 338,650               | \$ 8,510,395                   | \$ 201,995                 | \$ 9,051,041                 |
| 12/20/2010 | 849,694            | 538,585    | 303,904                               | 7,205                      | 26,687                                | 303,904                        | 7,205                      | 337,796   | \$ 196,938               | \$ 5,023,275                   | \$ 119,131                 | \$ 5,339,344                 |
| 12/21/2010 | 878,067            | 555,761    | 314,848                               | 7,457                      | 27,653                                | 314,848                        | 7,457                      | 349,959   | \$ 210,541               | \$ 5,278,178                   | \$ 125,054                 | \$ 5,613,773                 |
| 12/22/2010 | 572,066            | 361,465    | 205,731                               | 4,870                      | 18,072                                | 205,731                        | 4,870                      | 228,673   | \$ 134,645               | \$ 3,415,229                   | \$ 80,871                  | \$ 3,630,746                 |
| 12/23/2010 | 293,113            | 185,126    | 105,491                               | 2,496                      | 9,267                                 | 105,491                        | 2,496                      | 117,254   | \$ 68,191                | \$ 1,741,421                   | \$ 41,225                  | \$ 1,850,837                 |
| 12/24/2010 | 28,351             | 17,900     | 10,210                                | 242                        | 897                                   | 10,210                         | 242                        | 11,348    | \$ 6,479                 | \$ 167,158                     | \$ 3,957                   | \$ 177,594                   |
| 12/27/2010 | 2,718              | 1,745      | 951                                   | 22                         | 84                                    | 951                            | 22                         | 1,057     | \$ 603                   | \$ 15,566                      | \$ 369                     | \$ 16,538                    |
| 12/28/2010 | 1,072              | 682        | 381                                   | 9                          | 33                                    | 381                            | 9                          | 423       | \$ 242                   | \$ 6,232                       | \$ 148                     | \$ 6,621                     |
| 12/29/2010 | 630,483            | 397,567    | 227,534                               | 5,381                      | 19.991                                | 227,534                        | 5,381                      | 252,907   | \$ 147,104               | \$ 3,756,088                   | \$ 88,857                  | \$ 3,992,049                 |
| 12/30/2010 | 263,737            | 166,220    | 95,265                                | 2,252                      | 8,371                                 | 95,265                         | 2,252                      | 105,888   | \$ 61,415                | \$ 1,570,574                   | \$ 37,145                  | \$ 1,669,134                 |
| 12/31/2010 | 440,628            | 277,453    | 159,409                               | 3,767                      | 14,008                                | 159,409                        | 3,767                      | 177,183   | \$ 103,076               | \$ 2,631,480                   | \$ 62,207                  | \$ 2,796,763                 |
| 1/3/2011   | 162,337            | 105,307    | 55,714                                | 1,316                      | 4,896                                 | 55,714                         | 1,316                      | 61,926    | \$ 36,026                | \$ 919,709                     | \$ 21,738                  | \$ 977,473                   |
| 1/4/2011   | 2,085,323          | 1,309,531  | 757,922                               | 17,869                     | 66,635                                | 757,922                        | 17,869                     | 842,427   | \$ 500,251               | \$ 12,625,037                  | \$ 297,750                 | \$ 13,423,037                |
| 1/5/2011   | 5,323,094          | 3,297,146  | 1,979,536                             | 46,412                     | 174,249                               | 1,979,536                      | 46.412                     | 2.200.197 | \$ 1,326,668             | \$ 33,185,414                  | \$ 778,286                 | \$ 35,290,368                |
| 1/6/2011   | 805,746            | 499,582    | 299,156                               | 7,008                      | 26,338                                | 299,156                        | 7,008                      | 332,502   | \$ 1,320,008             | \$ 4,944,807                   | \$ 115,881                 | \$ 5,255,053                 |
| 1/7/2011   | 477,721            | 295,032    | 178,510                               | 4,180                      | 15,718                                | 178,510                        | 4,180                      | 198,408   | \$ 194,303<br>\$ 112,426 | \$ 2,909,913                   | \$ 68,165                  | \$ 3,090,504                 |
| 1/10/2011  | 1,578,427          | 971,258    | 593,300                               | 13,870                     | 52,259                                | 593,300                        | 13.870                     | 659,428   | \$ 353,044               | \$ 9,434,645                   | \$ 220,679                 | \$ 10,008,368                |
| 1/10/2011  | 775,415            | 476,554    | 292,040                               | 6,822                      | 25,728                                | 292,040                        | 6,822                      | 324,589   | \$ 333,044<br>\$ 176,363 | \$ 4,673,160                   | \$ 109,215                 | \$ 4,958,738                 |
| 1/11/2011  | 929,959            | 570,000    | 351,750                               | 8,208                      | 30,995                                | 351,750                        | 8,208                      | 390,953   | \$ 176,363               | \$ 5,698,841                   | \$ 109,213<br>\$ 133,049   | \$ 4,938,738<br>\$ 6,050,510 |
| 1/12/2011  | 1,039,609          | 635,873    | 394,539                               | 8,208<br>9,197             | 30,993                                | 394,539                        | 8,208<br>9,197             | 438,509   | \$ 246,010               | \$ 6,400,516                   |                            |                              |
| 1/13/2011  | 1,039,609          | 638,345    | 394,339<br>396,395                    | 9,197                      | 34,773                                |                                | 9,197                      | 440,570   | \$ 240,535               | \$ 6,354,344                   | \$ 149,270<br>\$ 148,044   | \$ 6,795,797                 |
| 1/14/2011  | 1,043,970          | 94,922     | 59,379                                | 1,382                      | 5,235                                 | 396,395<br>59,379              | 1,382                      | 65,996    | \$ 240,333               | \$ 6,334,344<br>\$ 952,711     | \$ 22,193                  | \$ 6,742,924                 |
|            | ,                  |            | 276,914                               |                            | · · · · · · · · · · · · · · · · · · · |                                |                            | ,         |                          |                                |                            | \$ 1,011,011                 |
| 1/18/2011  | 724,419            | 441,062    |                                       | 6,442                      | 24,416                                | 276,914                        | 6,442                      | 307,773   | \$ 163,738               | \$ 4,389,668                   | \$ 102,185                 | \$ 4,655,591                 |
| 1/19/2011  | 605,907            | 368,508    | 232,005                               | 5,394                      | 20,459                                | 232,005                        | 5,394                      | 257,858   | \$ 131,835               | \$ 3,616,568                   | \$ 84,145                  | \$ 3,832,548                 |
| 1/20/2011  | 2,416,000          | 1,460,177  | 934,158                               | 21,665                     | 82,424                                | 934,158                        | 21,665                     | 1,038,247 | \$ 501,894               | \$ 14,228,558                  | \$ 330,277                 | \$ 15,060,729                |
| 1/21/2011  | 1,946,347          | 1,170,856  | 757,948                               | 17,543                     | 66,906                                | 757,948                        | 17,543                     | 842,397   | \$ 388,425               | \$ 11,326,200                  | \$ 262,463                 | \$ 11,977,088                |
| 1/24/2011  | 1,193,133          | 715,914    | 466,437                               | 10,783                     | 41,184                                | 466,437                        | 10,783                     | 518,404   | \$ 250,195               | \$ 7,097,850                   | \$ 164,225                 | \$ 7,512,270                 |
| 1/25/2011  | 1,036,937          | 620,389    | 407,146                               | 9,402                      | 35,958                                | 407,146                        | 9,402                      | 452,506   | \$ 208,244               | \$ 6,077,993                   | \$ 140,530                 | \$ 6,426,766                 |
| 1/26/2011  | 1,625,293          | 971,549    | 639,012                               | 14,732                     | 56,456                                | 639,012                        | 14,732                     | 710,199   | \$ 343,367               | \$ 9,728,528                   | \$ 224,474                 | \$ 10,296,369                |
| 1/27/2011  | 1,619,733          | 961,300    | 643,620                               | 14,813                     | 56,883                                | 643,620                        | 14,813                     | 715,317   | \$ 360,086               | \$ 9,959,578                   | \$ 229,391                 | \$ 10,549,055                |
| 1/28/2011  | 1,518,414          | 901,145    | 603,403                               | 13,866                     | 53,347                                | 603,403                        | 13,866                     | 670,616   | \$ 336,186               | \$ 9,320,011                   | \$ 214,328                 | \$ 9,870,525                 |
| 1/31/2011  | 908,022            | 538,314    | 361,410                               | 8,297                      | 31,959                                | 361,410                        | 8,297                      | 401,666   | \$ 200,947               | \$ 5,577,092                   | \$ 128,135                 | \$ 5,906,175                 |
| 2/1/2011   | 2,708,711          | 1,586,773  | 1,096,828                             | 25,110                     | 97,049                                | 1,096,828                      | 25,110                     | 1,218,988 | \$ 665,956               | \$ 17,559,150                  | \$ 402,203                 | \$ 18,627,309                |
| 2/2/2011   | 1,004,096          | 586,923    | 407,845                               | 9,327                      | 36,095                                | 407,845                        | 9,327                      | 453,267   | \$ 254,339               | \$ 6,604,777                   | \$ 151,120                 | \$ 7,010,236                 |
| 2/3/2011   | 678,143            | 395,586    | 276,244                               | 6,313                      | 24,452                                | 276,244                        | 6,313                      | 307,009   | \$ 170,390               | \$ 4,451,939                   | \$ 101,794                 | \$ 4,724,122                 |
| 2/4/2011   | 1,209,949          | 705,092    | 493,591                               | 11,266                     | 43,702                                | 493,591                        | 11,266                     | 548,559   | \$ 325,294               | \$ 8,190,353                   | \$ 187,010                 | \$ 8,702,657                 |
| 2/7/2011   | 4,261,124          | 2,449,022  | 1,771,838                             | 40,264                     | 157,028                               | 1,771,838                      | 40,264                     | 1,969,129 | \$ 1,256,790             | \$ 30,397,436                  | \$ 690,881                 | \$ 32,345,108                |
| 2/8/2011   | 1,679,310          | 960,898    | 702,477                               | 15,935                     | 62,280                                | 702,477                        | 15,935                     | 780,692   | \$ 494,048               | \$ 12,001,597                  | \$ 272,307                 | \$ 12,767,952                |
| 2/9/2011   | 939,477            | 536,134    | 394,404                               | 8,938                      | 34,974                                | 394,404                        | 8,938                      | 438,317   | \$ 250,906               | \$ 6,437,725                   | \$ 145,957                 | \$ 6,834,587                 |
| 2/10/2011  | 1,898,274          | 1,077,507  | 802,613                               | 18,154                     | 71,203                                | 802,613                        | 18,154                     | 891,970   | \$ 488,598               | \$ 12,849,112                  | \$ 290,775                 | \$ 13,628,484                |
| 2/11/2011  | 2,010,074          | 1,134,546  | 856,203                               | 19,325                     | 75,991                                | 856,203                        | 19,325                     | 951,519   | \$ 535,465               | \$ 13,865,687                  | \$ 313,106                 | \$ 14,714,258                |
| 2/14/2011  | 823,942            | 464,111    | 351,895                               | 7,936                      | 31,238                                | 351,895                        | 7,936                      | 391,069   | \$ 218,121               | \$ 5,676,167                   | \$ 128,069                 | \$ 6,022,357                 |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|                     |                        |                    | der Model Sales of I<br>Purchase Volume | Investor                   |                     | Damage                                | d Shares                   |                    |                          | OSA Section 13                 | 8.5(3) Damages             |                              |
|---------------------|------------------------|--------------------|-----------------------------------------|----------------------------|---------------------|---------------------------------------|----------------------------|--------------------|--------------------------|--------------------------------|----------------------------|------------------------------|
|                     | Investor               |                    | Retai                                   | ned                        |                     | Retai                                 | ned                        |                    |                          | Retair                         | ned                        |                              |
| Date                | Purchase<br>Volume     | In-and-Out         | Sold During<br>6/3 - 8/25/2011          | Still Held on<br>8/25/2011 | In-and-Out          | Sold During<br>6/3 - 8/25/2011<br>[7] | Still Held on<br>8/25/2011 | Total<br>[9]       | In-and-Out               | Sold During<br>6/3 - 8/25/2011 | Still Held on<br>8/25/2011 | Total                        |
| [1]<br>2/15/2011    | [2]<br>464,844         | [3]<br>261,524     | [ <b>4</b> ]<br>198,838                 | [5]<br>4,482               | [ <b>6</b> ] 17,653 | 198,838                               | [ <b>8</b> ]<br>4,482      | 220,973            | [10]<br>\$ 122,761       | [11]<br>\$ 3,201,644           | [12]<br>\$ 72,204          | [13]                         |
| 2/15/2011           | 943,592                | 529,165            | 405,300                                 | 9,127                      | 35,990              |                                       | 9,127                      | 450,417            |                          | \$ 5,201,644<br>\$ 6,479,822   | \$ 72,204<br>\$ 145,997    | \$ 3,396,608<br>\$ 6,872,017 |
| 2/16/2011 2/17/2011 | 943,592<br>1,011,867   | 529,165<br>565,912 | 405,300                                 | 9,127                      | 35,990<br>38,738    | 405,300<br>436,144                    | 9,127<br>9,811             | 450,417<br>484,693 | \$ 246,198<br>\$ 265,269 | \$ 6,479,822<br>\$ 6,976,069   | \$ 145,997<br>\$ 157,013   | \$ 6,872,017<br>\$ 7,398,351 |
| 2/17/2011 2/18/2011 | 3,116,263              | 1,726,586          | 1,359,200                               | 30,477                     | 38,738<br>120,806   | 1,359,200                             | 30,477                     | 1,510,484          | \$ 798,141               | \$ 0,970,009                   | \$ 480,383                 | \$ 22,689,348                |
| 2/18/2011           | 3,116,263<br>1,148     | 1,726,386          | 1,339,200                               | 30,477                     | 120,806             | 1,339,200<br>501                      | 30,477                     | 1,310,484          | \$ 798,141               | \$ 21,410,823<br>\$ 7,885      | \$ 480,383<br>\$ 177       | \$ 22,089,348<br>\$ 8,356    |
| 2/21/2011           | 1,502,273              | 828,731            | 658,793                                 | 14.749                     | 58,574              | 658.793                               | 14.749                     | 732,116            | \$ 346,697               | \$ 7,883<br>\$ 9,921,613       | \$ 222,332                 | \$ 6,336<br>\$ 10,490,641    |
| 2/23/2011           | 2,064,960              | 1,132,365          | 912,216                                 | 20,379                     | 81,143              | 912,216                               | 20,379                     | 1,013,738          | \$ 481,436               | \$ 13,751,275                  | \$ 307,488                 | \$ 14,540,199                |
| 2/23/2011           | 645,016                | 353,038            | 285,601                                 | 6,376                      | 25,408              | 285,601                               | 6,376                      | 317,385            | \$ 148,410               | \$ 4,278,585                   | \$ 95,618                  | \$ 4,522,613                 |
| 2/25/2011           | 1,448,644              | 789,099            | 645,163                                 | 14,382                     | 57,415              | 645,163                               | 14,382                     | 716,959            | \$ 350,017               | \$ 9,831,555                   | \$ 219,345                 | \$ 10,400,917                |
| 2/23/2011 2/28/2011 | 1,236,534              | 670,911            | 553,305                                 | 12,318                     | 49,254              | 553,305                               | 12,318                     | 614,877            | \$ 307,249               | \$ 9,831,333<br>\$ 8,510,773   | \$ 219,545<br>\$ 189,621   | \$ 10,400,917                |
| 3/1/2011            | 3,200,614              | 1,718,605          | 1,449,839                               | 32,170                     | 129,154             | 1,449,839                             | 32,170                     | 1,611,163          | \$ 860,619               | \$ 22,921,369                  | \$ 508,900                 | \$ 24,290,888                |
| 3/2/2011            | 1,126,781              | 602,904            | 512,518                                 | 11,359                     | 45,667              | 512,518                               | 11,359                     | 569,545            | \$ 294,267               | \$ 7,989,462                   | \$ 308,900<br>\$ 177,190   | \$ 8,460,919                 |
| 3/3/2011            | 1,611,536              | 857,822            | 737,398                                 | 16,316                     | 65,729              | 737,398                               | 16,316                     | 819,443            | \$ 437.052               | \$ 11,647,468                  | \$ 257,865                 | \$ 12,342,385                |
| 3/4/2011            | 1,220,870              | 647,251            | 561,218                                 | 12,402                     | 50,038              | 561,218                               | 12,402                     | 623,658            | \$ 312,853               | \$ 8,640,535                   | \$ 191,083                 | \$ 9,144,471                 |
| 3/7/2011            | 713,300                | 379,729            | 326,364                                 | 7,207                      | 29,103              | 326.364                               | 7,207                      | 362,674            | \$ 175,152               | \$ 4,947,806                   | \$ 191,083                 | \$ 5,232,310                 |
| 3/8/2011            | 875,036                | 461,487            | 404,622                                 | 8,927                      | 36,089              | 404,622                               | 8,927                      | 449,637            | \$ 213,355               | \$ 6,090,877                   | \$ 109,533<br>\$ 134,502   | \$ 6,438,733                 |
| 3/9/2011            | 1,628,154              | 855,387            | 756,113                                 | 16,653                     | 67,464              | 756,113                               | 16,653                     | 840,230            | \$ 389,272               | \$ 11,270,802                  | \$ 248,557                 | \$ 11,908,631                |
| 3/10/2011           | 1,047,091              | 547,328            | 489,004                                 | 10,055                     | 43,641              | 489,004                               | 10,759                     | 543,404            | \$ 234,486               | \$ 7,084,119                   | \$ 156,304                 | \$ 7,474,909                 |
| 3/10/2011           | 884,306                | 462,068            | 413,156                                 | 9,082                      | 36,879              | 413,156                               | 9,082                      | 459,117            | \$ 205,738               | \$ 6,075,076                   | \$ 133,807                 | \$ 6,414,621                 |
| 3/11/2011           | 1,318,888              | 684,400            | 620,860                                 | 13,628                     | 55,436              | 620,860                               | 13,628                     | 689.924            | \$ 330,484               | \$ 9,377,034                   | \$ 206,019                 | \$ 9,913,536                 |
| 3/14/2011           | 2,921,321              | 1,501,397          | 1,389,515                               | 30,408                     | 124,150             | 1,389,515                             | 30,408                     | 1,544,073          | \$ 779,736               | \$ 9,377,034                   | \$ 469,381                 | \$ 22,681,932                |
| 3/15/2011           | 1,336,469              | 684,911            | 637,623                                 | 13,935                     | 56,987              | 637,623                               | 13,935                     | 708,545            | \$ 353,872               | \$ 9,789,618                   | \$ 214,105                 | \$ 10,357,595                |
| 3/17/2011           |                        | 997,854            | 947,332                                 | 20,661                     | 84,704              | 947,332                               | 20,661                     | 1,052,697          | \$ 618,479               | \$ 15,584,612                  | \$ 340,011                 | \$ 16,543,103                |
| 3/17/2011           | 1,965,847<br>1,815,213 | 915,836            | 947,332<br>880,215                      | 19,162                     | 78,733              | 947,332<br>880,215                    | 19,162                     | 978,110            | \$ 578,791               | \$ 14,524,365                  | \$ 340,011                 | \$ 15,419,460                |
| 3/21/2011           | 1,181,078              | 593,361            | 575,211                                 | 12,507                     | 51,465              | 575,211                               | 12,507                     | 639,182            | \$ 362,277               | \$ 9,311,185                   | \$ 202,546                 | \$ 9,876,008                 |
| 3/22/2011           | 1,253,430              | 629,032            | 611,128                                 | 13,271                     | 54,694              | 611,128                               | 13,271                     | 679,092            | \$ 381,515               | \$ 9,853,406                   | \$ 214,068                 | \$ 10,448,989                |
| 3/23/2011           | 1,808,877              | 898,109            | 891,447                                 | 19,322                     | 79,813              | 891,447                               | 19,322                     | 990,582            | \$ 557,869               | \$ 14,385,782                  | \$ 311,947                 | \$ 15,255,598                |
| 3/24/2011           | 892,211                | 441,449            | 441,207                                 | 9,554                      | 39,510              | 441,207                               | 9,554                      | 490,272            | \$ 281,206               | \$ 7,176,606                   | \$ 155,470                 | \$ 7,613,282                 |
| 3/25/2011           | 1,209,627              | 595,961            | 600,675                                 | 12,991                     | 53,805              | 600,675                               | 12,991                     | 667,471            | \$ 394,392               | \$ 9,898,877                   | \$ 214,160                 | \$ 10,507,428                |
| 3/28/2011           | 868,907                | 426,630            | 432,922                                 | 9,354                      | 38,786              | 432,922                               | 9,354                      | 481,063            | \$ 291,729               | \$ 7,217,647                   | \$ 156,002                 | \$ 7,665,378                 |
| 3/29/2011           | 1,078,411              | 527,173            | 539,592                                 | 11,646                     | 48,355              | 539,592                               | 11,646                     | 599,593            | \$ 385,982               | \$ 9,245,708                   | \$ 199,591                 | \$ 9,831,281                 |
| 3/30/2011           | 2,001,263              | 970,741            | 1,008,793                               | 21,728                     | 90,442              | 1,008,793                             | 21,728                     | 1,120,963          | \$ 775,802               | \$ 17,887,905                  | \$ 385,309                 | \$ 19,049,016                |
| 3/31/2011           | 1,800,601              | 869,687            | 911,322                                 | 19,592                     | 81,736              | 911,322                               | 19,592                     | 1,012,650          | \$ 717,930               | \$ 16,347,300                  | \$ 351,459                 | \$ 17,416,689                |
| 4/1/2011            | 1,535,996              | 734,412            | 784,740                                 | 16,844                     | 70,407              | 784,740                               | 16,844                     | 871,991            | \$ 602,946               | \$ 13,903,845                  | \$ 298,456                 | \$ 14,805,247                |
| 4/4/2011            | 632,113                | 301,482            | 323,688                                 | 6,943                      | 29.045              | 323.688                               | 6,943                      | 359,677            | \$ 248,943               | \$ 5,737,331                   | \$ 123,075                 | \$ 6,109,349                 |
| 4/5/2011            | 625,923                | 297,795            | 321,242                                 | 6,886                      | 28,830              | 321,242                               | 6,886                      | 356,958            | \$ 241,986               | \$ 5,636,892                   | \$ 120,845                 | \$ 5,999,723                 |
| 4/6/2011            | 1,521,079              | 719,007            | 785,266                                 | 16,806                     | 70,497              | 785,266                               | 16,806                     | 872,570            | \$ 589,227               | \$ 13,751,303                  | \$ 294,339                 | \$ 14,634,869                |
| 4/7/2011            | 1,137,872              | 535,342            | 589,919                                 | 12,611                     | 52,974              | 589,919                               | 12,611                     | 655,503            | \$ 415,341               | \$ 10,024,066                  | \$ 214,329                 | \$ 10,653,736                |
| 4/8/2011            | 910,902                | 428,754            | 472,066                                 | 10,082                     | 42,399              | 472,066                               | 10,082                     | 524,547            | \$ 333,033               | \$ 8,028,197                   | \$ 171,492                 | \$ 8,532,722                 |
| 4/11/2011           | 359,071                | 168,057            | 187,021                                 | 3,993                      | 16,799              | 187,021                               | 3,993                      | 207,813            | \$ 132,546               | \$ 3,187,238                   | \$ 68,057                  | \$ 3,387,841                 |
| 4/11/2011           | 977,162                | 455,402            | 510,865                                 | 10,895                     | 45,898              | 510,865                               | 10,895                     | 567,658            | \$ 357,908               | \$ 8,658,941                   | \$ 184,712                 | \$ 9,201,561                 |
| 4/13/2011           | 4,106,416              | 1,884,187          | 2,176,020                               | 46,209                     | 195,680             | 2,176,020                             | 46,209                     | 2,417,909          | \$ 1,543,949             | \$ 37,083,989                  | \$ 787,657                 | \$ 39,415,595                |
| 4/14/2011           | 2,723,386              | 1,233,508          | 1,458,984                               | 30,894                     | 131,280             | 1,458,984                             | 30,894                     | 1,621,158          | \$ 1,060,023             | \$ 25,134,192                  | \$ 532,307                 | \$ 26,726,522                |
| 4/15/2011           | 1,102,221              | 496,032            | 593,634                                 | 12,556                     | 53,429              | 593,634                               | 12,556                     | 659,618            | \$ 413,983               | \$ 10,032,269                  | \$ 212,242                 | \$ 10,658,494                |
| 4/18/2011           | 785,720                | 352,444            | 424,309                                 | 8,967                      | 38,196              | 424,309                               | 8,967                      | 471,472            | \$ 285,661               | \$ 7,055,958                   | \$ 149,164                 | \$ 7,490,784                 |
| 4/19/2011           | 1,157,342              | 528,937            | 615,414                                 | 12,991                     | 55,412              | 615,414                               | 12,991                     | 683,817            | \$ 443,893               | \$ 10,562,435                  | \$ 222,999                 | \$ 11,229,326                |
| 4/20/2011           | 1,640,062              | 743,441            | 878,116                                 | 18,505                     | 79,095              | 878,116                               | 18,505                     | 975,715            | \$ 649,868               | \$ 15,252,450                  | \$ 321,462                 | \$ 16,223,780                |
| 4/20/2011           | 632,847                | 282,929            | 342,701                                 | 7,217                      | 30,872              | 342,701                               | 7,217                      | 380,791            | \$ 248,843               | \$ 5,898,902                   | \$ 124,249                 | \$ 6,271,994                 |

Exhibit J
Sino-Forest Common Stock Daily Investor Purchase and Sale Volume, Damaged Shares and Aggregate Damages Using Section 138.5(3) Constant Percentage Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

|           |               |               | ler Model Sales of       | Investor      |            | Damage          | d Shares      |             |               | OSA Section 13   | 38.5(3) Damages |                  |
|-----------|---------------|---------------|--------------------------|---------------|------------|-----------------|---------------|-------------|---------------|------------------|-----------------|------------------|
|           | Investor      | 1             | Purchase Volume<br>Retai | ned           |            | Retai           |               |             |               | Retair           | ned             |                  |
|           | Purchase      |               | Sold During              | Still Held on |            | Sold During     | Still Held on | •           |               | Sold During      | Still Held on   |                  |
| Date      | Volume        | In-and-Out    | 6/3 - 8/25/2011          | 8/25/2011     | In-and-Out | 6/3 - 8/25/2011 | 8/25/2011     | Total       | In-and-Out    | 6/3 - 8/25/2011  | 8/25/2011       | Total            |
| [1]       | [2]           | [3]           | [4]                      | [5]           | [6]        | [7]             | [8]           | [9]         | [10]          | [11]             | [12]            | [13]             |
| 4/25/2011 | 504,340       | 222,094       | 276,428                  | 5,818         | 24,905     | 276,428         | 5,818         | 307,152     | \$ 194,739    | \$ 4,691,249     | \$ 98,766       | \$ 4,984,754     |
| 4/26/2011 | 458,980       | 201,870       | 251,812                  | 5,298         | 22,690     | 251,812         | 5,298         | 279,799     | \$ 178,380    | \$ 4,284,246     | \$ 90,154       | \$ 4,552,780     |
| 4/27/2011 | 670,304       | 293,527       | 369,018                  | 7,758         | 33,255     | 369,018         | 7,758         | 410,032     | \$ 256,495    | \$ 6,223,194     | \$ 130,869      | \$ 6,610,558     |
| 4/28/2011 | 1,076,675     | 469,003       | 595,172                  | 12,499        | 53,649     | 595,172         | 12,499        | 661,320     | \$ 418,353    | \$ 10,087,939    | \$ 211,899      | \$ 10,718,190    |
| 4/29/2011 | 787,251       | 341,666       | 436,427                  | 9,158         | 39,346     | 436,427         | 9,158         | 484,932     | \$ 295,663    | \$ 7,273,019     | \$ 152,657      | \$ 7,721,339     |
| 5/2/2011  | 1,122,347     | 484,607       | 624,648                  | 13,092        | 56,330     | 624,648         | 13,092        | 694,069     | \$ 411,299    | \$ 10,276,205    | \$ 215,455      | \$ 10,902,959    |
| 5/3/2011  | 1,859,861     | 805,102       | 1,033,147                | 21,612        | 93,205     | 1,033,147       | 21,612        | 1,147,964   | \$ 619,092    | \$ 16,311,885    | \$ 341,420      | \$ 17,272,398    |
| 5/4/2011  | 1,785,702     | 757,194       | 1,007,473                | 21,036        | 90,925     | 1,007,473       | 21,036        | 1,119,434   | \$ 558,818    | \$ 15,403,608    | \$ 321,876      | \$ 16,284,302    |
| 5/5/2011  | 3,204,526     | 1,343,347     | 1,823,237                | 37,942        | 164,666    | 1,823,237       | 37,942        | 2,025,845   | \$ 930,293    | \$ 26,946,360    | \$ 561,728      | \$ 28,438,382    |
| 5/6/2011  | 2,614,044     | 1,077,075     | 1,505,720                | 31,249        | 136,069    | 1,505,720       | 31,249        | 1,673,038   | \$ 790,920    | \$ 22,513,009    | \$ 467,736      | \$ 23,771,664    |
| 5/9/2011  | 1,417,454     | 581,403       | 819,077                  | 16,974        | 74,041     | 819,077         | 16,974        | 910,092     | \$ 463,976    | \$ 12,622,597    | \$ 261,766      | \$ 13,348,339    |
| 5/10/2011 | 1,230,579     | 503,589       | 712,249                  | 14,741        | 64,402     | 712,249         | 14,741        | 791,392     | \$ 391,699    | \$ 10,844,097    | \$ 224,618      | \$ 11,460,414    |
| 5/11/2011 | 1,493,462     | 602,195       | 873,223                  | 18,045        | 78,984     | 873,223         | 18,045        | 970,251     | \$ 479,265    | \$ 13,282,492    | \$ 274,701      | \$ 14,036,458    |
| 5/12/2011 | 2,386,205     | 949,014       | 1,408,164                | 29,027        | 127,437    | 1,408,164       | 29,027        | 1,564,628   | \$ 685,627    | \$ 20,411,090    | \$ 421,919      | \$ 21,518,636    |
| 5/13/2011 | 6,662,435     | 2,540,610     | 4,039,151                | 82,674        | 366,089    | 4,039,151       | 82,674        | 4,487,914   | \$ 1,632,158  | \$ 54,611,436    | \$ 1,125,502    | \$ 57,369,096    |
| 5/16/2011 | 5,226,732     | 1,931,558     | 3,229,436                | 65,737        | 293,044    | 3,229,436       | 65,737        | 3,588,218   | \$ 1,528,825  | \$ 46,253,691    | \$ 944,805      | \$ 48,727,321    |
| 5/17/2011 | 2,159,878     | 791,359       | 1,341,278                | 27,241        | 121,768    | 1,341,278       | 27,241        | 1,490,287   | \$ 683,619    | \$ 19,773,318    | \$ 402,340      | \$ 20,859,277    |
| 5/18/2011 | 2,826,007     | 1,046,961     | 1,743,733                | 35,313        | 158,402    | 1,743,733       | 35,313        | 1,937,448   | \$ 885,919    | \$ 25,667,232    | \$ 520,799      | \$ 27,073,950    |
| 5/19/2011 | 3,735,927     | 1,325,601     | 2,362,665                | 47,661        | 214,804    | 2,362,665       | 47,661        | 2,625,130   | \$ 1,269,902  | \$ 35,567,575    | \$ 718,126      | \$ 37,555,603    |
| 5/20/2011 | 4,646,649     | 1,592,300     | 2,994,240                | 60,109        | 272,505    | 2,994,240       | 60,109        | 3,326,854   | \$ 1,433,264  | \$ 43,020,041    | \$ 866,473      | \$ 45,319,778    |
| 5/23/2011 | 17,845        | 6,623         | 11,002                   | 221           | 1,001      | 11,002          | 221           | 12,224      | \$ 5,266      | \$ 158,066       | \$ 3,184        | \$ 166,516       |
| 5/24/2011 | 4,694,538     | 1,529,208     | 3,103,339                | 61,991        | 282,732    | 3,103,339       | 61,991        | 3,448,062   | \$ 1,196,371  | \$ 41,214,921    | \$ 829,864      | \$ 43,241,156    |
| 5/25/2011 | 5,616,047     | 1,750,690     | 3,790,095                | 75,262        | 345,734    | 3,790,095       | 75,262        | 4,211,091   | \$ 1,404,129  | \$ 49,653,963    | \$ 994,708      | \$ 52,052,801    |
| 5/26/2011 | 10,432,519    | 2,945,219     | 7,343,112                | 144,187       | 671,442    | 7,343,112       | 144,187       | 8,158,741   | \$ 2,470,907  | \$ 93,448,251    | \$ 1,854,558    | \$ 97,773,716    |
| 5/27/2011 | 5,798,853     | 1,539,961     | 4,177,370                | 81,523        | 382,470    | 4,177,370       | 81,523        | 4,641,362   | \$ 1,485,526  | \$ 53,945,113    | \$ 1,063,005    | \$ 56,493,644    |
| 5/30/2011 | 2,041,197     | 530,165       | 1,482,169                | 28,863        | 135,765    | 1,482,169       | 28,863        | 1,646,797   | \$ 573,523    | \$ 19,673,547    | \$ 386,181      | \$ 20,633,251    |
| 5/31/2011 | 4,418,199     | 1,094,559     | 3,260,444                | 63,197        | 298,948    | 3,260,444       | 63,197        | 3,622,588   | \$ 1,347,655  | \$ 44,255,087    | \$ 863,482      | \$ 46,466,224    |
| 6/1/2011  | 5,183,203     | 1,209,653     | 3,898,401                | 75,149        | 357,856    | 3,898,401       | 75,149        | 4,331,406   | \$ 1,341,958  | \$ 49,816,621    | \$ 970,307      | \$ 52,128,887    |
| 6/2/2011  | 22,113,408    | 3,999,051     | 17,779,860               | 334,497       | 0          | 17,779,860      | 334,497       | 18,114,357  | \$ 0          | \$ 160,433,868   | \$ 3,062,443    | \$ 163,496,310   |
| 6/3/2011  | 0             | 0             | 0                        | 0             | 0          | 0               | 0             | 0           | \$ 0          | \$ 0             | \$ 0            | \$ 0             |
| Total     | 1,273,624,358 | 1,048,545,373 | 219,487,247              | 5,591,737     | 16,275,734 | 219,405,787     | 5,591,737     | 241,273,259 | \$ 83,755,364 | \$ 2,917,198,562 | \$ 73,255,463   | \$ 3,074,209,389 |

#### Notes:

- [1] Trading date.
- [2] Investor purchase volume. Source: Exhibit D.
- [3] Shares purchased on or before June 2, 2011, and sold on or before June 2, 2011 (based on multi-trader model).
- [4] Shares purchased on or before June 2, 2011, and sold between June 3, 2011 and August 25, 2011 (based on multi-trader model).
- [5] Shares purchased on or before June 2, 2011, and still held on August 25, 2011 (based on multi-trader model).
- [6] Damaged shares purchased on or before June 2, 2011, and sold on or before June 2, 2011 (based on multi-trader model).
- [7] Damaged shares purchased on or before June 2, 2011, and sold between June 3, 2011 and August 25, 2011 (based on multi-trader model).
- [8] Damaged shares purchased on or before June 2, 2011, and still held on August 25, 2011 (based on multi-trader model).
- [9] = [6] + [7] + [8].
- [10] Damages on shares from [6] based on Section 138.5(3) of the OSA.
- [11] Damages on shares from [7] based on Section 138.5(3) of the OSA.
- [12] Damages on shares from [8] based on Section 138.5(3) of the OSA.
- [13] = [10] + [11] + [12].

This is Exhibit "K"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this Linday of January, 2013

A Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948
Commission Expires June 22, 2013

Exhibit K
Estimated Maximum Obtainable Damages (Section 138.5(1)) for Sino-Forest Notes Using Values After the Alleged Corrective Disclosure (US\$)

|                                       | [1]       | [2]          | [3]        | [4]     | [5]              | [6]              | [7]<br>10-Day         | [8]              | [9]                  |
|---------------------------------------|-----------|--------------|------------|---------|------------------|------------------|-----------------------|------------------|----------------------|
|                                       |           |              |            |         |                  |                  | Average Note<br>Price | Value of Notes   | Estimated<br>Maximum |
|                                       |           | Announcement | Maturity   | Coupon  | Amount           | Amount           | after                 | Using 10-Day     | Obtainable           |
| Description                           | CUSIP     | Date         | Date       | Rate    | Issued           | Outstanding      | June 2, 2011          | Average Price    | Damages              |
|                                       |           |              |            |         |                  |                  |                       |                  |                      |
| 10.25% Guaranteed Senior Notes (144A) | 82934HAC5 | 7/27/2009    | 7/28/2014  | 10.250% | \$ 399,517,000   | \$ 399,517,000   | 65.37                 | \$ 261,154,275   | \$ 138,362,725       |
| 6.25% Guaranteed Senior Notes (144A)  | 82934HAF8 | 10/14/2010   | 10/21/2017 | 6.250%  | \$ 600,000,000   | \$ 600,000,000   | 57.53                 | \$ 345,180,000   | \$ 254,820,000       |
|                                       |           |              |            |         |                  | Average          | 61.45                 | •                |                      |
| 5% Convertible Senior Notes (144A)    | 82934HAB7 | 7/17/2008    | 8/1/2013   | 5.000%  | \$ 345,000,000   | \$ 345,000,000   | 61.45                 | \$ 211,998,188   | \$ 133,001,813       |
| 4.25% Convertible Senior Notes (144A) | 82934HAD3 | 12/10/2009   | 12/15/2016 | 4.250%  | \$ 460,000,000   | \$ 460,000,000   | 61.45                 | \$ 282,664,250   | \$ 177,335,750       |
| Total                                 |           |              |            |         | \$ 1,804,517,000 | \$ 1,804,517,000 | _                     | \$ 1,100,996,712 | \$ 703,520,288       |

### **Notes:**

- [1] Source: Bloomberg.
- [2] Source: Bloomberg.
- [3] Source: Bloomberg.
- [4] Source: Bloomberg.
- [5] Source: Bloomberg.
- [6] Source: Bloomberg.
- [7] For CUSIPs 82934HAC5 and 82934HAF8, price equals the average of FINRA TRACE reported price on the 10 trading days after June 2, 2011 (June 3 June 16, 2011). Prices were not available for CUSIP 82934HAB7 and 82934HAD3, therefore price equals the average of the prices for CUSIPSs 82934HAF8. Source: Bloomberg
- [8] = [6]  $\times$  [7] /100.
- [9] = [6] [8].

This is Exhibit "L"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this day of January, 2013

A Notary Public

DEREK B. LAVARNWAY Notary Public, State of New York Qualified in Wyoming County No. 01LA6207948 Commission Expires June 22, 2013

 $Exhibit \ L$  Estimated Maximum Obtainable Damages for Sino-Forest Notes Using Values as of May 9, 2012 (US\$)

|                                       | [1]       | [2]          | [3]        | [4]     | [5]              | [6]              | [7]           | [8]        | [9]            | [10]                     |
|---------------------------------------|-----------|--------------|------------|---------|------------------|------------------|---------------|------------|----------------|--------------------------|
|                                       |           |              |            |         |                  |                  | Note Price on | May 9 2012 | =,             |                          |
|                                       |           |              |            |         |                  |                  |               | CDS        |                |                          |
|                                       |           | Announcement | Maturity   | Coupon  | Amount           | Amount           | Bloomberg     | Auction    | Value of Notes | <b>Estimated Maximum</b> |
| Description                           | CUSIP     | Date         | Date       | Rate    | Issued           | Outstanding      | Price         | Price      | on May 9, 2012 | Obtainable Damages       |
|                                       |           |              |            |         |                  |                  |               |            |                |                          |
| 5% Convertible Senior Notes (144A)    | 82934HAB7 | 7/17/2008    | 8/1/2013   | 5.000%  | \$ 345,000,000   | \$ 345,000,000   | 28.25         | 29.00      | \$ 100,050,000 | \$ 244,950,000           |
| 10.25% Guaranteed Senior Notes (144A) | 82934HAC5 | 7/27/2009    | 7/28/2014  | 10.250% | \$ 399,517,000   | \$ 399,517,000   | 28.31         | 29.00      | \$ 115,859,930 | \$ 283,657,070           |
| 4.25% Convertible Senior Notes (144A) | 82934HAD3 | 12/10/2009   | 12/15/2016 | 4.250%  | \$ 460,000,000   | \$ 460,000,000   | 29.17         | 29.00      | \$ 133,400,000 | \$ 326,600,000           |
| 6.25% Guaranteed Senior Notes (144A)  | 82934HAF8 | 10/14/2010   | 10/21/2017 | 6.250%  | \$ 600,000,000   | \$ 600,000,000   | 28.31         | 29.00      | \$ 174,000,000 | \$ 426,000,000           |
| Total                                 |           |              |            |         | \$ 1,804,517,000 | \$ 1,804,517,000 |               |            | \$ 523,309,930 | \$ 1,281,207,070         |

### Notes:

- [1] Source: Bloomberg.
- [2] Source: Bloomberg.
- [3] Source: Bloomberg.
- [4] Source: Bloomberg.
- [5] Source: Bloomberg.
- [6] Source: Bloomberg.
- [7] Bloomberg bid-evaluated price. Source: Bloomberg
- [8] Price from the May 9, 2012 auction to settle the credit derivative trades for Sino-Forest credit default swaps (CDS). Source: Markit (available at http://www.creditfixings.com/CreditEventAuctions/results.jsp?ticker=SIFO)
- [9] =  $[6] \times [8] /100$ .
- [10] = [6] [9].

## APPENDIX A METHODOLOGY FOR DETERMINING ARTIFICIAL INFLATION IN SINO-FOREST COMMON STOCK

- 1. An out-of-pocket measure of damages is appropriate for securities litigation cases. It is generally accepted that an out-of-pocket measure of damages for litigation cases is based on the difference between the actual market price for the security minus the "true value" of the security on each date.<sup>1</sup>
- 2. The "true value" of the security is the value absent the alleged misrepresentations or omissions. The difference between the market price and true value is called "artificial inflation."
- 3. As a general matter, there are two basic approaches to compute artificial inflation discussed in the literature: Percentage or Dollar.<sup>2</sup> Both methods utilize excess stock price changes to estimate artificial inflation. The Percentage approach is based on the percentage change (the return) in the stock price, and the Dollar approach is based on the dollar change in the stock price.
- 4. The difference between the two methods is easiest to understand with a simple oneyear class period with one corrective disclosure that yields an excess return of negative 25%.
- 5. The Dollar approach is based on the excess price change, which is the excess return on the corrective disclosure day multiplied by the closing price on the day before. This excess price change is then used as the measure of artificial inflation for all days in a class period.

<sup>&</sup>lt;sup>1</sup> Bradford Cornell and R. Gregory Morgan, "Using Finance Theory to Measure Damages in Fraud on the Market Cases," *UCLA Law Review* 37, June 1990, 883-924, p. 885.

<sup>&</sup>lt;sup>2</sup> For a discussion of the Constant Dollar and Constant Percentage methods for calculating artificial inflation, *see*, for example, David Tabak and Chudozie Okongwu, "Inflation Methodologies in Securities Fraud Cases: Theory and Practice," NERA Economic Consulting working paper, July 2002.

Because artificial inflation is the same dollar amount on each day in a class period, this method is sometimes called the "Constant Dollar" approach. Using the 25% excess return and assuming the stock price was \$30 the day before the corrective disclosure, artificial inflation is \$7.50 (25% multiplied by \$30) per share for all days in a class period.

- 6. The Percentage approach uses the same excess return of 25% on the corrective disclosure, but computes artificial inflation by multiplying 25% by the actual stock price on each day in a class period. Thus, the Percentage approach is sometimes referred to as the "Constant Percentage" method.
- 7. If the stock price is \$30 on all days in a class period, then the Percentage approach yields exactly the same artificial inflation as the Dollar approach. If the stock price is less than \$30 for all days in a class period, then the Percentage approach results in lower artificial inflation than the Dollar approach for all days in a class period. Thus, when the stock price is generally increasing over a class period, the Percentage approach yields lower artificial inflation.

  Conversely, if the stock price is greater than \$30 for all days in a class period, then the Percentage approach results in greater artificial inflation than the Dollar approach for all days in a class period. This means that when the stock price is generally declining over a class period, the Dollar approach yields lower artificial inflation than the Percentage approach.
- 8. The Constant Percentage method for calculating damages is fully justified by fundamental economic and financial principles when the investors' expectations about the company's primary value drivers, such as the company's earnings, revenues or cash flows, are inflated by a roughly constant percentage. For example, a basic principle of finance is that the value of a security is equal to the present value of the expected future cash flows to the

securityholder.<sup>3</sup> This principle is the foundation of a fundamental valuation model called the discounted cash flow ("DCF") model. In the constant growth DCF model, the equity value of a company can be calculated as:

$$P_{t} = \frac{FCFE_{t+1}}{r - g}$$

where  $P_t$  is the value of the equity at any date t,  $FCFE_{t+1}$  is the expected free cash flow available for equity holders in the subsequent period t+1, r is the equity discount rate, and g is the expected growth rate of the free cash flows. Now suppose that, as a result of a misrepresentation, investors' expectations of future cash flows are inflated by a constant percentage,  $\alpha$ . In this case, the inflated equity value,  $P_t$ \* would be equal to:

$$P_{t}^{*} = \frac{(1+\alpha)FCFE_{t+1}}{r-g}.$$

The amount of artificial inflation in this example would be a constant percentage of the true value of the company  $(P^* - P = \alpha P)$ .

- 9. This logic applies to the company's other value drivers as well. For example, because the company's free cash flows are determined by its revenues, earnings and other value drivers, if a misrepresentation causes investors' expectations about the company's revenues or earnings to be inflated by a constant percentage, then the value of the company's equity will also be inflated by a constant percentage.
- 10. As a complement to the DCF model, companies are also valued using valuation multiples. For example, using historical data and/or data from comparable companies, it is

<sup>&</sup>lt;sup>3</sup> *See*, for example, Richard A. Brealey, Stewart C. Myers and Franklin Allen, <u>Principles of Corporate Finance</u>, Eighth Edition, McGraw-Hill Irwin, 2006, p. 61.

sometimes assumed that the company should be valued at a constant multiple of revenues or a constant multiple of earnings.<sup>4</sup>

- 11. In this matter, the Plaintiffs allege that, among other things, Sino-Forest misrepresented its past revenues and earnings,<sup>5</sup> misrepresented its forestry holdings,<sup>6</sup> misrepresented that it possessed registered titles to standing timber,<sup>7</sup> misrepresented its reliance on Authorized Intermediaries [AIs],<sup>8</sup> and misrepresented its generation of cash flows.<sup>9</sup> In my opinion, these alleged misrepresentations would affect the growth prospects for Sino-Forest and, therefore, the Constant Percentage method for calculating artificial inflation is more appropriate.
- 12. Under the Constant Percentage method, the dollar amount of artificial inflation will generally change on a daily basis. I have assumed that investors can only recover damages for shares purchased that were subsequently held over a corrective disclosure. Therefore, any Sino-Forest share purchased during the Class Period and sold before the assumed corrective disclosure on June 2, 2011 was not damaged.
- 13. For purposes of this Affidavit, I have been asked to assume that 100% of my calculated excess price declines for Sino-Forest common stock on both June 2, 2011 and June 3, 2011 are partially corrective of the Plaintiffs' allegations. Attached as Exhibit "A-1" is a table

<sup>&</sup>lt;sup>4</sup> *See*, for example, Aswath Damodaran, <u>The Dark Side of Valuation: Valuing Old Tech</u>, <u>New Tech</u>, <u>and New Economy Companies</u>, Prentice Hall, 2001, Chapter 8.

<sup>&</sup>lt;sup>5</sup> See Claim, ¶161.

<sup>&</sup>lt;sup>6</sup> See Claim, ¶107, 114-118, 121.

<sup>&</sup>lt;sup>7</sup> *See* Claim, ¶149.

<sup>&</sup>lt;sup>8</sup> *See* Claim, ¶162.

<sup>&</sup>lt;sup>9</sup> See Claim, ¶179.

 $<sup>^{10}</sup>$  An excess price decline is the change in price of a stock after removing general market and industry effects. *See* Torchio April 2012 Affidavit, Appendix A, ¶21.

of daily Sino-Forest common stock prices, volume and returns. Exhibit "A-1" also contains relevant market and industry returns, as well as excess returns calculated for Sino-Forest common stock as described in Appendix A of the Torchio April 2012 Affidavit. Exhibit "H" of the Affidavit shows the excess price declines for Sino-Forest common stock on June 2, 2011 and June 3, 2011 using the market model described in Appendix A of the Torchio April 2012 Affidavit. *See* Exhibit "A-2" for the calculation under the Constant Percentage method of the true value line and daily artificial inflation in Sino-Forest common stock. Attached as Exhibit "A-3" is a chart showing the closing price and true value of Sino-Forest throughout the Class Period in Canada.

### **List of Exhibits**

# A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011 A-2 Sino-Forest Common Stock Daily Closing Price and Artificial Inflation (C\$) from March 19, 2007 to June 3, 2011

Sino-Forest Common Stock Daily Closing Price and True Value (C\$) from March 19, 2007 to June 3, 2011

A-3

This is Exhibit "A-1"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this May of January, 2013

A Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948
Commission Expires June 22, 2013

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| - | [1]       | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]     |
|---|-----------|-----------|----------|--------|--------|----------|-----------|--------|---------|
|   |           | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |         |
|   | Date      | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat  |
|   | 3/19/2007 | 599,602   | \$ 10.51 |        |        |          |           |        |         |
|   | 3/20/2007 | 914,333   | \$ 10.83 | 3.04%  | -0.26% | 0.61%    | 0.06%     | 2.98%  | 1.18    |
|   | 3/21/2007 | 746,379   | \$ 11.11 | 2.59%  | 1.37%  | -0.55%   | 1.24%     | 1.34%  | 0.53    |
|   | 3/22/2007 | 1,153,451 | \$ 11.56 | 4.05%  | -0.12% | 0.41%    | 0.13%     | 3.92%  | 1.55    |
|   | 3/23/2007 | 1,590,072 | \$ 11.88 | 2.77%  | 0.75%  | -0.82%   | 0.54%     | 2.23%  | 0.88    |
|   | 3/26/2007 | 1,491,433 | \$ 12.95 | 9.01%  | 0.49%  | -0.32%   | 0.47%     | 8.54%  | 3.38 ** |
|   | 3/27/2007 | 550,832   | \$ 12.85 | -0.77% | -0.63% | 0.13%    | -0.46%    | -0.31% | -0.12   |
|   | 3/28/2007 | 2,278,827 | \$ 12.64 | -1.63% | -0.16% | -0.92%   | -0.37%    | -1.26% | -0.50   |
|   | 3/29/2007 | 2,816,405 | \$ 13.42 | 6.17%  | 0.46%  | -0.15%   | 0.50%     | 5.67%  | 2.25 *  |
|   | 3/30/2007 | 499,895   | \$ 13.10 | -2.38% | -0.70% | 0.51%    | -0.39%    | -1.99% | -0.79   |
|   | 4/2/2007  | 376,358   | \$ 12.94 | -1.22% | 0.76%  | -0.44%   | 0.69%     | -1.91% | -0.76   |
|   | 4/3/2007  | 658,186   | \$ 12.95 | 0.08%  | 0.72%  | 0.61%    | 1.01%     | -0.94% | -0.37   |
|   | 4/4/2007  | 537,620   | \$ 12.97 | 0.15%  | 0.65%  | -0.38%   | 0.60%     | -0.45% | -0.18   |
|   | 4/5/2007  | 882,554   | \$ 13.29 | 2.47%  | -0.17% | 0.00%    | -0.06%    | 2.53%  | 1.00    |
|   | 4/9/2007  | 296,342   | \$ 13.57 | 2.11%  | 0.43%  | -0.23%   | 0.44%     | 1.67%  | 0.66    |
|   | 4/10/2007 | 520,524   | \$ 13.83 | 1.92%  | -0.38% | 0.84%    | 0.03%     | 1.89%  | 0.75    |
|   | 4/11/2007 | 566,531   | \$ 13.87 | 0.29%  | -0.23% | -0.08%   | -0.14%    | 0.43%  | 0.17    |
|   | 4/12/2007 | 866,709   | \$ 14.25 | 2.74%  | 0.74%  | -0.64%   | 0.60%     | 2.14%  | 0.85    |
|   | 4/13/2007 | 693,241   | \$ 13.85 | -2.81% | 0.58%  | -0.30%   | 0.57%     | -3.38% | -1.34   |
|   | 4/16/2007 | 918,273   | \$ 13.81 | -0.29% | 0.60%  | 0.41%    | 0.83%     | -1.11% | -0.44   |
|   | 4/17/2007 | 966,875   | \$ 13.98 | 1.23%  | -0.01% | -0.35%   | -0.03%    | 1.26%  | 0.50    |
|   | 4/18/2007 | 772,985   | \$ 14.10 | 0.86%  | 0.40%  | -0.69%   | 0.25%     | 0.61%  | 0.24    |
|   | 4/19/2007 | 475,922   | \$ 13.86 | -1.70% | -1.00% | 0.36%    | -0.74%    | -0.97% | -0.38   |
|   | 4/20/2007 | 731,851   | \$ 13.32 | -3.90% | 0.66%  | -0.10%   | 0.71%     | -4.61% | -1.83   |
|   | 4/23/2007 | 707,601   | \$ 13.32 | 0.00%  | -0.26% | -0.39%   | -0.28%    | 0.28%  | 0.11    |
|   | 4/24/2007 | 247,606   | \$ 13.40 | 0.60%  | -0.28% | -0.21%   | -0.24%    | 0.84%  | 0.33    |
|   | 4/25/2007 | 396,619   | \$ 13.77 | 2.76%  | 0.61%  | 0.14%    | 0.74%     | 2.02%  | 0.80    |
|   | 4/26/2007 | 92,134    | \$ 13.62 | -1.09% | -0.55% | 2.25%    | 0.35%     | -1.44% | -0.57   |
|   | 4/27/2007 | 296,508   | \$ 13.58 | -0.29% | 0.25%  | -0.84%   | 0.06%     | -0.35% | -0.14   |
|   | 4/30/2007 | 358,337   | \$ 13.50 | -0.59% | -1.58% | 1.23%    | -0.99%    | 0.40%  | 0.16    |
|   | 5/1/2007  | 1,094,930 | \$ 13.55 | 0.37%  | -0.08% | -0.16%   | -0.03%    | 0.40%  | 0.16    |
|   | 5/2/2007  | 606,731   | \$ 13.36 | -1.40% | 1.29%  | -0.70%   | 1.11%     | -2.51% | -0.99   |
|   | 5/3/2007  | 643,197   | \$ 13.15 | -1.57% | 0.80%  | -0.60%   | 0.67%     | -2.24% | -0.89   |
|   | 5/4/2007  | 661,530   | \$ 13.58 | 3.27%  | 0.61%  | 0.72%    | 0.94%     | 2.33%  | 0.92    |
|   | 5/7/2007  | 429,464   | \$ 13.70 | 0.88%  | 0.69%  | -4.84%   | -0.90%    | 1.78%  | 0.71    |
|   | 5/8/2007  | 700,891   | \$ 13.60 | -0.73% | 0.36%  | -1.67%   | -0.12%    | -0.61% | -0.24   |
|   | 5/9/2007  | 645,059   | \$ 13.38 | -1.62% | -0.15% | 0.69%    | 0.21%     | -1.82% | -0.72   |
|   | 5/10/2007 | 931,891   | \$ 13.59 | 1.57%  | -0.30% | -0.14%   | -0.23%    | 1.80%  | 0.72    |
|   | 5/11/2007 | 765,049   | \$ 13.60 | 0.07%  | 1.09%  | -0.61%   | 0.95%     | -0.87% | -0.35   |
|   | 5/14/2007 | 514,860   | \$ 13.05 | -4.04% | -0.72% | 0.74%    | -0.33%    | -3.71% | -1.47   |
|   | 5/15/2007 | 1,517,525 | \$ 12.49 | -4.29% | 0.23%  | 4.30%    | 1.81%     | -6.10% | -2.42 * |
|   | 5/16/2007 | 1,438,169 | \$ 12.64 | 1.20%  | 0.65%  | -1.25%   | 0.30%     | 0.90%  | 0.36    |
|   | 5/17/2007 | 1,270,032 | \$ 13.31 | 5.30%  | 0.54%  | -0.49%   | 0.46%     | 4.84%  | 1.92    |
|   | 5/18/2007 | 552,232   | \$ 13.41 | 0.75%  | 0.03%  | 0.30%    | 0.24%     | 0.51%  | 0.20    |
|   | 5/21/2007 | 6,085     | \$ 13.41 | 0.00%  | 0.03%  | 0.30%    | 0.24%     | -0.24% | -0.10   |
|   | 5/22/2007 | 1,183,356 | \$ 13.83 | 3.13%  | 0.05%  | 0.72%    | 0.40%     | 2.73%  | 1.08    |
|   | 5/23/2007 | 1,409,157 | \$ 13.15 | -4.92% | 0.21%  | 0.51%    | 0.49%     | -5.41% | -2.14 * |
|   |           |           |          |        |        |          |           |        |         |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]       | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]    |
|-----------|-----------|----------|--------|--------|----------|-----------|--------|--------|
|           | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |        |
| Date      | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat |
| 5/24/2007 | 767,681   | \$ 12.93 | -1.67% | -1.39% | 0.61%    | -1.02%    | -0.65% | -0.26  |
| 5/25/2007 | 461,792   | \$ 12.90 | -0.23% | 0.56%  | -0.41%   | 0.50%     | -0.74% | -0.29  |
| 5/28/2007 | 82,020    | \$ 12.87 | -0.23% | 0.35%  | 0.04%    | 0.46%     | -0.69% | -0.28  |
| 5/29/2007 | 928,552   | \$ 12.85 | -0.16% | -0.79% | 0.21%    | -0.58%    | 0.43%  | 0.17   |
| 5/30/2007 | 882,227   | \$ 12.87 | 0.16%  | 0.85%  | -1.29%   | 0.48%     | -0.33% | -0.13  |
| 5/31/2007 | 712,076   | \$ 13.05 | 1.40%  | -0.18% | 1.32%    | 0.39%     | 1.01%  | 0.40   |
| 6/1/2007  | 730,788   | \$ 13.15 | 0.77%  | 0.45%  | 0.12%    | 0.58%     | 0.19%  | 0.08   |
| 6/4/2007  | 1,077,014 | \$ 13.99 | 6.39%  | 0.19%  | 0.21%    | 0.37%     | 6.02%  | 2.39 * |
| 6/5/2007  | 1,270,179 | \$ 14.05 | 0.43%  | -0.04% | -0.37%   | -0.06%    | 0.49%  | 0.19   |
| 6/6/2007  | 905,807   | \$ 14.05 | 0.00%  | -1.41% | 0.58%    | -1.06%    | 1.06%  | 0.42   |
| 6/7/2007  | 1,008,256 | \$ 13.75 | -2.14% | -1.71% | 0.00%    | -1.54%    | -0.60% | -0.24  |
| 6/8/2007  | 1,253,561 | \$ 13.76 | 0.07%  | 0.69%  | -0.98%   | 0.43%     | -0.36% | -0.14  |
| 6/11/2007 | 852,154   | \$ 14.05 | 2.11%  | 0.25%  | -0.05%   | 0.33%     | 1.78%  | 0.71   |
| 6/12/2007 | 1,081,298 | \$ 14.10 | 0.36%  | -0.78% | -0.20%   | -0.72%    | 1.08%  | 0.43   |
| 6/13/2007 | 1,129,389 | \$ 14.98 | 6.24%  | 0.99%  | -0.07%   | 1.03%     | 5.21%  | 2.06 * |
| 6/14/2007 | 3,629,179 | \$ 16.07 | 7.28%  | 1.03%  | -0.38%   | 0.97%     | 6.31%  | 2.50 * |
| 6/15/2007 | 3,837,760 | \$ 16.75 | 4.23%  | 0.97%  | 0.36%    | 1.17%     | 3.07%  | 1.22   |
| 6/18/2007 | 1,023,289 | \$ 17.19 | 2.63%  | 0.28%  | 0.10%    | 0.41%     | 2.22%  | 0.88   |
| 6/19/2007 | 1,202,007 | \$ 17.05 | -0.81% | -0.40% | 0.32%    | -0.17%    | -0.64% | -0.26  |
| 6/20/2007 | 1,212,401 | \$ 16.55 | -2.93% | -1.00% | 0.73%    | -0.61%    | -2.33% | -0.92  |
| 6/21/2007 | 1,359,539 | \$ 16.42 | -0.79% | 0.84%  | -0.53%   | 0.73%     | -1.52% | -0.60  |
| 6/22/2007 | 1,841,040 | \$ 15.98 | -2.68% | -0.78% | 0.47%    | -0.48%    | -2.20% | -0.87  |
| 6/25/2007 | 847,729   | \$ 15.84 | -0.88% | -1.03% | 0.20%    | -0.82%    | -0.06% | -0.02  |
| 6/26/2007 | 1,197,917 | \$ 15.04 | -5.05% | -1.29% | 0.69%    | -0.90%    | -4.15% | -1.65  |
| 6/27/2007 | 966,282   | \$ 15.19 | 1.00%  | 0.57%  | -0.80%   | 0.38%     | 0.62%  | 0.24   |
| 6/28/2007 | 852,418   | \$ 14.98 | -1.38% | -0.19% | 0.85%    | 0.21%     | -1.60% | -0.63  |
| 6/29/2007 | 452,397   | \$ 15.30 | 2.14%  | 1.39%  | -1.25%   | 1.02%     | 1.12%  | 0.44   |
| 7/2/2007  | 6,936     | \$ 15.30 | 0.00%  | 1.39%  | -1.25%   | 1.02%     | -1.02% | -0.40  |
| 7/3/2007  | 1,099,451 | \$ 16.28 | 6.41%  | 1.14%  | -0.34%   | 1.09%     | 5.32%  | 2.11 * |
| 7/4/2007  | 356,497   | \$ 16.64 | 2.21%  | -0.03% | 0.68%    | 0.31%     | 1.90%  | 0.75   |
| 7/5/2007  | 1,017,393 | \$ 17.09 | 2.70%  | 0.14%  | 0.12%    | 0.28%     | 2.43%  | 0.96   |
| 7/6/2007  | 1,423,734 | \$ 17.08 | -0.06% | 0.28%  | 0.24%    | 0.46%     | -0.52% | -0.21  |
| 7/9/2007  | 659,764   | \$ 17.05 | -0.18% | 0.42%  | 0.07%    | 0.53%     | -0.71% | -0.28  |
| 7/10/2007 | 1,885,199 | \$ 17.04 | -0.06% | -0.32% | -0.45%   | -0.36%    | 0.30%  | 0.12   |
| 7/11/2007 | 1,313,422 | \$ 17.92 | 5.16%  | 0.24%  | -0.38%   | 0.21%     | 4.96%  | 1.96 * |
| 7/12/2007 | 896,597   | \$ 18.10 | 1.00%  | 1.34%  | -0.67%   | 1.17%     | -0.17% | -0.07  |
| 7/13/2007 | 639,826   | \$ 17.92 | -0.99% | 0.98%  | 0.10%    | 1.09%     | -2.08% | -0.83  |
| 7/16/2007 | 655,749   | \$ 17.60 | -1.79% | -1.09% | 0.20%    | -0.88%    | -0.91% | -0.36  |
| 7/17/2007 | 1,974,760 | \$ 17.93 | 1.87%  | 0.31%  | 0.79%    | 0.68%     | 1.20%  | 0.48   |
| 7/18/2007 | 1,829,103 | \$ 18.29 | 2.01%  | 1.40%  | -1.50%   | 0.94%     | 1.07%  | 0.42   |
| 7/19/2007 | 398,262   | \$ 18.80 | 2.79%  | 0.29%  | 0.52%    | 0.57%     | 2.22%  | 0.88   |
| 7/20/2007 | 1,537,830 | \$ 18.87 | 0.37%  | -0.29% | -0.61%   | -0.39%    | 0.76%  | 0.30   |
| 7/23/2007 | 597,462   | \$ 18.50 | -1.96% | -0.79% | 1.57%    | -0.11%    | -1.85% | -0.73  |
| 7/24/2007 | 413,447   | \$ 17.89 | -3.30% | -2.77% | 2.49%    | -1.71%    | -1.59% | -0.63  |
| 7/25/2007 | 740,542   | \$ 17.30 | -3.30% | 0.26%  | -1.32%   | -0.10%    | -3.20% | -1.27  |
| 7/26/2007 | 1,144,814 | \$ 16.87 | -2.49% | -1.85% | -0.89%   | -1.99%    | -0.50% | -0.20  |
| 7/27/2007 | 1,057,774 | \$ 17.10 | 1.36%  | -0.69% | -2.33%   | -1.37%    | 2.74%  | 1.08   |
|           | . ,       | •        | -      |        |          |           |        |        |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]         | [2]       | [3]      | [4]    | [5]                 | [6]      | [7]       | [8]    | [9]     |
|-------------|-----------|----------|--------|---------------------|----------|-----------|--------|---------|
|             | Total     | TRE CN   | TRE CN | Market              | Industry | Predicted | Excess |         |
| <b>Date</b> | Volume    | Price    | Return | Return              | Return   | Return    | Return | t-stat  |
| 7/30/2007   | 1,846,352 | \$ 17.10 | 0.00%  | 0.85%               | -0.17%   | 0.86%     | -0.86% | -0.34   |
| 7/31/2007   | 1,452,189 | \$ 16.85 | -1.46% | 0.03%               | -0.02%   | 0.13%     | -1.59% | -0.63   |
| 8/1/2007    | 1,191,011 | \$ 16.12 | -4.33% | -1.54%              | 0.09%    | -1.35%    | -2.98% | -1.18   |
| 8/2/2007    | 765,177   | \$ 16.30 | 1.12%  | 1.16%               | -1.41%   | 0.74%     | 0.38%  | 0.15    |
| 8/3/2007    | 359,122   | \$ 16.01 | -1.78% | -1.80%              | 0.12%    | -1.59%    | -0.19% | -0.07   |
| 8/6/2007    | 7,375     | \$ 16.01 | 0.00%  | -1.80%              | 0.12%    | -1.59%    | 1.59%  | 0.63    |
| 8/7/2007    | 760,202   | \$ 15.96 | -0.31% | -0.03%              | -0.61%   | -0.14%    | -0.17% | -0.07   |
| 8/8/2007    | 1,298,656 | \$ 16.45 | 3.07%  | 1.46%               | 0.04%    | 1.53%     | 1.54%  | 0.61    |
| 8/9/2007    | 1,076,332 | \$ 15.60 | -5.17% | -2.04%              | 0.41%    | -1.72%    | -3.45% | -1.37   |
| 8/10/2007   | 1,276,813 | \$ 14.91 | -4.42% | -0.09%              | -1.76%   | -0.59%    | -3.84% | -1.52   |
| 8/13/2007   | 1,366,044 | \$ 15.26 | 2.35%  | -0.29%              | 0.85%    | 0.12%     | 2.22%  | 0.88    |
| 8/14/2007   | 1,199,091 | \$ 15.23 | -0.20% | -1.38%              | -0.31%   | -1.33%    | 1.14%  | 0.45    |
| 8/15/2007   | 1,169,405 | \$ 14.84 | -2.56% | -1.46%              | -1.02%   | -1.66%    | -0.90% | -0.36   |
| 8/16/2007   | 1,527,808 | \$ 14.25 | -3.98% | -1.53%              | -1.24%   | -1.80%    | -2.17% | -0.86   |
| 8/17/2007   | 2,104,363 | \$ 13.97 | -1.96% | 1.56%               | -0.24%   | 1.53%     | -3.50% | -1.39   |
| 8/20/2007   | 1,446,794 | \$ 14.01 | 0.29%  | 0.47%               | 1.20%    | 0.97%     | -0.69% | -0.27   |
| 8/21/2007   | 1,159,523 | \$ 13.99 | -0.14% | 0.98%               | -0.47%   | 0.89%     | -1.03% | -0.41   |
| 8/22/2007   | 2,481,947 | \$ 17.19 | 22.87% | 1.70%               | 1.42%    | 2.24%     | 20.64% | 8.18 ** |
| 8/23/2007   | 1,356,014 | \$ 16.15 | -6.05% | -0.09%              | 0.90%    | 0.33%     | -6.38% | -2.53 * |
| 8/24/2007   | 1,038,176 | \$ 17.08 | 5.76%  | 0.51%               | 0.73%    | 0.86%     | 4.90%  | 1.94    |
| 8/27/2007   | 588,680   | \$ 17.26 | 1.05%  | -0.24%              | 0.63%    | 0.09%     | 0.96%  | 0.38    |
| 8/28/2007   | 1,284,162 | \$ 17.28 | 0.12%  | -1.65%              | 0.04%    | -1.48%    | 1.59%  | 0.63    |
| 8/29/2007   | 934,524   | \$ 17.46 | 1.04%  | 1.70%               | -0.97%   | 1.41%     | -0.37% | -0.15   |
| 8/30/2007   | 359,565   | \$ 17.64 | 1.03%  | -0.34%              | 0.84%    | 0.07%     | 0.96%  | 0.38    |
| 8/31/2007   | 1,182,941 | \$ 18.00 | 2.04%  | 1.61%               | -0.09%   | 1.63%     | 0.41%  | 0.16    |
| 9/3/2007    | 1,075     | \$ 18.00 | 0.00%  | 1.61%               | -0.09%   | 1.63%     | -1.63% | -0.64   |
| 9/4/2007    | 639,833   | \$ 18.33 | 1.83%  | 0.69%               | 0.20%    | 0.85%     | 0.99%  | 0.39    |
| 9/5/2007    | 2,470,231 | \$ 18.96 | 3.44%  | -0.52%              | -0.08%   | -0.43%    | 3.86%  | 1.53    |
| 9/6/2007    | 1,629,179 | \$ 18.90 | -0.32% | 0.82%               | -0.14%   | 0.85%     | -1.17% | -0.46   |
| 9/7/2007    | 1,241,309 | \$ 19.02 | 0.63%  | -1.05%              | -0.09%   | -0.94%    | 1.57%  | 0.62    |
| 9/10/2007   | 2,539,889 | \$ 19.08 | 0.32%  | -0.19%              | -0.31%   | -0.18%    | 0.50%  | 0.20    |
| 9/11/2007   | 1,481,407 | \$ 19.56 | 2.52%  | 0.58%               | 0.49%    | 0.83%     | 1.68%  | 0.67    |
| 9/12/2007   | 1,084,337 | \$ 19.40 | -0.82% | 0.38%               | 0.22%    | 0.55%     | -1.37% | -0.54   |
| 9/13/2007   | 1,718,778 | \$ 19.81 | 2.11%  | 0.63%               | -0.23%   | 0.63%     | 1.48%  | 0.59    |
| 9/14/2007   | 1,533,432 | \$ 20.28 | 2.37%  | 0.02%               | -0.53%   | -0.06%    | 2.43%  | 0.96    |
| 9/17/2007   | 2,006,408 | \$ 20.21 | -0.35% | -0.26%              | -0.43%   | -0.30%    | -0.05% | -0.02   |
| 9/18/2007   | 2,682,181 | \$ 21.01 | 3.96%  | 1.42%               | 0.33%    | 1.59%     | 2.37%  | 0.94    |
| 9/19/2007   | 1,671,381 | \$ 22.15 | 5.43%  | -0.47%              | 2.13%    | 0.39%     | 5.04%  | 2.00 *  |
| 9/20/2007   | 2,472,925 | \$ 22.86 | 3.21%  | -0.73%              | -0.13%   | -0.64%    | 3.85%  | 1.53    |
| 9/21/2007   | 4,044,036 | \$ 22.17 | -3.02% | 0.73%               | 0.00%    | 0.81%     | -3.83% | -1.52   |
| 9/24/2007   | 1,147,057 | \$ 22.86 | 3.11%  | 0.13%               | -0.45%   | 0.08%     | 3.03%  | 1.20    |
| 9/25/2007   | 2,742,741 | \$ 22.26 | -2.62% | 0.28%               | -1.43%   | -0.12%    | -2.51% | -0.99   |
| 9/26/2007   | 666,136   | \$ 22.20 | -0.36% | 0.23%               | 0.19%    | 0.43%     | -0.79% | -0.31   |
| 9/27/2007   | 1,366,078 | \$ 22.18 | -1.67% | 0.68%               | 0.13%    | 0.43%     | -2.44% | -0.97   |
| 9/28/2007   | 1,178,498 | \$ 22.48 | 3.07%  | -0.22%              | 1.39%    | 0.77%     | 2.70%  | 1.07    |
| 10/1/2007   | 1,325,510 | \$ 22.48 | 4.40%  | 0.72%               | -0.22%   | 0.38%     | 3.68%  | 1.07    |
| 10/1/2007   | 1,936,458 | \$ 23.47 | 0.51%  | -0.34%              | 0.34%    | -0.10%    | 0.61%  | 0.24    |
| 10/2/2007   | 1,750,450 | ψ 43.33  | 0.51/0 | U.J <del>+</del> /0 | 0.54/0   | 0.10/0    | 0.01/0 | U.2T    |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | [1]        | [2]       | [3]      | [4]     | [5]    | [6]    | [7]    | [8]    | [9]      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|----------|---------|--------|--------|--------|--------|----------|
| 10/3/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |         |        |        |        |        |          |
| 1014/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |         |        |        |        |        |          |
| 10/5/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |         |        |        |        |        |          |
| 10/8/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |           |          |         |        |        |        |        |          |
| 109/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |           |          |         |        |        |        |        |          |
| 10/10/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |           |          |         |        |        |        |        |          |
| 10/11/2007   3,895,190   \$24.55   1,87%   -0.33%   0,70%   0.03%   1,84%   0,73   10/12/2007   1,663,944   \$24.13   -3.17%   -0.45%   -1.24%   0,13%   1.38%   0,55   10/15/2007   1,663,944   \$24.13   -3.17%   -0.45%   -1.24%   0,04%   -0.41%   -1.87%   -0.74   10/17/2007   1,243,66   \$23.58   -2.28%   -0.55%   0,04%   -0.41%   -1.87%   -0.74   10/17/2007   1,724,336   \$23.10   -2.04%   0.47%   0.07%   0.58%   -2.62%   -1.04   10/18/2007   6,718,290   \$23.54   1.90%   0.79%   0.79%   0.18%   1.10%   0.43   10/19/2007   4,152,161   \$23.17   -1.57%   -2.31%   1.00%   -1.77%   0.20%   0.08   10/22/2007   2,788,691   \$22.51   -1.10%   0.34%   0.34%   -0.44%   -1.33%   -0.63   10/23/2007   2,788,691   \$22.51   -1.10%   0.31%   0.69%   0.65%   -1.74%   -0.69   10/24/2007   1,629,541   \$22.89   1.69%   0.01%   -0.14%   0.07%   1.62%   0.64   10/25/2007   2,422,735   \$22.88   -0.04%   0.26%   -0.04%   0.34%   -0.38%   -0.15   10/26/2007   1,124,621   \$23.84   4.20%   0.26%   -0.04%   0.34%   -0.38%   -0.15   10/26/2007   1,344,659   \$24.72   3.69%   0.92%   0.49%   1.16%   2.53%   1.00   10/30/2007   1,775,67   \$24.94   0.89%   -0.80%   0.37%   -0.54%   1.43%   0.57   10/31/2007   2,282,200   \$25.12   0.72%   -0.80%   -0.80%   0.37%   -0.54%   1.43%   0.57   10/31/2007   2,282,00   \$25.12   0.72%   -0.66%   -0.55%   -0.16%   -0.45%   1.42   11/2/2007   4,45,803   \$23.24   -2.39%   -0.06%   -0.55%   -0.16%   -0.45%   -0.46%   1.47%   -0.59   11/5/2007   2,468,700   \$24.06   3.80%   0.68%   0.25%   0.85%   2.95%   1.17   11/7/2007   1,462,074   \$23.48   -2.41%   -1.76%   0.85%   -1.30%   -1.11%   -0.44   11/8/2007   1,75,566   \$23.00   -0.65%   -1.83%   0.72%   -1.41%   0.77%   0.30   11/12/2007   2,468,700   \$24.06   3.80%   0.68%   0.25%   0.85%   2.95%   1.17   11/7/2007   1,76,60   \$2.20   \$2.04   -1.09%   -1.45%   -0.25%   -0.55%   -1.30%   -1.11%   -0.44   -1.118/2007   1.76,60   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00   \$2.00 |            |           |          |         |        |        |        |        |          |
| 10/12/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |           |          |         |        |        |        |        |          |
| 10/15/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |           |          |         |        |        |        |        |          |
| 10/16/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |           |          |         |        |        |        |        |          |
| 10/17/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |           |          |         |        |        |        |        |          |
| 10/18/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |           |          |         |        |        |        |        |          |
| 10/19/2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 10/17/2007 | 1,724,336 |          |         |        | 0.07%  |        | -2.62% |          |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |           |          |         |        |        |        |        |          |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10/19/2007 |           |          |         |        | 1.00%  |        | 0.20%  |          |
| $\begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |            | 2,188,568 |          |         |        |        |        | -1.33% |          |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            | 2,788,691 |          |         |        |        |        |        |          |
| $\begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 10/24/2007 | 1,629,541 |          | 1.69%   |        | -0.14% |        |        |          |
| $\begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 10/25/2007 | 2,422,735 |          |         |        | -0.04% | 0.34%  | -0.38% |          |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10/26/2007 |           | \$ 23.84 | 4.20%   | 1.21%  | -0.46% | 1.12%  | 3.08%  | 1.22     |
| $\begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 10/29/2007 | 1,344,659 | \$ 24.72 | 3.69%   | 0.92%  | 0.49%  |        | 2.53%  | 1.00     |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10/30/2007 | 1,577,567 | \$ 24.94 | 0.89%   | -0.80% | 0.37%  | -0.54% | 1.43%  | 0.57     |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10/31/2007 | 2,228,200 | \$ 25.12 |         | 2.19%  | -0.35% | 2.10%  | -1.37% | -0.54    |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/1/2007  | 3,020,312 | \$ 23.81 | -5.21%  | -1.73% | -0.19% | -1.63% | -3.59% | -1.42    |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/2/2007  | 1,453,803 | \$ 23.24 | -2.39%  | -0.06% | -0.55% | -0.14% | -2.25% | -0.89    |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/5/2007  | 2,495,015 | \$ 23.18 | -0.26%  | -0.63% | -1.17% | -0.91% | 0.65%  | 0.26     |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            | 2,468,700 | \$ 24.06 | 3.80%   | 0.68%  | 0.25%  | 0.85%  | 2.95%  | 1.17     |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/7/2007  | 1,462,074 | \$ 23.48 | -2.41%  | -1.76% | 0.85%  | -1.30% | -1.11% | -0.44    |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/8/2007  | 1,707,554 | \$ 23.15 | -1.41%  | 0.07%  | -0.37% | 0.05%  | -1.46% | -0.58    |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/9/2007  | 975,866   | \$ 23.00 | -0.65%  | -1.83% | 0.72%  | -1.41% | 0.77%  |          |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/12/2007 | 2,629,792 | \$ 20.48 | -10.96% | -1.91% | 0.01%  | -1.74% | -9.22% | -3.65 ** |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            | 2,416,887 | \$ 20.90 | 2.05%   | 0.74%  | 0.48%  | 0.99%  | 1.07%  | 0.42     |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/14/2007 |           | \$ 22.00 |         | 0.51%  | -0.02% | 0.59%  | 4.68%  | 1.85     |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/15/2007 | 801,295   | \$ 21.39 | -2.77%  | -1.82% | 0.25%  | -1.56% | -1.21% | -0.48    |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/16/2007 | 1,736,200 | \$ 20.51 | -4.11%  | 0.04%  | 0.06%  | 0.17%  | -4.28% | -1.70    |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/19/2007 | 2,731,212 | \$ 18.63 | -9.17%  | -1.35% | -1.06% |        | -7.60% | -3.01 ** |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/20/2007 | 2,146,933 |          |         | 0.84%  | -0.27% | 0.82%  | 3.85%  |          |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            | 2,541,398 |          | 0.00%   | -1.33% | -0.78% | -1.45% | 1.45%  |          |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/22/2007 |           |          |         |        | -1.45% |        | -2.90% |          |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 11/23/2007 | 886,591   |          | 7.26%   |        |        | 0.96%  | 6.31%  | 2.50 *   |
| 11/28/2007       1,898,353       \$ 20.79       4.26%       1.97%       0.36%       2.13%       2.13%       0.84         11/29/2007       1,752,314       \$ 21.00       1.01%       0.23%       0.51%       0.51%       0.50%       0.20         11/30/2007       4,732,401       \$ 22.00       4.76%       0.18%       0.11%       0.32%       4.44%       1.76         12/3/2007       1,029,319       \$ 21.07       -4.23%       -0.23%       0.07%       -0.10%       -4.13%       -1.64         12/4/2007       888,440       \$ 20.70       -1.76%       -0.57%       -0.52%       -0.62%       -1.13%       -0.45         12/5/2007       1,316,019       \$ 20.97       1.30%       1.14%       -0.07%       1.18%       0.12%       0.05                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            | 1,564,482 |          |         | -1.09% |        |        | -5.61% |          |
| 11/29/2007       1,752,314       \$ 21.00       1.01%       0.23%       0.51%       0.51%       0.50%       0.20         11/30/2007       4,732,401       \$ 22.00       4.76%       0.18%       0.11%       0.32%       4.44%       1.76         12/3/2007       1,029,319       \$ 21.07       -4.23%       -0.23%       0.07%       -0.10%       -4.13%       -1.64         12/4/2007       888,440       \$ 20.70       -1.76%       -0.57%       -0.52%       -0.62%       -1.13%       -0.45         12/5/2007       1,316,019       \$ 20.97       1.30%       1.14%       -0.07%       1.18%       0.12%       0.05                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 11/27/2007 | 1,768,194 | \$ 19.94 | 4.23%   | 0.36%  | -0.42% | 0.31%  | 3.92%  | 1.56     |
| 11/30/2007       4,732,401       \$ 22.00       4.76%       0.18%       0.11%       0.32%       4.44%       1.76         12/3/2007       1,029,319       \$ 21.07       -4.23%       -0.23%       0.07%       -0.10%       -4.13%       -1.64         12/4/2007       888,440       \$ 20.70       -1.76%       -0.57%       -0.52%       -0.62%       -1.13%       -0.45         12/5/2007       1,316,019       \$ 20.97       1.30%       1.14%       -0.07%       1.18%       0.12%       0.05                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11/28/2007 | 1,898,353 | \$ 20.79 | 4.26%   | 1.97%  | 0.36%  | 2.13%  | 2.13%  | 0.84     |
| 12/3/2007     1,029,319     \$ 21.07     -4.23%     -0.23%     0.07%     -0.10%     -4.13%     -1.64       12/4/2007     888,440     \$ 20.70     -1.76%     -0.57%     -0.52%     -0.62%     -1.13%     -0.45       12/5/2007     1,316,019     \$ 20.97     1.30%     1.14%     -0.07%     1.18%     0.12%     0.05                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 11/29/2007 |           |          |         | 0.23%  | 0.51%  | 0.51%  | 0.50%  |          |
| 12/4/2007 888,440 \$ 20.70 -1.76% -0.57% -0.52% -0.62% -1.13% -0.45<br>12/5/2007 1,316,019 \$ 20.97 1.30% 1.14% -0.07% 1.18% 0.12% 0.05                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 11/30/2007 |           |          | 4.76%   | 0.18%  | 0.11%  | 0.32%  | 4.44%  |          |
| 12/5/2007 1,316,019 \$ 20.97 1.30% 1.14% -0.07% 1.18% 0.12% 0.05                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 12/3/2007  |           |          | -4.23%  | -0.23% | 0.07%  | -0.10% | -4.13% | -1.64    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 12/4/2007  |           |          |         | -0.57% | -0.52% | -0.62% | -1.13% |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |           |          |         |        |        |        |        |          |
| 12/6/2007 810,608 \$ 20.56 -1.96% 0.84% 1.02% 1.27% -3.23% -1.28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 12/6/2007  | 810,608   | \$ 20.56 | -1.96%  | 0.84%  | 1.02%  | 1.27%  | -3.23% | -1.28    |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]        | [2]       | [3]      | [4]     | [5]    | [6]      | [7]       | [8]    | [9]      |
|------------|-----------|----------|---------|--------|----------|-----------|--------|----------|
|            | Total     | TRE CN   | TRE CN  | Market | Industry | Predicted | Excess |          |
| Date       | Volume    | Price    | Return  | Return | Return   | Return    | Return | t-stat   |
| 12/7/2007  | 705,266   | \$ 20.15 | -1.99%  | 0.10%  | 1.01%    | 0.55%     | -2.54% | -1.01    |
| 12/10/2007 | 1,354,990 | \$ 20.95 | 3.97%   | 0.56%  | -0.53%   | 0.46%     | 3.51%  | 1.39     |
| 12/11/2007 | 1,639,263 | \$ 20.99 | 0.19%   | -1.55% | -0.18%   | -1.46%    | 1.65%  | 0.65     |
| 12/12/2007 | 654,815   | \$ 20.60 | -1.86%  | 0.62%  | -0.95%   | 0.38%     | -2.24% | -0.89    |
| 12/13/2007 | 777,145   | \$ 20.00 | -2.91%  | -0.45% | -1.45%   | -0.83%    | -2.08% | -0.82    |
| 12/14/2007 | 1,149,170 | \$ 19.28 | -3.60%  | -0.53% | -1.33%   | -0.87%    | -2.73% | -1.08    |
| 12/17/2007 | 1,743,662 | \$ 18.30 | -5.08%  | -2.10% | -0.14%   | -1.97%    | -3.11% | -1.23    |
| 12/18/2007 | 1,997,306 | \$ 19.00 | 3.83%   | -0.22% | 0.43%    | 0.05%     | 3.78%  | 1.50     |
| 12/19/2007 | 1,206,749 | \$ 18.50 | -2.63%  | 0.24%  | 0.22%    | 0.41%     | -3.04% | -1.21    |
| 12/20/2007 | 1,123,530 | \$ 18.64 | 0.76%   | 0.13%  | -0.07%   | 0.21%     | 0.55%  | 0.22     |
| 12/21/2007 | 927,404   | \$ 20.04 | 7.51%   | 1.41%  | 0.57%    | 1.67%     | 5.84%  | 2.32 *   |
| 12/24/2007 | 234,425   | \$ 20.01 | -0.15%  | 0.73%  | -0.54%   | 0.62%     | -0.77% | -0.31    |
| 12/27/2007 | 699,963   | \$ 20.53 | 2.60%   | -0.14% | 0.75%    | 0.23%     | 2.37%  | 0.94     |
| 12/28/2007 | 1,249,096 | \$ 20.79 | 1.27%   | 1.07%  | -0.85%   | 0.84%     | 0.43%  | 0.17     |
| 12/31/2007 | 586,804   | \$ 21.44 | 3.13%   | 0.08%  | -1.06%   | -0.18%    | 3.31%  | 1.31     |
| 1/2/2008   | 1,404,457 | \$ 21.52 | 0.37%   | 0.68%  | -0.74%   | 0.51%     | -0.13% | -0.05    |
| 1/3/2008   | 1,399,622 | \$ 21.69 | 0.79%   | 0.37%  | -0.16%   | 0.41%     | 0.38%  | 0.15     |
| 1/4/2008   | 523,616   | \$ 21.36 | -1.52%  | -1.43% | -0.73%   | -1.53%    | 0.01%  | 0.00     |
| 1/7/2008   | 681,196   | \$ 20.71 | -3.04%  | -1.16% | -0.25%   | -1.10%    | -1.94% | -0.77    |
| 1/8/2008   | 846,934   | \$ 20.82 | 0.53%   | -0.57% | 0.34%    | -0.32%    | 0.86%  | 0.34     |
| 1/9/2008   | 2,396,952 | \$ 21.18 | 1.73%   | 0.28%  | -1.12%   | -0.01%    | 1.74%  | 0.69     |
| 1/10/2008  | 597,079   | \$ 21.01 | -0.80%  | 0.46%  | -0.34%   | 0.43%     | -1.24% | -0.49    |
| 1/11/2008  | 568,762   | \$ 20.99 | -0.10%  | -0.07% | -1.02%   | -0.32%    | 0.22%  | 0.09     |
| 1/14/2008  | 1,571,568 | \$ 21.92 | 4.43%   | 0.48%  | -0.15%   | 0.52%     | 3.91%  | 1.55     |
| 1/15/2008  | 1,253,716 | \$ 20.40 | -6.93%  | -2.79% | -0.04%   | -2.60%    | -4.34% | -1.72    |
| 1/16/2008  | 1,484,804 | \$ 18.94 | -7.16%  | -1.82% | 0.73%    | -1.40%    | -5.76% | -2.28 *  |
| 1/17/2008  | 912,075   | \$ 19.08 | 0.74%   | -2.14% | 0.50%    | -1.78%    | 2.52%  | 1.00     |
| 1/18/2008  | 1,042,002 | \$ 18.67 | -2.15%  | -0.46% | -0.67%   | -0.57%    | -1.58% | -0.63    |
| 1/21/2008  | 627,298   | \$ 16.59 | -11.14% | -4.75% | 0.84%    | -4.19%    | -6.95% | -2.75 ** |
| 1/22/2008  | 2,876,709 | \$ 17.09 | 3.01%   | 4.19%  | -4.72%   | 2.52%     | 0.49%  | 0.20     |
| 1/23/2008  | 1,022,450 | \$ 17.74 | 3.80%   | 0.13%  | -0.09%   | 0.20%     | 3.60%  | 1.43     |
| 1/24/2008  | 593,892   | \$ 18.50 | 4.28%   | 1.97%  | 1.01%    | 2.36%     | 1.92%  | 0.76     |
| 1/25/2008  | 511,716   | \$ 18.39 | -0.59%  | -0.10% | 0.47%    | 0.17%     | -0.77% | -0.30    |
| 1/28/2008  | 678,781   | \$ 17.83 | -3.05%  | 0.71%  | -1.43%   | 0.30%     | -3.35% | -1.33    |
| 1/29/2008  | 1,075,173 | \$ 17.74 | -0.50%  | 0.46%  | 1.77%    | 1.16%     | -1.67% | -0.66    |
| 1/30/2008  | 1,771,618 | \$ 18.07 | 1.86%   | -0.37% | 0.40%    | -0.11%    | 1.97%  | 0.78     |
| 1/31/2008  | 919,923   | \$ 18.44 | 2.05%   | 1.21%  | -0.11%   | 1.23%     | 0.82%  | 0.32     |
| 2/1/2008   | 4,245,356 | \$ 19.35 | 4.93%   | 1.24%  | -0.31%   | 1.20%     | 3.74%  | 1.48     |
| 2/4/2008   | 977,260   | \$ 19.92 | 2.95%   | -0.45% | 1.35%    | 0.14%     | 2.81%  | 1.11     |
| 2/5/2008   | 1,419,051 | \$ 19.13 | -3.97%  | -2.46% | -1.25%   | -2.70%    | -1.26% | -0.50    |
| 2/6/2008   | 533,615   | \$ 19.14 | 0.05%   | -0.50% | -0.15%   | -0.43%    | 0.48%  | 0.19     |
| 2/7/2008   | 675,943   | \$ 19.20 | 0.31%   | 0.45%  | -1.77%   | -0.07%    | 0.38%  | 0.15     |
| 2/8/2008   | 336,114   | \$ 19.47 | 1.41%   | 0.49%  | -0.43%   | 0.43%     | 0.97%  | 0.39     |
| 2/11/2008  | 424,895   | \$ 19.20 | -1.39%  | 1.09%  | -1.11%   | 0.77%     | -2.16% | -0.86    |
| 2/12/2008  | 1,158,420 | \$ 18.76 | -2.29%  | -0.33% | 1.09%    | 0.16%     | -2.46% | -0.97    |
| 2/13/2008  | 741,603   | \$ 19.00 | 1.28%   | 1.49%  | -1.63%   | 0.98%     | 0.30%  | 0.12     |
| 2/14/2008  | 1,145,776 | \$ 18.91 | -0.47%  | -0.56% | 0.85%    | -0.14%    | -0.33% | -0.13    |
|            |           |          |         |        |          |           |        |          |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| _ | [1]       | [2]       | [3]      | [4]     | [5]    | [6]      | [7]       | [8]    | [9]      |
|---|-----------|-----------|----------|---------|--------|----------|-----------|--------|----------|
|   |           | Total     | TRE CN   | TRE CN  | Market | Industry | Predicted | Excess |          |
| _ | Date      | Volume    | Price    | Return  | Return | Return   | Return    | Return | t-stat   |
|   | 2/15/2008 | 494,184   | \$ 19.09 | 0.95%   | 0.14%  | -0.19%   | 0.18%     | 0.77%  | 0.31     |
|   | 2/18/2008 | 552       | \$ 19.09 | 0.00%   | 0.14%  | -0.19%   | 0.18%     | -0.18% | -0.07    |
|   | 2/19/2008 | 586,004   | \$ 18.94 | -0.79%  | 1.67%  | -0.79%   | 1.45%     | -2.23% | -0.88    |
|   | 2/20/2008 | 727,984   | \$ 18.50 | -2.32%  | 0.77%  | -1.57%   | 0.31%     | -2.63% | -1.04    |
|   | 2/21/2008 | 579,676   | \$ 19.35 | 4.59%   | -0.31% | 1.05%    | 0.17%     | 4.42%  | 1.75     |
|   | 2/22/2008 | 1,068,072 | \$ 18.71 | -3.31%  | 0.57%  | -1.41%   | 0.16%     | -3.47% | -1.38    |
|   | 2/25/2008 | 438,819   | \$ 19.15 | 2.35%   | 0.82%  | 0.33%    | 1.01%     | 1.34%  | 0.53     |
|   | 2/26/2008 | 581,682   | \$ 19.10 | -0.26%  | 0.73%  | 0.54%    | 1.00%     | -1.26% | -0.50    |
|   | 2/27/2008 | 352,684   | \$ 19.25 | 0.79%   | -0.14% | 0.69%    | 0.22%     | 0.57%  | 0.23     |
|   | 2/28/2008 | 290,536   | \$ 18.98 | -1.40%  | 0.69%  | -1.60%   | 0.22%     | -1.62% | -0.64    |
|   | 2/29/2008 | 425,579   | \$ 18.98 | 0.00%   | -2.10% | 0.57%    | -1.72%    | 1.72%  | 0.68     |
|   | 3/3/2008  | 1,793,568 | \$ 19.14 | 0.84%   | -0.28% | -0.23%   | -0.25%    | 1.09%  | 0.43     |
|   | 3/4/2008  | 1,046,616 | \$ 19.06 | -0.42%  | -0.50% | -0.32%   | -0.49%    | 0.07%  | 0.03     |
|   | 3/5/2008  | 1,508,653 | \$ 19.65 | 3.10%   | 0.94%  | 0.19%    | 1.08%     | 2.02%  | 0.80     |
|   | 3/6/2008  | 1,034,229 | \$ 18.60 | -5.34%  | -1.79% | 1.67%    | -1.04%    | -4.30% | -1.71    |
|   | 3/7/2008  | 1,556,768 | \$ 17.94 | -3.55%  | -0.59% | -0.16%   | -0.52%    | -3.03% | -1.20    |
|   | 3/10/2008 | 1,061,584 | \$ 17.11 | -4.63%  | -2.08% | 0.07%    | -1.88%    | -2.75% | -1.09    |
|   | 3/11/2008 | 723,238   | \$ 18.11 | 5.84%   | 2.61%  | -0.88%   | 2.32%     | 3.52%  | 1.40     |
|   | 3/12/2008 | 458,941   | \$ 17.72 | -2.15%  | -0.35% | 1.37%    | 0.24%     | -2.39% | -0.95    |
|   | 3/13/2008 | 1,310,060 | \$ 17.75 | 0.17%   | 1.10%  | -2.14%   | 0.43%     | -0.26% | -0.10    |
|   | 3/14/2008 | 912,768   | \$ 17.00 | -4.23%  | -1.42% | 0.80%    | -0.99%    | -3.24% | -1.28    |
|   | 3/17/2008 | 722,809   | \$ 16.87 | -0.76%  | -2.27% | -2.64%   | -3.00%    | 2.24%  | 0.89     |
|   | 3/18/2008 | 2,108,133 | \$ 16.83 | -0.24%  | 1.42%  | -0.24%   | 1.40%     | -1.64% | -0.65    |
|   | 3/19/2008 | 8,283,805 | \$ 15.00 | -10.87% | -3.25% | 2.35%    | -2.22%    | -8.65% | -3.43 ** |
|   | 3/20/2008 | 1,199,609 | \$ 14.92 | -0.53%  | 0.52%  | -1.73%   | 0.01%     | -0.54% | -0.22    |
|   | 3/24/2008 | 810,095   | \$ 15.74 | 5.50%   | 1.91%  | -1.01%   | 1.60%     | 3.89%  | 1.54     |
|   | 3/25/2008 | 1,270,233 | \$ 15.82 | 0.51%   | 2.32%  | 0.28%    | 2.45%     | -1.94% | -0.77    |
|   | 3/26/2008 | 616,082   | \$ 16.31 | 3.10%   | 0.52%  | 0.55%    | 0.80%     | 2.29%  | 0.91     |
|   | 3/27/2008 | 1,141,738 | \$ 15.97 | -2.08%  | 0.10%  | -1.82%   | -0.42%    | -1.66% | -0.66    |
|   | 3/28/2008 | 587,621   | \$ 15.75 | -1.38%  | -1.28% | 1.50%    | -0.61%    | -0.76% | -0.30    |
|   | 3/31/2008 | 1,072,675 | \$ 16.00 | 1.59%   | 0.88%  | -0.88%   | 0.65%     | 0.94%  | 0.37     |
|   | 4/1/2008  | 1,221,491 | \$ 16.66 | 4.13%   | 0.68%  | 1.73%    | 1.36%     | 2.76%  | 1.10     |
|   | 4/2/2008  | 1,748,563 | \$ 17.23 | 3.42%   | 0.55%  | 0.86%    | 0.93%     | 2.49%  | 0.99     |
|   | 4/3/2008  | 2,489,636 | \$ 17.74 | 2.96%   | 0.27%  | -0.22%   | 0.30%     | 2.66%  | 1.06     |
|   | 4/4/2008  | 511,918   | \$ 17.62 | -0.68%  | 0.86%  | -1.23%   | 0.51%     | -1.19% | -0.47    |
|   | 4/7/2008  | 445,577   | \$ 17.90 | 1.59%   | 0.56%  | 1.25%    | 1.08%     | 0.51%  | 0.20     |
|   | 4/8/2008  | 1,194,486 | \$ 17.35 | -3.07%  | -0.13% | -0.29%   | -0.12%    | -2.96% | -1.17    |
|   | 4/9/2008  | 5,701,270 | \$ 16.70 | -3.75%  | 0.17%  | -1.08%   | -0.11%    | -3.64% | -1.44    |
|   | 4/10/2008 | 354,743   | \$ 16.48 | -1.32%  | 1.16%  | -2.02%   | 0.52%     | -1.84% | -0.73    |
|   | 4/11/2008 | 623,016   | \$ 16.09 | -2.37%  | -1.63% | 0.85%    | -1.17%    | -1.19% | -0.47    |
|   | 4/14/2008 | 717,462   | \$ 16.02 | -0.44%  | 0.41%  | -1.22%   | 0.08%     | -0.51% | -0.20    |
|   | 4/15/2008 | 192,676   | \$ 15.63 | -2.43%  | 0.82%  | -1.50%   | 0.38%     | -2.81% | -1.11    |
|   | 4/16/2008 | 425,151   | \$ 15.61 | -0.13%  | 1.79%  | 0.40%    | 1.98%     | -2.11% | -0.84    |
|   | 4/17/2008 | 2,111,455 | \$ 15.25 | -2.31%  | 0.11%  | -0.34%   | 0.10%     | -2.41% | -0.95    |
|   | 4/18/2008 | 574,232   | \$ 15.89 | 4.20%   | 0.86%  | -0.36%   | 0.81%     | 3.38%  | 1.34     |
|   | 4/21/2008 | 583,536   | \$ 15.21 | -4.28%  | 0.59%  | -0.46%   | 0.52%     | -4.80% | -1.90    |
|   | 4/22/2008 | 188,580   | \$ 15.35 | 0.92%   | -0.38% | -0.49%   | -0.43%    | 1.35%  | 0.54     |
|   |           |           |          |         |        |          |           |        |          |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]     | [2]           | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]     |
|---------|---------------|----------|--------|--------|----------|-----------|--------|---------|
|         | Total         | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |         |
| Date    | Volume        | Price    | Return | Return | Return   | Return    | Return | t-stat  |
| 4/23/20 | *             |          | -1.63% | -1.38% | 1.19%    | -0.81%    | -0.82% | -0.32   |
| 4/24/20 |               |          | 1.13%  | -0.74% | 1.24%    | -0.18%    | 1.30%  | 0.52    |
| 4/25/20 | 008 743,875   | \$ 15.45 | 1.18%  | 0.98%  | 1.00%    | 1.40%     | -0.22% | -0.09   |
| 4/28/20 |               |          | 0.91%  | -0.13% | -0.39%   | -0.15%    | 1.06%  | 0.42    |
| 4/29/20 | 008 878,240   | \$ 15.52 | -0.45% | -1.85% | -0.52%   | -1.86%    | 1.41%  | 0.56    |
| 4/30/20 | 008 1,004,601 | \$ 15.25 | -1.74% | 0.81%  | -0.73%   | 0.63%     | -2.37% | -0.94   |
| 5/1/20  | 008 891,706   | \$ 15.28 | 0.20%  | 0.92%  | -1.24%   | 0.57%     | -0.37% | -0.15   |
| 5/2/20  | 008 503,137   | \$ 16.00 | 4.71%  | 1.52%  | -0.34%   | 1.46%     | 3.25%  | 1.29    |
| 5/5/20  | 008 555,462   | \$ 16.27 | 1.69%  | -0.04% | 0.18%    | 0.13%     | 1.56%  | 0.62    |
| 5/6/20  | 008 632,057   | \$ 17.07 | 4.92%  | 0.98%  | -0.49%   | 0.88%     | 4.03%  | 1.60    |
| 5/7/20  | 008 1,061,660 | \$ 17.40 | 1.93%  | -0.30% | -0.85%   | -0.48%    | 2.41%  | 0.95    |
| 5/8/20  | 008 840,055   | \$ 17.42 | 0.11%  | 1.65%  | -0.72%   | 1.45%     | -1.33% | -0.53   |
| 5/9/20  | 008 399,536   | \$ 17.00 | -2.41% | -0.59% | -0.50%   | -0.64%    | -1.77% | -0.70   |
| 5/12/20 | 008 712,377   | \$ 16.24 | -4.47% | 1.00%  | -0.18%   | 1.01%     | -5.48% | -2.17 * |
| 5/13/20 | 008 1,974,084 | \$ 16.96 | 4.43%  | -0.34% | -0.16%   | -0.28%    | 4.71%  | 1.87    |
| 5/14/20 | 008 666,785   | \$ 16.83 | -0.77% | 0.07%  | 0.67%    | 0.40%     | -1.17% | -0.46   |
| 5/15/20 | 008 1,614,868 | \$ 18.72 | 11.23% | 1.38%  | -0.57%   | 1.24%     | 9.99%  | 3.96 ** |
| 5/16/20 | 008 671,223   | \$ 18.55 | -0.91% | 1.05%  | 0.07%    | 1.15%     | -2.06% | -0.81   |
| 5/19/20 | 008 840       | \$ 18.55 | 0.00%  | 1.05%  | 0.07%    | 1.15%     | -1.15% | -0.45   |
| 5/20/20 | 008 5,647,086 | \$ 17.83 | -3.88% | 0.42%  | -0.58%   | 0.31%     | -4.19% | -1.66   |
| 5/21/20 |               |          | 1.12%  | -1.71% | 1.09%    | -1.17%    | 2.29%  | 0.91    |
| 5/22/20 |               |          | 1.50%  | 0.01%  | -0.20%   | 0.05%     | 1.45%  | 0.57    |
| 5/23/20 |               |          | -0.93% | -0.47% | -0.39%   | -0.48%    | -0.45% | -0.18   |
| 5/26/20 |               |          | 1.38%  | 0.24%  | -1.44%   | -0.16%    | 1.54%  | 0.61    |
| 5/27/20 |               |          | 4.62%  | -1.60% | 1.04%    | -1.08%    | 5.71%  | 2.26 *  |
| 5/28/20 |               |          | 3.54%  | 1.15%  | -0.33%   | 1.10%     | 2.44%  | 0.97    |
| 5/29/20 |               |          | 0.50%  | -0.76% | 1.05%    | -0.26%    | 0.77%  | 0.30    |
| 5/30/20 |               |          | 3.95%  | 0.94%  | -1.34%   | 0.55%     | 3.40%  | 1.35    |
| 6/2/20  |               |          | -3.89% | 0.68%  | -1.45%   | 0.26%     | -4.15% | -1.64   |
| 6/3/20  |               |          | -2.40% | -0.58% | -0.18%   | -0.51%    | -1.89% | -0.75   |
| 6/4/20  |               |          | 1.49%  | -0.26% | 0.19%    | -0.08%    | 1.57%  | 0.62    |
| 6/5/20  |               |          | 0.86%  | 1.99%  | -1.21%   | 1.61%     | -0.75% |         |
| 6/6/20  |               |          | -0.35% | -0.09% | -1.32%   | -0.44%    | 0.09%  | 0.03    |
| 6/9/20  |               |          | -3.62% | -0.06% | -2.34%   | -0.76%    | -2.86% | -1.13   |
| 6/10/20 |               |          | -1.98% | -1.50% | -1.04%   | -1.70%    | -0.28% | -0.11   |
| 6/11/20 |               |          | -3.40% | -0.13% | -1.05%   | -0.39%    | -3.02% | -1.20   |
| 6/12/20 |               |          | 1.05%  | -0.77% | -0.08%   | -0.67%    | 1.72%  | 0.68    |
| 6/13/20 |               |          | 1.80%  | 1.20%  | -0.98%   | 0.93%     | 0.87%  | 0.34    |
| 6/16/20 |               |          | 1.71%  | 1.12%  | -0.88%   | 0.88%     | 0.83%  | 0.33    |
| 6/17/20 |               |          | 0.21%  | 0.83%  | -1.40%   | 0.42%     | -0.21% | -0.08   |
| 6/18/20 |               |          | 0.00%  | 0.03%  | 0.23%    | 0.21%     | -0.21% | -0.09   |
| 6/19/20 |               |          | -1.79% | -1.88% | -0.62%   | -1.92%    | 0.14%  | 0.05    |
| 6/20/20 |               |          | -1.98% | -1.42% | 0.64%    | -1.04%    | -0.94% | -0.37   |
| 6/23/20 |               |          | 1.96%  | 0.76%  | -3.83%   | -0.49%    | 2.45%  | 0.97    |
| 6/24/20 |               |          | -1.12% | -1.92% | 0.89%    | -1.44%    | 0.32%  | 0.13    |
| 6/25/20 |               |          | 1.89%  | 0.22%  | -0.39%   | 0.18%     | 1.71%  | 0.68    |
| 6/26/20 |               |          | -4.94% | -1.03% | 1.34%    | -0.43%    | -4.51% | -1.79   |
|         | ,             |          |        | -      | -        |           | -      |         |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| _ | [1]       | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]     |
|---|-----------|-----------|----------|--------|--------|----------|-----------|--------|---------|
|   |           | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |         |
| _ | Date      | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat  |
|   | 6/27/2008 | 435,964   | \$ 17.86 | -0.22% | 0.44%  | -1.08%   | 0.16%     | -0.38% | -0.15   |
|   | 6/30/2008 | 763,570   | \$ 17.86 | 0.00%  | 0.78%  | -0.83%   | 0.57%     | -0.57% | -0.23   |
|   | 7/1/2008  | 2,250     | \$ 17.86 | 0.00%  | 0.78%  | -0.83%   | 0.57%     | -0.57% | -0.23   |
|   | 7/2/2008  | 871,031   | \$ 16.97 | -4.98% | -2.99% | 0.57%    | -2.59%    | -2.40% | -0.95   |
|   | 7/3/2008  | 784,693   | \$ 16.30 | -3.95% | 0.78%  | -1.45%   | 0.36%     | -4.30% | -1.71   |
|   | 7/4/2008  | 257,603   | \$ 16.34 | 0.25%  | -0.94% | 0.50%    | -0.63%    | 0.88%  | 0.35    |
|   | 7/7/2008  | 668,850   | \$ 16.39 | 0.31%  | -2.12% | 3.26%    | -0.82%    | 1.12%  | 0.45    |
|   | 7/8/2008  | 982,592   | \$ 16.30 | -0.55% | 0.71%  | -1.24%   | 0.36%     | -0.91% | -0.36   |
|   | 7/9/2008  | 1,454,561 | \$ 16.30 | 0.00%  | -1.44% | 1.95%    | -0.61%    | 0.61%  | 0.24    |
|   | 7/10/2008 | 280,766   | \$ 16.34 | 0.25%  | 0.98%  | -1.29%   | 0.60%     | -0.36% | -0.14   |
|   | 7/11/2008 | 1,185,013 | \$ 15.89 | -2.75% | -0.25% | -1.20%   | -0.55%    | -2.20% | -0.87   |
|   | 7/14/2008 | 367,329   | \$ 16.12 | 1.45%  | 0.23%  | -0.12%   | 0.29%     | 1.15%  | 0.46    |
|   | 7/15/2008 | 381,679   | \$ 15.41 | -4.40% | -2.79% | 1.09%    | -2.21%    | -2.19% | -0.87   |
|   | 7/16/2008 | 1,558,516 | \$ 15.45 | 0.26%  | 1.09%  | -0.48%   | 1.00%     | -0.74% | -0.29   |
|   | 7/17/2008 | 2,774,803 | \$ 15.05 | -2.59% | -0.32% | 3.39%    | 0.97%     | -3.56% | -1.41   |
|   | 7/18/2008 | 2,132,531 | \$ 14.80 | -1.66% | 0.41%  | -0.01%   | 0.50%     | -2.16% | -0.86   |
|   | 7/21/2008 | 527,165   | \$ 14.50 | -2.03% | 1.28%  | 0.28%    | 1.44%     | -3.47% | -1.38   |
|   | 7/22/2008 | 659,585   | \$ 14.52 | 0.14%  | -0.34% | 0.55%    | -0.03%    | 0.17%  | 0.07    |
|   | 7/23/2008 | 537,056   | \$ 14.56 | 0.28%  | -0.96% | 1.99%    | -0.13%    | 0.40%  | 0.16    |
|   | 7/24/2008 | 582,272   | \$ 14.45 | -0.76% | -2.27% | -0.63%   | -2.30%    | 1.55%  | 0.61    |
|   | 7/25/2008 | 464,370   | \$ 14.55 | 0.69%  | 1.31%  | -0.88%   | 1.06%     | -0.37% | -0.15   |
|   | 7/28/2008 | 533,254   | \$ 14.56 | 0.07%  | -0.56% | -0.04%   | -0.45%    | 0.52%  | 0.21    |
|   | 7/29/2008 | 1,159,668 | \$ 15.17 | 4.19%  | 0.29%  | 0.02%    | 0.39%     | 3.80%  | 1.50    |
|   | 7/30/2008 | 1,310,254 | \$ 15.98 | 5.34%  | 2.55%  | -2.21%   | 1.81%     | 3.53%  | 1.40    |
|   | 7/31/2008 | 728,043   | \$ 16.30 | 2.00%  | -0.66% | 2.60%    | 0.37%     | 1.63%  | 0.65    |
|   | 8/1/2008  | 1,289,699 | \$ 15.84 | -2.82% | -0.71% | 1.15%    | -0.18%    | -2.64% | -1.05   |
|   | 8/4/2008  | 792       | \$ 15.84 | 0.00%  | -0.71% | 1.15%    | -0.18%    | 0.18%  | 0.07    |
|   | 8/5/2008  | 1,123,210 | \$ 15.85 | 0.06%  | -1.88% | 2.89%    | -0.71%    | 0.78%  | 0.31    |
|   | 8/6/2008  | 384,904   | \$ 15.31 | -3.41% | 1.60%  | -2.01%   | 0.95%     | -4.36% | -1.73   |
|   | 8/7/2008  | 890,626   | \$ 15.69 | 2.48%  | -0.51% | -1.38%   | -0.86%    | 3.34%  | 1.33    |
|   | 8/8/2008  | 193,796   | \$ 15.60 | -0.57% | -0.32% | 2.50%    | 0.66%     | -1.23% | -0.49   |
|   | 8/11/2008 | 431,402   | \$ 15.00 | -3.85% | -1.04% | 1.82%    | -0.27%    | -3.58% | -1.42   |
|   | 8/12/2008 | 1,656,816 | \$ 17.50 | 16.67% | -0.27% | -0.64%   | -0.38%    | 17.05% | 6.76 ** |
|   | 8/13/2008 | 825,981   | \$ 17.70 | 1.14%  | 1.60%  | -3.35%   | 0.49%     | 0.65%  | 0.26    |
|   | 8/14/2008 | 467,655   | \$ 18.75 | 5.93%  | -0.14% | 0.43%    | 0.12%     | 5.81%  | 2.30 *  |
|   | 8/15/2008 | 363,888   | \$ 18.79 | 0.21%  | -1.96% | 2.93%    | -0.78%    | 0.99%  | 0.39    |
|   | 8/18/2008 | 410,200   | \$ 18.87 | 0.43%  | 0.17%  | -1.85%   | -0.37%    | 0.79%  | 0.32    |
|   | 8/19/2008 | 726,948   | \$ 18.50 | -1.96% | -0.42% | -1.86%   | -0.95%    | -1.01% | -0.40   |
|   | 8/20/2008 | 461,584   | \$ 18.89 | 2.11%  | 2.19%  | -2.08%   | 1.50%     | 0.61%  | 0.24    |
|   | 8/21/2008 | 769,100   | \$ 19.07 | 0.95%  | 1.42%  | -0.72%   | 1.22%     | -0.27% | -0.11   |
|   | 8/22/2008 | 990,020   | \$ 19.49 | 2.20%  | -0.68% | 1.22%    | -0.13%    | 2.33%  | 0.92    |
|   | 8/25/2008 | 643,715   | \$ 18.95 | -2.77% | -1.18% | 0.24%    | -0.95%    | -1.82% | -0.72   |
|   | 8/26/2008 | 869,437   | \$ 18.80 | -0.79% | 0.08%  | -0.69%   | -0.06%    | -0.73% | -0.29   |
|   | 8/27/2008 | 287,616   | \$ 19.32 | 2.77%  | 1.74%  | -0.60%   | 1.58%     | 1.18%  | 0.47    |
|   | 8/28/2008 | 359,205   | \$ 19.84 | 2.69%  | 1.62%  | 0.81%    | 1.95%     | 0.74%  | 0.29    |
|   | 8/29/2008 | 325,105   | \$ 20.00 | 0.81%  | 0.15%  | -0.73%   | 0.00%     | 0.81%  | 0.32    |
|   | 9/1/2008  | 3,600     | \$ 20.00 | 0.00%  | 0.15%  | -0.73%   | 0.00%     | 0.00%  | 0.00    |
|   |           |           |          |        |        |          |           |        |         |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| _ | [1]        | [2]       | [3]      | [4]     | [5]    | [6]      | [7]       | [8]     | [9]     |
|---|------------|-----------|----------|---------|--------|----------|-----------|---------|---------|
|   |            | Total     | TRE CN   | TRE CN  | Market | Industry | Predicted | Excess  |         |
|   | Date       | Volume    | Price    | Return  | Return | Return   | Return    | Return  | t-stat  |
|   | 9/2/2008   | 303,745   | \$ 19.50 | -2.50%  | -3.43% | 2.89%    | -2.20%    | -0.30%  | -0.12   |
|   | 9/3/2008   | 867,004   | \$ 19.69 | 0.97%   | -1.22% | 3.03%    | -0.02%    | 0.99%   | 0.39    |
|   | 9/4/2008   | 1,517,916 | \$ 18.82 | -4.42%  | -2.46% | -0.54%   | -2.46%    | -1.96%  | -0.78   |
|   | 9/5/2008   | 464,237   | \$ 17.70 | -5.95%  | 0.02%  | -0.43%   | -0.03%    | -5.93%  | -2.35 * |
|   | 9/8/2008   | 270,285   | \$ 17.31 | -2.20%  | -1.42% | 3.89%    | 0.08%     | -2.29%  | -0.91   |
|   | 9/9/2008   | 485,875   | \$ 16.60 | -4.10%  | -3.86% | 2.19%    | -2.86%    | -1.24%  | -0.49   |
|   | 9/10/2008  | 438,621   | \$ 18.00 | 8.43%   | 2.88%  | -1.29%   | 2.45%     | 5.99%   | 2.37 *  |
|   | 9/11/2008  | 224,770   | \$ 17.95 | -0.28%  | 0.93%  | -0.95%   | 0.67%     | -0.95%  | -0.38   |
|   | 9/12/2008  | 376,939   | \$ 18.50 | 3.06%   | 1.24%  | -0.41%   | 1.17%     | 1.90%   | 0.75    |
|   | 9/15/2008  | 404,012   | \$ 18.00 | -2.70%  | -4.04% | 2.19%    | -3.04%    | 0.33%   | 0.06    |
|   | 9/16/2008  | 305,667   | \$ 17.02 | -5.44%  | -0.22% | -0.91%   | -0.42%    | -5.02%  | -0.96   |
|   | 9/17/2008  | 642,831   | \$ 15.93 | -6.40%  | -2.86% | -0.26%   | -2.75%    | -3.66%  | -0.70   |
|   | 9/18/2008  | 1,730,328 | \$ 16.80 | 5.46%   | 1.57%  | -1.15%   | 1.23%     | 4.23%   | 0.81    |
|   | 9/19/2008  | 1,547,364 | \$ 17.04 | 1.43%   | 7.03%  | -1.94%   | 6.23%     | -4.80%  | -0.91   |
|   | 9/22/2008  | 278,058   | \$ 16.26 | -4.58%  | -2.13% | 0.32%    | -1.84%    | -2.74%  | -0.52   |
|   | 9/23/2008  | 1,111,912 | \$ 16.00 | -1.60%  | -0.83% | -1.76%   | -1.31%    | -0.29%  | -0.05   |
|   | 9/24/2008  | 620,500   | \$ 15.92 | -0.50%  | -0.15% | 0.30%    | 0.06%     | -0.56%  | -0.11   |
|   | 9/25/2008  | 964,120   | \$ 15.69 | -1.44%  | 0.26%  | 0.91%    | 0.68%     | -2.12%  | -0.40   |
|   | 9/26/2008  | 2,009,589 | \$ 15.00 | -4.40%  | -3.35% | 2.39%    | -2.30%    | -2.09%  | -0.40   |
|   | 9/29/2008  | 2,643,112 | \$ 13.00 | -13.33% | -6.93% | 1.75%    | -5.99%    | -7.34%  | -1.40   |
|   | 9/30/2008  | 1,554,565 | \$ 13.41 | 3.15%   | 4.15%  | -3.60%   | 2.86%     | 0.29%   | 0.06    |
|   | 10/1/2008  | 680,636   | \$ 13.05 | -2.68%  | -0.33% | -0.60%   | -0.42%    | -2.27%  | -0.43   |
|   | 10/2/2008  | 781,272   | \$ 12.10 | -7.28%  | -6.95% | 4.67%    | -4.99%    | -2.29%  | -0.44   |
|   | 10/3/2008  | 1,703,776 | \$ 12.59 | 4.05%   | -0.89% | 0.13%    | -0.71%    | 4.76%   | 0.91    |
|   | 10/6/2008  | 2,076,514 | \$ 10.60 | -15.81% | -5.30% | -0.70%   | -5.26%    | -10.55% | -2.01 * |
|   | 10/7/2008  | 1,500,237 | \$ 10.01 | -5.57%  | -3.92% | -0.20%   | -3.75%    | -1.82%  | -0.35   |
|   | 10/8/2008  | 1,473,394 | \$ 10.67 | 6.59%   | 2.31%  | -7.73%   | -0.34%    | 6.94%   | 1.32    |
|   | 10/9/2008  | 2,039,396 | \$ 9.97  | -6.56%  | -4.54% | 0.93%    | -3.95%    | -2.61%  | -0.50   |
|   | 10/10/2008 | 1,606,159 | \$ 9.10  | -8.73%  | -5.57% | 0.63%    | -5.06%    | -3.67%  | -0.70   |
|   | 10/13/2008 | 9,201     | \$ 9.10  | 0.00%   | -5.57% | 0.63%    | -5.06%    | 5.06%   | 0.97    |
|   | 10/14/2008 | 815,625   | \$ 10.08 | 10.77%  | 9.82%  | -0.84%   | 9.31%     | 1.46%   | 0.28    |
|   | 10/15/2008 | 1,818,165 | \$ 9.60  | -4.76%  | -6.35% | -3.34%   | -7.18%    | 2.42%   | 0.46    |
|   | 10/16/2008 | 1,529,390 | \$ 9.56  | -0.42%  | -0.58% | -3.17%   | -1.55%    | 1.13%   | 0.22    |
|   | 10/17/2008 | 1,166,411 | \$ 9.85  | 3.03%   | 3.16%  | -0.39%   | 3.02%     | 0.02%   | 0.00    |
|   | 10/20/2008 | 1,443,715 | \$ 9.75  | -1.02%  | 7.20%  | -4.51%   | 5.50%     | -6.52%  | -1.24   |
|   | 10/21/2008 | 1,026,255 | \$ 9.39  | -3.69%  | -4.44% | 2.27%    | -3.40%    | -0.29%  | -0.06   |
|   | 10/22/2008 | 1,682,231 | \$ 9.14  | -2.66%  | -5.71% | -0.22%   | -5.48%    | 2.82%   | 0.54    |
|   | 10/23/2008 | 1,707,828 | \$ 9.70  | 6.13%   | 1.02%  | -1.21%   | 0.67%     | 5.45%   | 1.04    |
|   | 10/24/2008 | 1,686,286 | \$ 9.35  | -3.61%  | -0.40% | -5.91%   | -2.33%    | -1.28%  | -0.24   |
|   | 10/27/2008 | 952,647   | \$ 8.85  | -5.35%  | -8.14% | 5.52%    | -5.85%    | 0.50%   | 0.10    |
|   | 10/28/2008 | 1,030,058 | \$ 9.30  | 5.08%   | 7.20%  | -2.09%   | 6.33%     | -1.25%  | -0.24   |
|   | 10/29/2008 | 2,437,529 | \$ 10.35 | 11.29%  | 3.82%  | 2.33%    | 4.61%     | 6.68%   | 1.27    |
|   | 10/30/2008 | 1,638,988 | \$ 11.14 | 7.63%   | 3.73%  | -3.44%   | 2.52%     | 5.11%   | 0.97    |
|   | 10/31/2008 | 1,494,485 | \$ 11.28 | 1.26%   | -0.95% | 1.71%    | -0.22%    | 1.47%   | 0.28    |
|   | 11/3/2008  | 1,467,396 | \$ 10.65 | -5.59%  | -0.43% | 0.09%    | -0.27%    | -5.31%  | -1.01   |
|   | 11/4/2008  | 816,545   | \$ 10.50 | -1.41%  | 4.07%  | 2.89%    | 5.04%     | -6.45%  | -1.23   |
|   | 11/5/2008  | 1,084,067 | \$ 10.38 | -1.14%  | -2.27% | 0.30%    | -1.98%    | 0.84%   | 0.16    |
|   |            |           |          |         |        |          |           |         |         |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]        | [2]       | [3]      | [4]     | [5]    | [6]      | [7]       | [8]     | [9]      |
|------------|-----------|----------|---------|--------|----------|-----------|---------|----------|
|            | Total     | TRE CN   | TRE CN  | Market | Industry | Predicted | Excess  |          |
| Date       | Volume    | Price    | Return  | Return | Return   | Return    | Return  | t-stat   |
| 11/6/2008  | 5,306,006 | \$ 10.20 | -1.73%  | -3.36% | -2.11%   | -3.87%    | 2.13%   | 0.41     |
| 11/7/2008  | 643,389   | \$ 9.71  | -4.80%  | 0.43%  | 0.64%    | 0.74%     | -5.55%  | -1.06    |
| 11/10/2008 | 854,507   | \$ 9.34  | -3.81%  | 0.96%  | 1.53%    | 1.57%     | -5.38%  | -1.03    |
| 11/11/2008 | 731,917   | \$ 8.90  | -4.71%  | -2.73% | -0.39%   | -2.67%    | -2.04%  | -0.39    |
| 11/12/2008 | 3,816,033 | \$ 7.68  | -13.71% | -5.32% | 3.33%    | -3.88%    | -9.83%  | -1.87    |
| 11/13/2008 | 1,278,922 | \$ 6.62  | -13.80% | 4.82%  | -1.62%   | 4.20%     | -18.01% | -3.43 ** |
| 11/14/2008 | 3,144,138 | \$ 7.08  | 6.95%   | -3.17% | 1.06%    | -2.59%    | 9.54%   | 1.82     |
| 11/17/2008 | 1,247,960 | \$ 6.86  | -3.11%  | -2.88% | 0.75%    | -2.41%    | -0.69%  | -0.13    |
| 11/18/2008 | 2,595,241 | \$ 6.65  | -3.06%  | 0.46%  | -1.42%   | 0.06%     | -3.12%  | -0.59    |
| 11/19/2008 | 1,311,433 | \$ 6.55  | -1.50%  | -3.91% | -1.24%   | -4.10%    | 2.60%   | 0.49     |
| 11/20/2008 | 1,852,108 | \$ 6.05  | -7.63%  | -9.02% | 4.76%    | -6.96%    | -0.68%  | -0.13    |
| 11/21/2008 | 1,674,223 | \$ 5.78  | -4.46%  | 5.57%  | -4.59%   | 3.90%     | -8.36%  | -1.59    |
| 11/24/2008 | 1,207,536 | \$ 5.81  | 0.52%   | 3.50%  | 2.71%    | 4.43%     | -3.91%  | -0.74    |
| 11/25/2008 | 1,786,412 | \$ 5.53  | -4.82%  | 0.02%  | 1.56%    | 0.67%     | -5.49%  | -1.05    |
| 11/26/2008 | 3,842,001 | \$ 5.62  | 1.63%   | 2.38%  | -0.83%   | 2.12%     | -0.49%  | -0.09    |
| 11/27/2008 | 609,193   | \$ 6.27  | 11.57%  | 1.28%  | 0.34%    | 1.45%     | 10.11%  | 1.93     |
| 11/28/2008 | 1,046,771 | \$ 7.24  | 15.47%  | 5.90%  | -7.42%   | 3.24%     | 12.23%  | 2.33 *   |
| 12/1/2008  | 1,200,534 | \$ 6.43  | -11.19% | -9.32% | 3.73%    | -7.61%    | -3.58%  | -0.68    |
| 12/2/2008  | 2,726,849 | \$ 6.90  | 7.31%   | -0.93% | 1.92%    | -0.13%    | 7.44%   | 1.42     |
| 12/3/2008  | 1,295,492 | \$ 6.71  | -2.75%  | -0.37% | 2.88%    | 0.75%     | -3.50%  | -0.67    |
| 12/4/2008  | 825,970   | \$ 6.88  | 2.53%   | -2.88% | 3.49%    | -1.47%    | 4.00%   | 0.76     |
| 12/5/2008  | 614,700   | \$ 7.11  | 3.34%   | 0.73%  | -2.12%   | 0.08%     | 3.26%   | 0.62     |
| 12/8/2008  | 687,388   | \$ 8.34  | 17.30%  | 5.55%  | -0.03%   | 5.45%     | 11.85%  | 2.26 *   |
| 12/9/2008  | 664,057   | \$ 8.25  | -1.08%  | -1.98% | 2.00%    | -1.11%    | 0.04%   | 0.01     |
| 12/10/2008 | 1,378,364 | \$ 9.68  | 17.33%  | 2.82%  | -0.95%   | 2.50%     | 14.84%  | 2.83 **  |
| 12/11/2008 | 611,816   | \$ 9.55  | -1.34%  | -2.80% | 0.59%    | -2.40%    | 1.06%   | 0.20     |
| 12/12/2008 | 576,483   | \$ 9.40  | -1.57%  | 1.47%  | -1.87%   | 0.88%     | -2.45%  | -0.47    |
| 12/15/2008 | 1,009,657 | \$ 8.92  | -5.11%  | -0.63% | 1.65%    | 0.07%     | -5.18%  | -0.99    |
| 12/16/2008 | 860,118   | \$ 9.20  | 3.14%   | 3.10%  | -0.13%   | 3.05%     | 0.08%   | 0.02     |
| 12/17/2008 | 19,618    | \$ 9.05  | -1.63%  | 0.00%  | 1.61%    | 0.66%     | -2.29%  | -0.44    |
| 12/18/2008 | 901,139   | \$ 9.44  | 4.31%   | -3.42% | 2.30%    | -2.41%    | 6.72%   | 1.28     |
| 12/19/2008 | 921,147   | \$ 10.60 | 12.29%  | 1.50%  | -3.59%   | 0.32%     | 11.97%  | 2.28 *   |
| 12/22/2008 | 493,603   | \$ 9.30  | -12.26% | -3.54% | 1.53%    | -2.78%    | -9.48%  | -1.81    |
| 12/23/2008 | 527,573   | \$ 9.35  | 0.54%   | 0.76%  | -1.44%   | 0.34%     | 0.20%   | 0.04     |
| 12/24/2008 | 1,914,180 | \$ 9.05  | -3.21%  | -0.02% | -0.11%   | 0.05%     | -3.26%  | -0.62    |
| 12/29/2008 | 326,972   | \$ 9.64  | 6.52%   | 3.93%  | -4.17%   | 2.46%     | 4.06%   | 0.77     |
| 12/30/2008 | 606,069   | \$ 10.07 | 4.46%   | 2.24%  | -0.69%   | 2.03%     | 2.43%   | 0.46     |
| 12/31/2008 | 2,658,040 | \$ 9.87  | -1.99%  | 1.78%  | -0.90%   | 1.51%     | -3.50%  | -0.67    |
| 1/2/2009   | 277,878   | \$ 10.12 | 2.53%   | 2.74%  | -0.56%   | 2.56%     | -0.03%  | -0.01    |
| 1/5/2009   | 306,905   | \$ 9.95  | -1.68%  | 0.56%  | -0.60%   | 0.44%     | -2.12%  | -0.40    |
| 1/6/2009   | 323,655   | \$ 10.74 | 7.94%   | 2.01%  | -1.65%   | 1.47%     | 6.47%   | 1.23     |
| 1/7/2009   | 835,283   | \$ 9.93  | -7.54%  | -3.70% | 1.11%    | -3.09%    | -4.45%  | -0.85    |
| 1/8/2009   | 991,032   | \$ 10.25 | 3.22%   | 1.10%  | -2.79%   | 0.20%     | 3.02%   | 0.58     |
| 1/9/2009   | 547,322   | \$ 10.00 | -2.44%  | -1.48% | 0.24%    | -1.24%    | -1.20%  | -0.23    |
| 1/12/2009  | 397,171   | \$ 9.30  | -7.00%  | -3.21% | 1.64%    | -2.43%    | -4.57%  | -0.87    |
| 1/13/2009  | 341,127   | \$ 9.35  | 0.54%   | 1.91%  | -5.46%   | 0.06%     | 0.47%   | 0.09     |
| 1/14/2009  | 187,938   | \$ 8.98  | -3.96%  | -3.05% | 0.11%    | -2.80%    | -1.15%  | -0.22    |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]       | [2]       | [3]                | [4]     | [5]             | [6]             | [7]              | [8]              | [9]          |
|-----------|-----------|--------------------|---------|-----------------|-----------------|------------------|------------------|--------------|
| <b>.</b>  | Total     | TRE CN             | TRE CN  | Market          | Industry        | Predicted        | Excess           |              |
| Date      | Volume    | Price              | Return  | Return          | Return          | Return           | Return           | t-stat       |
| 1/15/2009 | 417,027   | \$ 9.00            | 0.22%   | 2.20%           | -2.89%          | 1.23%            | -1.01%           | -0.19        |
| 1/16/2009 | 441,841   | \$ 9.38            | 4.22%   | 0.46%           | 1.95%           | 1.22%            | 3.00%            | 0.57         |
| 1/19/2009 | 72,516    | \$ 9.08            | -3.20%  | -0.88%          | -0.27%          | -0.84%           | -2.36%           | -0.45        |
| 1/20/2009 | 176,215   | \$ 8.76            | -3.52%  | -3.81%          | 0.00%           | -3.57%           | 0.05%            | 0.01         |
| 1/21/2009 | 312,004   | \$ 9.00            | 2.74%   | 2.97%           | -1.47%          | 2.47%            | 0.27%            | 0.05         |
| 1/22/2009 | 207,490   | \$ 9.00            | 0.00%   | -3.10%          | 4.04%           | -1.49%           | 1.49%            | 0.28         |
| 1/23/2009 | 175,642   | \$ 8.80            | -2.22%  | 1.67%           | -2.46%          | 0.87%            | -3.09%           | -0.59        |
| 1/26/2009 | 63,558    | \$ 8.90            | 1.14%   | 0.33%           | 1.60%           | 0.98%            | 0.16%            | 0.03         |
| 1/27/2009 | 90,842    | \$ 8.92            | 0.22%   | 1.19%           | -0.54%          | 1.07%            | -0.85%           | -0.16        |
| 1/28/2009 | 146,997   | \$ 9.01            | 1.01%   | 1.67%           | 0.98%           | 2.06%            | -1.05%           | -0.20        |
| 1/29/2009 | 157,382   | \$ 8.77            | -2.66%  | -1.61%          | -1.76%          | -2.06%           | -0.60%           | -0.11        |
| 1/30/2009 | 684,665   | \$ 9.20            | 4.90%   | -0.77%          | -0.64%          | -0.87%           | 5.77%            | 1.10         |
| 2/2/2009  | 303,420   | \$ 8.69            | -5.54%  | -0.81%          | -2.49%          | -1.53%           | -4.01%           | -0.76        |
| 2/3/2009  | 246,432   | \$ 9.13            | 5.06%   | 0.04%           | 2.17%           | 0.90%            | 4.16%            | 0.79         |
| 2/4/2009  | 514,919   | \$ 9.50            | 4.05%   | 0.75%           | 0.31%           | 0.94%            | 3.12%            | 0.59         |
| 2/5/2009  | 186,859   | \$ 9.82            | 3.37%   | 1.93%           | -4.12%          | 0.54%            | 2.82%            | 0.54         |
| 2/6/2009  | 522,183   | \$ 11.14           | 13.44%  | 1.66%           | 1.64%           | 2.28%            | 11.17%           | 2.13 *       |
| 2/9/2009  | 772,729   | \$ 10.77           | -3.32%  | 0.44%           | 0.23%           | 0.61%            | -3.93%           | -0.75        |
| 2/10/2009 | 393,518   | \$ 10.54           | -2.14%  | -2.54%          | -0.39%          | -2.48%           | 0.34%            | 0.07         |
| 2/11/2009 | 442,392   | \$ 10.68           | 1.33%   | -0.91%          | -0.22%          | -0.85%           | 2.18%            | 0.41         |
| 2/12/2009 | 1,069,920 | \$ 11.00           | 3.00%   | 0.47%           | -2.05%          | -0.15%           | 3.15%            | 0.60         |
| 2/13/2009 | 149,181   | \$ 10.99           | -0.09%  | -1.15%          | 2.00%           | -0.31%           | 0.22%            | 0.04         |
| 2/17/2009 | 218,722   | \$ 11.00           | 0.09%   | -3.45%          | -0.86%          | -3.53%           | 3.62%            | 0.69         |
| 2/18/2009 | 595,741   | \$ 10.15           | -7.73%  | -2.42%          | 0.86%           | -1.94%           | -5.79%           | -1.10        |
| 2/19/2009 | 124,483   | \$ 10.13           | -0.10%  | 0.11%           | -0.91%          | -0.10%           | 0.00%            | 0.00         |
| 2/20/2009 | 410,754   | \$ 10.00           | -1.38%  | -2.88%          | 1.02%           | -2.32%           | 0.94%            | 0.18         |
| 2/23/2009 | 245,240   | \$ 9.35            | -6.50%  | -3.80%          | 1.52%           | -3.04%           | -3.46%           | -0.66        |
| 2/24/2009 | 1,645,108 | \$ 8.50            | -9.09%  | 2.77%           | -3.48%          | 1.57%            | -10.67%          | -2.03 *      |
| 2/25/2009 | 567,357   | \$ 8.78            | 3.29%   | 0.93%           | -3.32%          | -0.15%           | 3.44%            | 0.66         |
| 2/26/2009 | 391,282   | \$ 8.60            | -2.05%  | 3.21%           | -3.42%          | 2.02%            | -4.07%           | -0.78        |
| 2/20/2009 | 339,194   | \$ 8.50            | -2.05%  | -0.78%          | -3.42%          | -1.06%           | -4.07%           | -0.78        |
| 3/2/2009  | 672,600   | \$ 8.30<br>\$ 7.53 | -11.41% | -5.36%          | 0.92%           | -1.06%<br>-4.76% | -0.11%<br>-6.66% |              |
|           |           |                    |         |                 |                 |                  |                  |              |
| 3/3/2009  | 714,797   | \$ 6.99            | -7.17%  | -0.73%          | -1.32%          | -1.05%           | -6.12%<br>8.86%  | -1.17        |
| 3/4/2009  | 1,410,849 | \$ 7.80            | 11.59%  | 2.40%           | 0.88%           | 2.73%            |                  | 1.69<br>1.71 |
| 3/5/2009  | 1,268,960 | \$ 8.32            | 6.67%   | -2.37%          | -0.38%          | -2.32%           | 8.99%            |              |
| 3/6/2009  | 407,187   | \$ 8.29            | -0.36%  | -0.49%          | 0.80%           | -0.10%           | -0.27%           | -0.05        |
| 3/9/2009  | 536,710   | \$ 8.20            | -1.09%  | -0.32%          | -1.45%          | -0.71%           | -0.38%           | -0.07        |
| 3/10/2009 | 519,293   | \$ 8.80            | 7.32%   | 4.14%           | 0.27%           | 4.20%            | 3.12%            | 0.59         |
| 3/11/2009 | 549,085   | \$ 8.65            | -1.70%  | 1.66%           | 1.54%           | 2.24%            | -3.94%           | -0.75        |
| 3/12/2009 | 204,163   | \$ 8.85            | 2.31%   | 3.39%           | -1.18%          | 2.97%            | -0.66%           | -0.13        |
| 3/13/2009 | 502,426   | \$ 8.58            | -3.05%  | 0.26%           | 1.02%           | 0.71%            | -3.76%           | -0.72        |
| 3/16/2009 | 318,919   | \$ 8.02            | -6.53%  | 1.00%           | 1.36%           | 1.55%            | -8.07%           | -1.54        |
| 3/17/2009 | 622,911   | \$ 7.95            | -0.87%  | 2.06%           | -0.90%          | 1.79%            | -2.66%           | -0.51        |
| 3/18/2009 | 480,017   | \$ 7.99            | 0.50%   | 0.81%           | 1.83%           | 1.52%            | -1.02%           | -0.19        |
| 3/19/2009 | 330,233   | \$ 7.87            | -1.50%  | 0.71%           | -1.10%          | 0.41%            | -1.91%           | -0.36        |
| 3/20/2009 | 424,124   | \$ 7.47<br>\$ 7.98 | -5.08%  | -2.12%<br>5.32% | 0.12%<br>-0.87% | -1.90%<br>4.94%  | -3.18%<br>1.89%  | -0.61        |
| 3/23/2009 | 649,034   |                    | 6.83%   |                 |                 |                  |                  | 0.36         |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]         | [2]       | [3]      | [4]     | [5]    | [6]      | [7]       | [8]     | [9]     |
|-------------|-----------|----------|---------|--------|----------|-----------|---------|---------|
|             | Total     | TRE CN   | TRE CN  | Market | Industry | Predicted | Excess  |         |
| <b>Date</b> | Volume    | Price    | Return  | Return | Return   | Return    | Return  | t-stat  |
| 3/24/2009   | 208,093   | \$ 7.90  | -1.00%  | -1.22% | 1.12%    | -0.68%    | -0.32%  | -0.06   |
| 3/25/2009   | 540,334   | \$ 7.87  | -0.38%  | -0.59% | 1.41%    | 0.03%     | -0.41%  | -0.08   |
| 3/26/2009   | 1,228,168 | \$ 8.25  | 4.83%   | 2.25%  | -1.37%   | 1.81%     | 3.02%   | 0.58    |
| 3/27/2009   | 610,005   | \$ 8.29  | 0.48%   | -1.94% | 0.55%    | -1.58%    | 2.06%   | 0.39    |
| 3/30/2009   | 477,814   | \$ 8.01  | -3.38%  | -2.55% | -1.50%   | -2.88%    | -0.50%  | -0.10   |
| 3/31/2009   | 1,526,686 | \$ 8.79  | 9.74%   | 1.44%  | -1.79%   | 0.88%     | 8.86%   | 1.69    |
| 4/1/2009    | 532,879   | \$ 8.87  | 0.91%   | 2.54%  | 0.48%    | 2.73%     | -1.82%  | -0.35   |
| 4/2/2009    | 1,661,726 | \$ 10.15 | 14.43%  | 1.47%  | 2.80%    | 2.49%     | 11.94%  | 2.28 *  |
| 4/3/2009    | 613,676   | \$ 9.46  | -6.80%  | -0.08% | 1.46%    | 0.53%     | -7.33%  | -1.40   |
| 4/6/2009    | 774,655   | \$ 9.78  | 3.38%   | -0.55% | 0.20%    | -0.35%    | 3.74%   | 0.71    |
| 4/7/2009    | 1,243,844 | \$ 9.18  | -6.13%  | -2.12% | 0.74%    | -1.69%    | -4.45%  | -0.85   |
| 4/8/2009    | 323,677   | \$ 8.84  | -3.70%  | 1.64%  | -2.98%   | 0.66%     | -4.36%  | -0.83   |
| 4/9/2009    | 221,934   | \$ 9.31  | 5.32%   | 2.43%  | 0.69%    | 2.69%     | 2.63%   | 0.50    |
| 4/13/2009   | 235,287   | \$ 9.55  | 2.58%   | 1.07%  | 0.63%    | 1.36%     | 1.22%   | 0.23    |
| 4/14/2009   | 534,211   | \$ 10.20 | 6.81%   | -0.58% | 0.10%    | -0.42%    | 7.23%   | 1.38    |
| 4/15/2009   | 503,118   | \$ 10.00 | -1.96%  | 0.16%  | 1.55%    | 0.79%     | -2.76%  | -0.53   |
| 4/16/2009   | 679,095   | \$ 9.99  | -0.10%  | 1.05%  | 0.97%    | 1.46%     | -1.56%  | -0.30   |
| 4/17/2009   | 570,557   | \$ 10.30 | 3.10%   | 1.01%  | -0.70%   | 0.84%     | 2.26%   | 0.43    |
| 4/20/2009   | 571,476   | \$ 9.92  | -3.69%  | -3.30% | 0.17%    | -3.02%    | -0.66%  | -0.13   |
| 4/21/2009   | 461,624   | \$ 9.78  | -1.41%  | 1.33%  | -0.43%   | 1.24%     | -2.65%  | -0.51   |
| 4/22/2009   | 413,423   | \$ 9.93  | 1.53%   | 0.35%  | 2.27%    | 1.23%     | 0.31%   | 0.06    |
| 4/23/2009   | 1,102,716 | \$ 10.00 | 0.70%   | 1.40%  | 0.51%    | 1.64%     | -0.93%  | -0.18   |
| 4/24/2009   | 626,204   | \$ 10.20 | 2.00%   | 1.49%  | 2.11%    | 2.28%     | -0.28%  | -0.05   |
| 4/27/2009   | 279,765   | \$ 10.19 | -0.10%  | -1.62% | -0.86%   | -1.76%    | 1.66%   | 0.32    |
| 4/28/2009   | 270,175   | \$ 10.50 | 3.04%   | -0.50% | 0.88%    | -0.07%    | 3.11%   | 0.59    |
| 4/29/2009   | 343,474   | \$ 10.62 | 1.14%   | 0.73%  | 1.47%    | 1.32%     | -0.18%  | -0.03   |
| 4/30/2009   | 547,790   | \$ 10.44 | -1.69%  | -0.97% | 2.38%    | -0.01%    | -1.69%  | -0.32   |
| 5/1/2009    | 352,197   | \$ 11.32 | 8.43%   | 1.85%  | -1.39%   | 1.41%     | 7.02%   | 1.34    |
| 5/4/2009    | 461,820   | \$ 11.49 | 1.50%   | 3.93%  | 1.46%    | 4.41%     | -2.91%  | -0.55   |
| 5/5/2009    | 723,476   | \$ 11.50 | 0.09%   | 0.10%  | -0.36%   | 0.08%     | 0.00%   | 0.00    |
| 5/6/2009    | 1,247,285 | \$ 12.80 | 11.30%  | 2.66%  | -1.13%   | 2.28%     | 9.02%   | 1.72    |
| 5/7/2009    | 1,585,447 | \$ 12.16 | -5.00%  | -1.74% | 0.31%    | -1.47%    | -3.53%  | -0.67   |
| 5/8/2009    | 701,674   | \$ 12.83 | 5.51%   | 2.72%  | 1.58%    | 3.28%     | 2.23%   | 0.43    |
| 5/11/2009   | 432,351   | \$ 11.96 | -6.78%  | -1.41% | -0.47%   | -1.41%    | -5.37%  | -1.02   |
| 5/12/2009   | 1,580,924 | \$ 11.95 | -0.08%  | -0.16% | 0.04%    | -0.04%    | -0.05%  | -0.01   |
| 5/13/2009   | 725,925   | \$ 11.63 | -2.68%  | -3.65% | 0.61%    | -3.21%    | 0.54%   | 0.10    |
| 5/14/2009   | 3,299,860 | \$ 12.27 | 5.50%   | 1.44%  | -1.40%   | 1.01%     | 4.49%   | 0.86    |
| 5/15/2009   | 276,466   | \$ 12.40 | 1.06%   | -0.88% | 1.47%    | -0.23%    | 1.29%   | 0.25    |
| 5/18/2009   | 2,400     | \$ 12.40 | 0.00%   | -0.88% | 1.47%    | -0.23%    | 0.23%   | 0.04    |
| 5/19/2009   | 351,032   | \$ 12.66 | 2.10%   | 3.46%  | 1.46%    | 3.96%     | -1.86%  | -0.36   |
| 5/20/2009   | 716,449   | \$ 13.01 | 2.76%   | 1.30%  | -1.23%   | 0.94%     | 1.83%   | 0.35    |
| 5/21/2009   | 772,559   | \$ 12.81 | -1.54%  | -2.76% | 2.54%    | -1.69%    | 0.15%   | 0.03    |
| 5/22/2009   | 3,936,560 | \$ 11.30 | -11.79% | 0.44%  | -0.70%   | 0.29%     | -12.07% | -2.30 * |
| 5/25/2009   | 1,372,773 | \$ 11.49 | 1.68%   | 0.76%  | -0.43%   | 0.69%     | 0.99%   | 0.19    |
| 5/26/2009   | 1,738,165 | \$ 11.85 | 3.13%   | 2.15%  | -1.82%   | 1.55%     | 1.58%   | 0.30    |
| 5/27/2009   | 1,333,421 | \$ 11.65 | -1.69%  | -1.40% | -0.66%   | -1.47%    | -0.22%  | -0.04   |
| 5/28/2009   | 992,288   | \$ 12.06 | 3.52%   | 2.47%  | -1.61%   | 1.93%     | 1.59%   | 0.30    |
| _           | , -       | •        | •       |        |          |           | •       |         |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]       | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]    |
|-----------|-----------|----------|--------|--------|----------|-----------|--------|--------|
|           | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |        |
| Date      | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat |
| 5/29/2009 | 1,688,465 | \$ 12.70 | 5.31%  | -0.21% | 0.90%    | 0.21%     | 5.10%  | 0.97   |
| 6/1/2009  | 679,526   | \$ 13.40 | 5.51%  | 2.26%  | 0.60%    | 2.49%     | 3.02%  | 0.58   |
| 6/2/2009  | 1,162,704 | \$ 13.52 | 0.90%  | -0.14% | 0.48%    | 0.13%     | 0.76%  | 0.15   |
| 6/3/2009  | 577,863   | \$ 13.00 | -3.85% | -2.82% | 0.86%    | -2.32%    | -1.52% | -0.29  |
| 6/4/2009  | 565,670   | \$ 13.60 | 4.62%  | 1.82%  | -1.42%   | 1.37%     | 3.24%  | 0.62   |
| 6/5/2009  | 2,051,107 | \$ 14.86 | 9.26%  | 0.88%  | -2.08%   | 0.23%     | 9.03%  | 1.72   |
| 6/8/2009  | 856,818   | \$ 14.43 | -2.89% | -0.19% | -0.93%   | -0.40%    | -2.49% | -0.48  |
| 6/9/2009  | 938,348   | \$ 13.88 | -3.81% | -0.01% | 0.53%    | 0.28%     | -4.09% | -0.78  |
| 6/10/2009 | 1,376,248 | \$ 13.41 | -3.39% | 0.48%  | 0.34%    | 0.68%     | -4.07% | -0.78  |
| 6/11/2009 | 1,761,647 | \$ 14.01 | 4.47%  | 1.10%  | -0.62%   | 0.95%     | 3.52%  | 0.67   |
| 6/12/2009 | 556,700   | \$ 13.80 | -1.50% | -0.65% | -0.52%   | -0.70%    | -0.80% | -0.15  |
| 6/15/2009 | 818,778   | \$ 13.72 | -0.58% | -2.35% | -0.42%   | -2.31%    | 1.73%  | 0.33   |
| 6/16/2009 | 1,430,307 | \$ 14.11 | 2.84%  | -0.84% | -0.61%   | -0.92%    | 3.76%  | 0.72   |
| 6/17/2009 | 772,895   | \$ 13.76 | -2.48% | -2.34% | 0.86%    | -1.86%    | -0.62% | -0.12  |
| 6/18/2009 | 744,405   | \$ 13.36 | -2.91% | 0.55%  | -1.41%   | 0.15%     | -3.05% | -0.58  |
| 6/19/2009 | 3,407,433 | \$ 13.76 | 2.99%  | 1.64%  | -1.52%   | 1.17%     | 1.83%  | 0.35   |
| 6/22/2009 | 1,328,103 | \$ 13.23 | -3.85% | -4.41% | 2.12%    | -3.42%    | -0.43% | -0.08  |
| 6/23/2009 | 835,599   | \$ 12.92 | -2.34% | 0.64%  | -0.05%   | 0.70%     | -3.05% | -0.58  |
| 6/24/2009 | 788,254   | \$ 13.10 | 1.39%  | 2.06%  | 0.33%    | 2.22%     | -0.82% | -0.16  |
| 6/25/2009 | 863,586   | \$ 13.24 | 1.07%  | 2.52%  | -1.74%   | 1.94%     | -0.87% | -0.17  |
| 6/26/2009 | 473,842   | \$ 13.14 | -0.76% | 0.33%  | 0.13%    | 0.47%     | -1.22% | -0.23  |
| 6/29/2009 | 426,693   | \$ 12.88 | -1.98% | 0.84%  | 0.30%    | 1.02%     | -3.00% | -0.57  |
| 6/30/2009 | 903,345   | \$ 12.40 | -3.73% | -0.97% | 0.05%    | -0.82%    | -2.91% | -0.55  |
| 7/1/2009  | 10,967    | \$ 12.40 | 0.00%  | -0.97% | 0.05%    | -0.82%    | 0.82%  | 0.16   |
| 7/2/2009  | 755,578   | \$ 12.50 | 0.81%  | -1.24% | 0.81%    | -0.82%    | 1.62%  | 0.31   |
| 7/3/2009  | 165,407   | \$ 12.64 | 1.12%  | 0.36%  | -1.68%   | -0.13%    | 1.25%  | 0.24   |
| 7/6/2009  | 853,630   | \$ 12.17 | -3.72% | -2.49% | 2.07%    | -1.58%    | -2.14% | -0.41  |
| 7/7/2009  | 1,308,881 | \$ 12.16 | -0.08% | -1.83% | 0.96%    | -1.33%    | 1.24%  | 0.24   |
| 7/8/2009  | 2,022,763 | \$ 11.40 | -6.25% | -1.94% | 1.04%    | -1.41%    | -4.84% | -0.92  |
| 7/9/2009  | 722,328   | \$ 12.10 | 6.14%  | 1.25%  | -0.72%   | 1.06%     | 5.08%  | 2.01 * |
| 7/10/2009 | 500,446   | \$ 12.30 | 1.65%  | -0.27% | -0.14%   | -0.21%    | 1.86%  | 0.74   |
| 7/13/2009 | 5,533,871 | \$ 12.58 | 2.28%  | 1.49%  | -0.44%   | 1.39%     | 0.89%  | 0.35   |
| 7/14/2009 | 1,698,520 | \$ 13.25 | 5.33%  | 0.95%  | 0.39%    | 1.16%     | 4.16%  | 1.65   |
| 7/15/2009 | 1,556,096 | \$ 13.56 | 2.34%  | 2.30%  | 0.91%    | 2.64%     | -0.30% | -0.12  |
| 7/16/2009 | 268,961   | \$ 13.55 | -0.07% | 0.87%  | 0.17%    | 1.00%     | -1.08% | -0.43  |
| 7/17/2009 | 959,100   | \$ 13.75 | 1.48%  | 0.63%  | -0.08%   | 0.69%     | 0.79%  | 0.31   |
| 7/20/2009 | 480,882   | \$ 13.80 | 0.36%  | 1.65%  | 0.82%    | 1.98%     | -1.62% | -0.64  |
| 7/21/2009 | 502,827   | \$ 13.74 | -0.43% | -0.24% | 2.46%    | 0.73%     | -1.16% | -0.46  |
| 7/22/2009 | 329,820   | \$ 13.73 | -0.07% | -0.79% | 1.71%    | -0.06%    | -0.01% | 0.00   |
| 7/23/2009 | 413,252   | \$ 13.70 | -0.22% | 2.33%  | -0.15%   | 2.31%     | -2.53% | -1.00  |
| 7/24/2009 | 511,294   | \$ 13.39 | -2.26% | 0.11%  | 0.49%    | 0.39%     | -2.65% | -1.05  |
| 7/27/2009 | 1,086,563 | \$ 14.01 | 4.63%  | 0.65%  | -0.10%   | 0.70%     | 3.93%  | 1.56   |
| 7/28/2009 | 417,179   | \$ 13.80 | -1.50% | -1.74% | 2.48%    | -0.71%    | -0.79% | -0.31  |
| 7/29/2009 | 405,937   | \$ 13.47 | -2.39% | -1.09% | 0.12%    | -0.90%    | -1.49% | -0.59  |
| 7/30/2009 | 342,627   | \$ 14.05 | 4.31%  | 2.12%  | -0.70%   | 1.91%     | 2.40%  | 0.95   |
| 7/31/2009 | 657,820   | \$ 14.70 | 4.63%  | 1.03%  | -0.34%   | 0.99%     | 3.64%  | 1.44   |
| 8/3/2009  | 10,080    | \$ 14.70 | 0.00%  | 1.03%  | -0.34%   | 0.99%     | -0.99% | -0.39  |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| _ | [1]       | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]      |
|---|-----------|-----------|----------|--------|--------|----------|-----------|--------|----------|
|   |           | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |          |
|   | Date      | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat   |
|   | 8/4/2009  | 894,086   | \$ 15.26 | 3.81%  | 2.14%  | 2.74%    | 3.12%     | 0.69%  | 0.27     |
|   | 8/5/2009  | 667,871   | \$ 15.59 | 2.16%  | 0.26%  | 0.56%    | 0.55%     | 1.61%  | 0.64     |
|   | 8/6/2009  | 1,465,488 | \$ 16.01 | 2.69%  | -2.30% | 1.07%    | -1.74%    | 4.43%  | 1.76     |
|   | 8/7/2009  | 538,718   | \$ 16.19 | 1.12%  | 0.85%  | -0.25%   | 0.84%     | 0.28%  | 0.11     |
|   | 8/10/2009 | 393,700   | \$ 15.92 | -1.67% | -0.84% | -0.47%   | -0.87%    | -0.80% | -0.32    |
|   | 8/11/2009 | 707,312   | \$ 15.42 | -3.14% | -1.52% | 0.73%    | -1.11%    | -2.03% | -0.80    |
|   | 8/12/2009 | 486,721   | \$ 15.90 | 3.11%  | 0.29%  | 0.20%    | 0.45%     | 2.66%  | 1.05     |
|   | 8/13/2009 | 843,493   | \$ 16.05 | 0.94%  | 1.55%  | 0.33%    | 1.72%     | -0.78% | -0.31    |
|   | 8/14/2009 | 420,941   | \$ 16.16 | 0.69%  | 0.21%  | -1.20%   | -0.11%    | 0.79%  | 0.32     |
|   | 8/17/2009 | 1,071,380 | \$ 15.37 | -4.89% | -2.92% | -0.18%   | -2.78%    | -2.11% | -0.84    |
|   | 8/18/2009 | 427,683   | \$ 15.40 | 0.20%  | 1.35%  | -0.11%   | 1.37%     | -1.18% | -0.47    |
|   | 8/19/2009 | 568,674   | \$ 15.15 | -1.62% | 0.12%  | -0.14%   | 0.17%     | -1.80% | -0.71    |
|   | 8/20/2009 | 639,312   | \$ 14.80 | -2.31% | 0.13%  | 1.19%    | 0.64%     | -2.95% | -1.17    |
|   | 8/21/2009 | 542,382   | \$ 15.25 | 3.04%  | 1.22%  | 1.52%    | 1.81%     | 1.23%  | 0.49     |
|   | 8/24/2009 | 300,710   | \$ 15.00 | -1.64% | -0.38% | 1.15%    | 0.14%     | -1.78% | -0.70    |
|   | 8/25/2009 | 356,122   | \$ 15.24 | 1.60%  | 1.21%  | -1.28%   | 0.83%     | 0.77%  | 0.30     |
|   | 8/26/2009 | 588,101   | \$ 14.85 | -2.56% | -0.08% | -0.11%   | -0.01%    | -2.55% | -1.01    |
|   | 8/27/2009 | 404,819   | \$ 15.21 | 2.42%  | 0.20%  | -0.01%   | 0.29%     | 2.13%  | 0.84     |
|   | 8/28/2009 | 631,726   | \$ 14.70 | -3.35% | 0.40%  | -0.42%   | 0.35%     | -3.70% | -1.47    |
|   | 8/31/2009 | 1,471,267 | \$ 13.60 | -7.48% | -1.00% | -0.02%   | -0.87%    | -6.62% | -2.62 ** |
|   | 9/1/2009  | 1,369,613 | \$ 13.48 | -0.88% | -1.64% | -0.32%   | -1.59%    | 0.71%  | 0.28     |
|   | 9/2/2009  | 307,434   | \$ 13.69 | 1.56%  | 0.11%  | -0.65%   | -0.01%    | 1.57%  | 0.62     |
|   | 9/3/2009  | 288,701   | \$ 14.15 | 3.36%  | 2.06%  | -0.84%   | 1.80%     | 1.56%  | 0.62     |
|   | 9/4/2009  | 440,432   | \$ 14.45 | 2.12%  | 0.88%  | 0.50%    | 1.13%     | 0.99%  | 0.39     |
|   | 9/7/2009  | 400       | \$ 14.45 | 0.00%  | 0.88%  | 0.50%    | 1.13%     | -1.13% | -0.45    |
|   | 9/8/2009  | 1,364,992 | \$ 15.55 | 7.61%  | 0.80%  | 1.10%    | 1.26%     | 6.36%  | 2.52 *   |
|   | 9/9/2009  | 1,051,607 | \$ 16.17 | 3.99%  | -0.95% | 1.49%    | -0.29%    | 4.28%  | 1.70     |
|   | 9/10/2009 | 993,764   | \$ 17.16 | 6.12%  | 1.41%  | -0.10%   | 1.43%     | 4.69%  | 1.86     |
|   | 9/11/2009 | 797,418   | \$ 17.38 | 1.28%  | 0.88%  | -0.76%   | 0.69%     | 0.59%  | 0.23     |
|   | 9/14/2009 | 480,848   | \$ 17.31 | -0.40% | 0.70%  | 0.29%    | 0.88%     | -1.28% | -0.51    |
|   | 9/15/2009 | 666,589   | \$ 17.42 | 0.64%  | 1.45%  | -0.74%   | 1.25%     | -0.61% | -0.24    |
|   | 9/16/2009 | 870,641   | \$ 17.35 | -0.40% | 0.52%  | 0.24%    | 0.69%     | -1.09% | -0.43    |
|   | 9/17/2009 | 515,300   | \$ 17.35 | 0.00%  | -0.24% | -0.11%   | -0.16%    | 0.16%  | 0.06     |
|   | 9/18/2009 | 840,415   | \$ 18.21 | 4.96%  | -0.71% | -0.12%   | -0.62%    | 5.58%  | 2.21 *   |
|   | 9/21/2009 | 743,889   | \$ 17.90 | -1.70% | -0.19% | -1.22%   | -0.50%    | -1.21% | -0.48    |
|   | 9/22/2009 | 471,821   | \$ 18.41 | 2.85%  | 1.41%  | 0.04%    | 1.48%     | 1.37%  | 0.54     |
|   | 9/23/2009 | 724,077   | \$ 18.45 | 0.22%  | -0.59% | 0.57%    | -0.27%    | 0.48%  | 0.19     |
|   | 9/24/2009 | 605,756   | \$ 16.86 | -8.62% | -2.01% | -0.34%   | -1.96%    | -6.66% | -2.64 ** |
|   | 9/25/2009 | 1,479,989 | \$ 16.00 | -5.10% | -0.65% | 0.33%    | -0.41%    | -4.69% | -1.86    |
|   | 9/28/2009 | 609,916   | \$ 16.70 | 4.38%  | 1.13%  | -0.28%   | 1.10%     | 3.28%  | 1.30     |
|   | 9/29/2009 | 1,622,293 | \$ 16.85 | 0.90%  | 0.50%  | -0.77%   | 0.32%     | 0.58%  | 0.23     |
|   | 9/30/2009 | 744,189   | \$ 16.91 | 0.36%  | 0.00%  | 0.22%    | 0.18%     | 0.17%  | 0.07     |
|   | 10/1/2009 | 896,874   | \$ 15.95 | -5.68% | -2.84% | 0.67%    | -2.40%    | -3.28% | -1.30    |
|   | 10/2/2009 | 1,121,007 | \$ 16.49 | 3.39%  | -1.02% | 0.59%    | -0.68%    | 4.07%  | 1.61     |
|   | 10/5/2009 | 339,118   | \$ 16.45 | -0.24% | 1.32%  | -0.55%   | 1.19%     | -1.43% | -0.57    |
|   | 10/6/2009 | 576,220   | \$ 16.35 | -0.61% | 1.31%  | 0.74%    | 1.63%     | -2.23% | -0.89    |
|   | 10/7/2009 | 328,314   | \$ 16.95 | 3.67%  | 0.91%  | -1.41%   | 0.49%     | 3.18%  | 1.26     |
|   |           |           |          |        |        |          |           |        |          |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]        | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]     |
|------------|-----------|----------|--------|--------|----------|-----------|--------|---------|
|            | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |         |
| Date       | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat  |
| 10/8/2009  | 578,198   | \$ 16.59 | -2.12% | 1.19%  | 1.35%    | 1.72%     | -3.84% | -1.52   |
| 10/9/2009  | 292,916   | \$ 16.80 | 1.27%  | -0.41% | 0.53%    | -0.11%    | 1.38%  | 0.55    |
| 10/12/2009 | 905       | \$ 16.80 | 0.00%  | -0.41% | 0.53%    | -0.11%    | 0.11%  | 0.04    |
| 10/13/2009 | 1,460,456 | \$ 16.84 | 0.24%  | -0.20% | 1.24%    | 0.34%     | -0.10% | -0.04   |
| 10/14/2009 | 451,023   | \$ 16.92 | 0.48%  | 1.04%  | 1.08%    | 1.49%     | -1.01% | -0.40   |
| 10/15/2009 | 345,237   | \$ 16.64 | -1.65% | -0.25% | 1.06%    | 0.24%     | -1.89% | -0.75   |
| 10/16/2009 | 317,596   | \$ 16.90 | 1.56%  | 0.00%  | -1.03%   | -0.25%    | 1.81%  | 0.72    |
| 10/19/2009 | 224,492   | \$ 16.65 | -1.48% | 0.29%  | 0.98%    | 0.73%     | -2.21% | -0.88   |
| 10/20/2009 | 373,489   | \$ 16.65 | 0.00%  | 0.00%  | -0.47%   | -0.06%    | 0.06%  | 0.02    |
| 10/21/2009 | 1,069,334 | \$ 17.08 | 2.58%  | -0.83% | 1.00%    | -0.35%    | 2.93%  | 1.16    |
| 10/22/2009 | 614,259   | \$ 16.60 | -2.81% | 0.80%  | -0.44%   | 0.73%     | -3.54% | -1.40   |
| 10/23/2009 | 528,214   | \$ 16.34 | -1.57% | -1.31% | 0.88%    | -0.86%    | -0.71% | -0.28   |
| 10/26/2009 | 443,445   | \$ 16.60 | 1.59%  | -1.29% | -0.19%   | -1.21%    | 2.80%  | 1.11    |
| 10/27/2009 | 460,111   | \$ 16.11 | -2.95% | -1.61% | 0.01%    | -1.45%    | -1.50% | -0.60   |
| 10/28/2009 | 750,247   | \$ 15.10 | -6.27% | -2.25% | -0.74%   | -2.32%    | -3.95% | -1.57   |
| 10/29/2009 | 423,553   | \$ 15.65 | 3.64%  | 2.50%  | -0.01%   | 2.52%     | 1.13%  | 0.45    |
| 10/30/2009 | 884,418   | \$ 15.23 | -2.68% | -1.49% | -0.26%   | -1.42%    | -1.26% | -0.50   |
| 11/2/2009  | 681,773   | \$ 16.40 | 7.68%  | -0.30% | 1.00%    | 0.17%     | 7.52%  | 2.98 ** |
| 11/3/2009  | 836,314   | \$ 16.00 | -2.44% | 1.36%  | -1.16%   | 1.01%     | -3.45% | -1.37   |
| 11/4/2009  | 1,077,568 | \$ 17.52 | 9.50%  | 0.41%  | 1.03%    | 0.86%     | 8.64%  | 3.42 ** |
| 11/5/2009  | 500,906   | \$ 17.64 | 0.68%  | 0.99%  | -0.07%   | 1.04%     | -0.35% | -0.14   |
| 11/6/2009  | 335,546   | \$ 17.62 | -0.11% | 0.62%  | 0.02%    | 0.71%     | -0.83% | -0.33   |
| 11/9/2009  | 674,148   | \$ 18.39 | 4.37%  | 2.10%  | 0.53%    | 2.32%     | 2.05%  | 0.81    |
| 11/10/2009 | 567,829   | \$ 17.65 | -4.02% | -0.52% | 0.16%    | -0.35%    | -3.68% | -1.46   |
| 11/11/2009 | 387,817   | \$ 17.55 | -0.57% | 0.11%  | 0.59%    | 0.42%     | -0.99% | -0.39   |
| 11/12/2009 | 825,203   | \$ 17.71 | 0.91%  | -0.69% | -0.44%   | -0.71%    | 1.62%  | 0.64    |
| 11/13/2009 | 421,219   | \$ 18.08 | 2.09%  | 0.41%  | 1.03%    | 0.86%     | 1.23%  | 0.49    |
| 11/16/2009 | 885,705   | \$ 18.37 | 1.60%  | 0.92%  | 0.85%    | 1.29%     | 0.32%  | 0.13    |
| 11/17/2009 | 1,134,630 | \$ 19.56 | 6.48%  | 1.02%  | -3.60%   | -0.15%    | 6.63%  | 2.63 ** |
| 11/18/2009 | 1,092,954 | \$ 18.68 | -4.50% | 0.20%  | 0.51%    | 0.47%     | -4.97% | -1.97 * |
| 11/19/2009 | 624,862   | \$ 18.78 | 0.54%  | -0.45% | -0.56%   | -0.52%    | 1.06%  | 0.42    |
| 11/20/2009 | 353,427   | \$ 18.64 | -0.75% | -0.18% | -0.46%   | -0.23%    | -0.52% | -0.21   |
| 11/23/2009 | 329,341   | \$ 18.95 | 1.66%  | 0.39%  | 1.33%    | 0.94%     | 0.72%  | 0.29    |
| 11/24/2009 | 404,507   | \$ 18.60 | -1.85% | -0.73% | 0.07%    | -0.57%    | -1.28% | -0.51   |
| 11/25/2009 | 678,677   | \$ 18.69 | 0.48%  | 0.84%  | 0.22%    | 1.00%     | -0.51% | -0.20   |
| 11/26/2009 | 79,434    | \$ 18.60 | -0.48% | -1.72% | 0.46%    | -1.40%    | 0.92%  | 0.36    |
| 11/27/2009 | 336,762   | \$ 18.55 | -0.27% | 0.24%  | -1.54%   | -0.19%    | -0.07% | -0.03   |
| 11/30/2009 | 783,020   | \$ 18.47 | -0.43% | -0.15% | 1.56%    | 0.50%     | -0.93% | -0.37   |
| 12/1/2009  | 1,376,302 | \$ 19.84 | 7.42%  | 2.27%  | -0.14%   | 2.25%     | 5.16%  | 2.05 *  |
| 12/2/2009  | 1,423,646 | \$ 19.00 | -4.23% | 0.62%  | 0.58%    | 0.90%     | -5.14% | -2.04 * |
| 12/3/2009  | 786,811   | \$ 18.85 | -0.79% | -1.22% | 0.84%    | -0.78%    | -0.01% | 0.00    |
| 12/4/2009  | 1,160,208 | \$ 18.71 | -0.74% | -1.08% | 0.28%    | -0.84%    | 0.10%  | 0.04    |
| 12/7/2009  | 525,637   | \$ 18.42 | -1.55% | -0.18% | 0.51%    | 0.10%     | -1.65% | -0.66   |
| 12/8/2009  | 522,279   | \$ 18.04 | -2.06% | -1.05% | 0.15%    | -0.86%    | -1.21% | -0.48   |
| 12/9/2009  | 1,008,706 | \$ 17.70 | -1.88% | 0.09%  | -0.34%   | 0.08%     | -1.96% | -0.78   |
| 12/10/2009 | 5,256,866 | \$ 16.80 | -5.08% | 0.75%  | -0.36%   | 0.71%     | -5.79% | -2.30 * |
| 12/11/2009 | 8,103,716 | \$ 17.54 | 4.40%  | -0.35% | 1.00%    | 0.11%     | 4.30%  | 1.70    |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]        | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]    |
|------------|-----------|----------|--------|--------|----------|-----------|--------|--------|
|            | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |        |
| Date       | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat |
| 12/14/2009 | 1,920,739 | \$ 17.65 | 0.63%  | 1.07%  | -0.19%   | 1.07%     | -0.44% | -0.18  |
| 12/15/2009 | 997,405   | \$ 17.58 | -0.40% | -0.04% | -0.61%   | -0.15%    | -0.25% | -0.10  |
| 12/16/2009 | 1,330,419 | \$ 17.53 | -0.28% | 0.83%  | -0.93%   | 0.59%     | -0.87% | -0.35  |
| 12/17/2009 | 2,415,753 | \$ 17.52 | -0.06% | -1.41% | -0.52%   | -1.44%    | 1.38%  | 0.55   |
| 12/18/2009 | 1,601,424 | \$ 17.32 | -1.14% | -0.08% | -0.65%   | -0.20%    | -0.94% | -0.37  |
| 12/21/2009 | 742,438   | \$ 17.92 | 3.46%  | 0.80%  | -0.02%   | 0.87%     | 2.60%  | 1.03   |
| 12/22/2009 | 1,860,623 | \$ 18.75 | 4.63%  | 0.63%  | 0.43%    | 0.87%     | 3.76%  | 1.49   |
| 12/23/2009 | 1,276,248 | \$ 19.30 | 2.93%  | 0.26%  | 0.47%    | 0.52%     | 2.41%  | 0.96   |
| 12/24/2009 | 272,002   | \$ 19.60 | 1.55%  | 0.82%  | -0.45%   | 0.74%     | 0.81%  | 0.32   |
| 12/28/2009 | 1,270     | \$ 19.60 | 0.00%  | 0.82%  | -0.45%   | 0.74%     | -0.74% | -0.30  |
| 12/29/2009 | 752,872   | \$ 19.65 | 0.26%  | -0.45% | 0.99%    | 0.02%     | 0.24%  | 0.09   |
| 12/30/2009 | 342,385   | \$ 19.33 | -1.63% | 0.13%  | -0.47%   | 0.07%     | -1.70% | -0.67  |
| 12/31/2009 | 188,302   | \$ 19.38 | 0.26%  | 0.24%  | -0.45%   | 0.19%     | 0.07%  | 0.03   |
| 1/4/2010   | 1,056,974 | \$ 19.65 | 1.39%  | 1.03%  | 1.24%    | 1.53%     | -0.13% | -0.05  |
| 1/5/2010   | 1,869,287 | \$ 20.24 | 3.00%  | 0.18%  | 1.70%    | 0.87%     | 2.13%  | 0.85   |
| 1/6/2010   | 1,390,939 | \$ 20.55 | 1.53%  | 0.47%  | 0.07%    | 0.59%     | 0.94%  | 0.37   |
| 1/7/2010   | 1,648,850 | \$ 20.03 | -2.53% | -0.48% | -0.38%   | -0.49%    | -2.04% | -0.81  |
| 1/8/2010   | 1,229,662 | \$ 20.23 | 1.00%  | 0.56%  | 0.51%    | 0.82%     | 0.18%  | 0.07   |
| 1/11/2010  | 1,518,935 | \$ 20.49 | 1.29%  | -0.06% | 0.21%    | 0.13%     | 1.16%  | 0.46   |
| 1/12/2010  | 1,416,903 | \$ 20.98 | 2.39%  | -1.06% | 0.31%    | -0.81%    | 3.20%  | 1.27   |
| 1/13/2010  | 1,185,218 | \$ 20.86 | -0.57% | 0.28%  | -0.21%   | 0.30%     | -0.88% | -0.35  |
| 1/14/2010  | 737,366   | \$ 20.30 | -2.68% | -0.41% | 0.31%    | -0.19%    | -2.50% | -0.99  |
| 1/15/2010  | 953,565   | \$ 19.83 | -2.32% | -1.01% | -0.16%   | -0.92%    | -1.39% | -0.55  |
| 1/18/2010  | 211,283   | \$ 20.00 | 0.86%  | 0.56%  | -0.09%   | 0.61%     | 0.24%  | 0.10   |
| 1/19/2010  | 722,976   | \$ 19.57 | -2.15% | 0.11%  | 0.43%    | 0.36%     | -2.51% | -0.99  |
| 1/20/2010  | 2,159,297 | \$ 19.61 | 0.20%  | -0.71% | -1.31%   | -1.04%    | 1.24%  | 0.49   |
| 1/21/2010  | 1,450,548 | \$ 19.17 | -2.24% | -1.80% | -0.55%   | -1.82%    | -0.42% | -0.17  |
| 1/22/2010  | 1,501,953 | \$ 19.15 | -0.10% | -1.10% | -0.17%   | -1.01%    | 0.91%  | 0.36   |
| 1/25/2010  | 1,374,919 | \$ 18.85 | -1.57% | 0.10%  | -0.16%   | 0.15%     | -1.71% | -0.68  |
| 1/26/2010  | 1,399,639 | \$ 18.70 | -0.80% | 0.06%  | -1.84%   | -0.47%    | -0.32% | -0.13  |
| 1/27/2010  | 1,624,616 | \$ 18.15 | -2.94% | -0.15% | -0.75%   | -0.30%    | -2.64% | -1.05  |
| 1/28/2010  | 1,081,690 | \$ 18.43 | 1.54%  | -0.62% | -0.89%   | -0.80%    | 2.34%  | 0.93   |
| 1/29/2010  | 1,246,599 | \$ 18.57 | 0.76%  | -1.60% | 1.39%    | -0.95%    | 1.71%  | 0.68   |
| 2/1/2010   | 1,699,680 | \$ 19.20 | 3.39%  | 2.01%  | -0.10%   | 2.02%     | 1.38%  | 0.55   |
| 2/2/2010   | 810,642   | \$ 19.99 | 4.11%  | 0.80%  | 0.47%    | 1.04%     | 3.07%  | 1.22   |
| 2/3/2010   | 919,899   | \$ 19.58 | -2.05% | -0.16% | -0.67%   | -0.28%    | -1.77% | -0.70  |
| 2/4/2010   | 900,834   | \$ 18.65 | -4.75% | -2.30% | -0.64%   | -2.34%    | -2.41% | -0.96  |
| 2/5/2010   | 986,183   | \$ 18.39 | -1.39% | 0.85%  | -2.67%   | 0.00%     | -1.39% | -0.55  |
| 2/8/2010   | 915,787   | \$ 18.40 | 0.05%  | -0.96% | 1.13%    | -0.43%    | 0.49%  | 0.19   |
| 2/9/2010   | 805,771   | \$ 19.18 | 4.24%  | 1.43%  | -0.43%   | 1.34%     | 2.90%  | 1.15   |
| 2/10/2010  | 810,604   | \$ 19.29 | 0.57%  | 0.11%  | -0.03%   | 0.20%     | 0.37%  | 0.15   |
| 2/11/2010  | 480,792   | \$ 19.65 | 1.87%  | 1.32%  | -0.40%   | 1.24%     | 0.62%  | 0.25   |
| 2/12/2010  | 489,953   | \$ 19.39 | -1.32% | 0.30%  | -0.55%   | 0.21%     | -1.53% | -0.61  |
| 2/15/2010  | 626       | \$ 19.39 | 0.00%  | 0.30%  | -0.55%   | 0.21%     | -0.21% | -0.08  |
| 2/16/2010  | 551,816   | \$ 19.54 | 0.77%  | 1.02%  | 0.73%    | 1.34%     | -0.57% | -0.22  |
| 2/17/2010  | 903,603   | \$ 19.75 | 1.07%  | 0.42%  | -0.13%   | 0.47%     | 0.60%  | 0.24   |
| 2/18/2010  | 810,721   | \$ 20.27 | 2.63%  | 0.51%  | -0.65%   | 0.37%     | 2.26%  | 0.90   |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]       | [2]       | [3]                  | [4]    | [5]    | [6]      | [7]       | [8]    | [9]    |
|-----------|-----------|----------------------|--------|--------|----------|-----------|--------|--------|
|           | Total     | TRE CN               | TRE CN | Market | Industry | Predicted | Excess |        |
| Date      | Volume    | Price                | Return | Return | Return   | Return    | Return | t-stat |
| 2/19/2010 | 684,751   | \$ 19.97             | -1.48% | 0.12%  | -0.15%   | 0.17%     | -1.65% | -0.66  |
| 2/22/2010 | 233,622   | \$ 19.89             | -0.40% | -0.64% | 1.45%    | -0.01%    | -0.39% | -0.16  |
| 2/23/2010 | 390,462   | \$ 19.52             | -1.86% | -0.93% | 0.57%    | -0.59%    | -1.27% | -0.50  |
| 2/24/2010 | 565,456   | \$ 19.75             | 1.18%  | -0.04% | 0.30%    | 0.17%     | 1.01%  | 0.40   |
| 2/25/2010 | 523,623   | \$ 19.82             | 0.35%  | 0.95%  | -1.74%   | 0.42%     | -0.07% | -0.03  |
| 2/26/2010 | 1,155,661 | \$ 20.47             | 3.28%  | -0.02% | 0.36%    | 0.22%     | 3.06%  | 1.21   |
| 3/1/2010  | 616,558   | \$ 20.60             | 0.64%  | 0.85%  | 0.99%    | 1.27%     | -0.63% | -0.25  |
| 3/2/2010  | 612,514   | \$ 20.50             | -0.49% | 0.85%  | 0.14%    | 0.98%     | -1.46% | -0.58  |
| 3/3/2010  | 983,730   | \$ 21.05             | 2.68%  | 0.21%  | 0.78%    | 0.58%     | 2.11%  | 0.84   |
| 3/4/2010  | 957,112   | \$ 21.40             | 1.66%  | -0.24% | -0.39%   | -0.25%    | 1.92%  | 0.76   |
| 3/5/2010  | 934,345   | \$ 21.59             | 0.89%  | 1.27%  | 0.27%    | 1.43%     | -0.54% | -0.21  |
| 3/8/2010  | 294,630   | \$ 21.53             | -0.28% | -0.09% | 0.50%    | 0.19%     | -0.47% | -0.18  |
| 3/9/2010  | 556,801   | \$ 20.66             | -4.04% | -0.38% | 0.48%    | -0.09%    | -3.95% | -1.57  |
| 3/10/2010 | 661,485   | \$ 20.80             | 0.68%  | 0.36%  | 0.36%    | 0.58%     | 0.10%  | 0.04   |
| 3/11/2010 | 1,032,517 | \$ 20.55             | -1.20% | 0.16%  | 0.31%    | 0.37%     | -1.57% | -0.62  |
| 3/12/2010 | 1,353,961 | \$ 21.44             | 4.33%  | 0.28%  | 0.59%    | 0.58%     | 3.75%  | 1.48   |
| 3/15/2010 | 1,447,393 | \$ 21.31             | -0.61% | -0.04% | -0.86%   | -0.23%    | -0.37% | -0.15  |
| 3/16/2010 | 1,121,761 | \$ 20.68             | -2.96% | 0.67%  | -0.19%   | 0.69%     | -3.64% | -1.44  |
| 3/17/2010 | 1,732,879 | \$ 20.14             | -2.61% | 0.09%  | 1.72%    | 0.79%     | -3.40% | -1.35  |
| 3/18/2010 | 2,442,583 | \$ 20.02             | -0.60% | -0.50% | 0.24%    | -0.29%    | -0.30% | -0.12  |
| 3/19/2010 | 2,359,126 | \$ 19.88             | -0.70% | -0.76% | -0.28%   | -0.73%    | 0.03%  | 0.01   |
| 3/22/2010 | 6,230,487 | \$ 20.49             | 3.07%  | 0.16%  | 0.47%    | 0.43%     | 2.64%  | 1.05   |
| 3/23/2010 | 1,575,644 | \$ 20.68             | 0.93%  | 0.65%  | -0.78%   | 0.46%     | 0.47%  | 0.19   |
| 3/24/2010 | 1,420,994 | \$ 19.91             | -3.72% | -0.68% | -0.17%   | -0.61%    | -3.11% | -1.23  |
| 3/25/2010 | 3,182,918 | \$ 19.63             | -1.41% | -0.04% | -0.76%   | -0.20%    | -1.21% | -0.48  |
| 3/26/2010 | 2,006,565 | \$ 19.30             | -1.68% | -0.01% | 1.20%    | 0.52%     | -2.20% | -0.87  |
| 3/29/2010 | 4,396,542 | \$ 19.05             | -1.30% | 0.61%  | 0.34%    | 0.81%     | -2.11% | -0.83  |
| 3/30/2010 | 1,731,002 | \$ 19.56             | 2.68%  | 0.12%  | -0.36%   | 0.10%     | 2.58%  | 1.02   |
| 3/31/2010 | 1,891,918 | \$ 19.90             | 1.74%  | -0.05% | 0.18%    | 0.10%     | 1.62%  | 0.64   |
| 4/1/2010  | 1,630,220 | \$ 20.16             | 1.74%  | 0.94%  | 0.18%    | 1.25%     | 0.06%  | 0.04   |
| 4/5/2010  | 563,392   | \$ 20.10             | 0.20%  | 0.29%  | 0.08%    | 0.47%     | -0.27% | -0.11  |
| 4/6/2010  | 764,780   | \$ 20.20             | -0.35% | -0.24% | 0.23%    | 0.47%     | -0.27% | -0.11  |
| 4/7/2010  | 806,898   | \$ 19.84             | -0.33% | -0.24% | 0.48%    | 0.04%     | -0.38% | -0.13  |
| 4/8/2010  | 712,655   | \$ 20.05             | 1.06%  | 0.02%  | 0.52%    | 0.02%     | 0.75%  | 0.30   |
| 4/9/2010  | 402,225   | \$ 20.03             | 1.05%  | 0.02%  | 0.52%    | 0.86%     | 0.75%  | 0.30   |
| 4/12/2010 | 1,551,820 | \$ 20.26             | 2.42%  | -0.23% | -0.05%   | -0.13%    | 2.55%  | 1.01   |
| 4/13/2010 | 921,392   | \$ 20.73             | -0.77% | -0.23% | 0.03%    | -0.15%    | -0.51% | -0.20  |
|           |           |                      |        |        |          |           |        |        |
| 4/14/2010 | 974,239   | \$ 20.57             | -0.10% | 0.85%  | 0.36%    | 1.05%     | -1.15% | -0.46  |
| 4/15/2010 | 975,572   | \$ 20.40             | -0.83% | 0.06%  | 0.26%    | 0.25%     | -1.08% | -0.43  |
| 4/16/2010 | 1,392,614 | \$ 19.80<br>\$ 10.75 | -2.94% | -1.15% | -0.08%   | -1.04%    | -1.90% | -0.75  |
| 4/19/2010 | 2,739,858 | \$ 19.75             | -0.25% | 0.27%  | -1.22%   | -0.06%    | -0.19% | -0.08  |
| 4/20/2010 | 1,523,570 | \$ 19.54             | -1.06% | 0.09%  | 1.09%    | 0.57%     | -1.63% | -0.65  |
| 4/21/2010 | 1,149,669 | \$ 19.70             | 0.82%  | 0.17%  | 0.83%    | 0.56%     | 0.26%  | 0.10   |
| 4/22/2010 | 1,044,421 | \$ 19.80             | 0.51%  | 0.22%  | -0.38%   | 0.18%     | 0.32%  | 0.13   |
| 4/23/2010 | 1,317,304 | \$ 19.49             | -1.57% | 0.65%  | 0.44%    | 0.88%     | -2.45% | -0.97  |
| 4/26/2010 | 820,781   | \$ 19.40             | -0.46% | 0.34%  | 0.18%    | 0.49%     | -0.96% | -0.38  |
| 4/27/2010 | 2,115,205 | \$ 18.62             | -4.02% | -1.09% | -2.95%   | -1.97%    | -2.05% | -0.81  |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]       | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]     |
|-----------|-----------|----------|--------|--------|----------|-----------|--------|---------|
|           | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |         |
| Date      | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat  |
| 4/28/2010 | 684,923   | \$ 18.40 | -1.18% | -0.58% | -0.55%   | -0.64%    | -0.54% | -0.21   |
| 4/29/2010 | 2,533,959 | \$ 17.86 | -2.93% | 1.02%  | 0.31%    | 1.20%     | -4.14% | -1.64   |
| 4/30/2010 | 3,422,822 | \$ 18.06 | 1.12%  | 0.09%  | -0.09%   | 0.16%     | 0.96%  | 0.38    |
| 5/3/2010  | 1,880,108 | \$ 18.10 | 0.22%  | -0.12% | 0.53%    | 0.18%     | 0.04%  | 0.02    |
| 5/4/2010  | 1,168,942 | \$ 17.85 | -1.38% | -1.36% | -2.44%   | -2.05%    | 0.67%  | 0.27    |
| 5/5/2010  | 1,665,975 | \$ 18.17 | 1.79%  | -1.29% | -0.59%   | -1.35%    | 3.14%  | 1.25    |
| 5/6/2010  | 1,447,483 | \$ 17.56 | -3.36% | -0.28% | -3.24%   | -1.28%    | -2.07% | -0.82   |
| 5/7/2010  | 1,383,472 | \$ 17.06 | -2.85% | -1.27% | -1.14%   | -1.51%    | -1.34% | -0.53   |
| 5/10/2010 | 1,324,868 | \$ 17.81 | 4.40%  | 2.18%  | 3.07%    | 3.28%     | 1.12%  | 0.44    |
| 5/11/2010 | 959,030   | \$ 17.40 | -2.30% | 0.44%  | -1.80%   | -0.09%    | -2.21% | -0.88   |
| 5/12/2010 | 1,265,123 | \$ 18.22 | 4.71%  | 1.63%  | 0.42%    | 1.82%     | 2.89%  | 1.15    |
| 5/13/2010 | 1,682,128 | \$ 17.85 | -2.03% | -0.65% | 0.10%    | -0.49%    | -1.54% | -0.61   |
| 5/14/2010 | 1,016,978 | \$ 17.64 | -1.18% | -0.84% | -1.39%   | -1.19%    | 0.01%  | 0.00    |
| 5/17/2010 | 1,577,972 | \$ 17.62 | -0.11% | -1.68% | 0.59%    | -1.32%    | 1.20%  | 0.48    |
| 5/18/2010 | 1,723,877 | \$ 17.63 | 0.06%  | -0.41% | -0.62%   | -0.51%    | 0.56%  | 0.22    |
| 5/19/2010 | 1,526,079 | \$ 16.91 | -4.08% | -0.84% | -0.95%   | -1.03%    | -3.05% | -1.21   |
| 5/20/2010 | 1,680,814 | \$ 16.29 | -3.67% | -2.23% | -0.47%   | -2.21%    | -1.46% | -0.58   |
| 5/21/2010 | 1,557,454 | \$ 16.77 | 2.95%  | 1.01%  | 0.14%    | 1.13%     | 1.81%  | 0.72    |
| 5/24/2010 | 1,950     | \$ 16.77 | 0.00%  | 1.01%  | 0.14%    | 1.13%     | -1.13% | -0.45   |
| 5/25/2010 | 2,548,854 | \$ 16.99 | 1.31%  | -0.03% | -2.49%   | -0.78%    | 2.10%  | 0.83    |
| 5/26/2010 | 1,096,191 | \$ 17.01 | 0.12%  | 0.22%  | 0.83%    | 0.61%     | -0.49% | -0.20   |
| 5/27/2010 | 897,542   | \$ 17.66 | 3.82%  | 1.78%  | 2.39%    | 2.65%     | 1.17%  | 0.46    |
| 5/28/2010 | 2,247,357 | \$ 18.04 | 2.15%  | -0.66% | 0.41%    | -0.39%    | 2.54%  | 1.01    |
| 5/31/2010 | 195,513   | \$ 18.19 | 0.83%  | 0.78%  | -0.19%   | 0.80%     | 0.03%  | 0.01    |
| 6/1/2010  | 1,733,575 | \$ 16.95 | -6.82% | -1.62% | -0.55%   | -1.65%    | -5.16% | -2.05 * |
| 6/2/2010  | 1,213,027 | \$ 16.67 | -1.65% | 1.80%  | -0.83%   | 1.56%     | -3.21% | -1.27   |
| 6/3/2010  | 1,189,850 | \$ 16.37 | -1.80% | 0.26%  | 0.05%    | 0.38%     | -2.18% | -0.86   |
| 6/4/2010  | 983,277   | \$ 16.34 | -0.18% | -2.05% | -0.77%   | -2.14%    | 1.96%  | 0.78    |
| 6/7/2010  | 1,195,258 | \$ 15.99 | -2.14% | -0.56% | -1.36%   | -0.91%    | -1.24% | -0.49   |
| 6/8/2010  | 680,713   | \$ 16.45 | 2.88%  | 0.11%  | 0.22%    | 0.29%     | 2.59%  | 1.03    |
| 6/9/2010  | 1,241,619 | \$ 16.57 | 0.73%  | -0.58% | 1.56%    | 0.09%     | 0.64%  | 0.25    |
| 6/10/2010 | 489,774   | \$ 16.58 | 0.06%  | 1.62%  | 1.35%    | 2.14%     | -2.08% | -0.82   |
| 6/11/2010 | 508,269   | \$ 16.85 | 1.63%  | 0.27%  | 1.52%    | 0.89%     | 0.74%  | 0.29    |
| 6/14/2010 | 555,314   | \$ 17.03 | 1.07%  | 0.00%  | 1.13%    | 0.50%     | 0.57%  | 0.23    |
| 6/15/2010 | 1,473,938 | \$ 17.10 | 0.41%  | 2.06%  | -0.26%   | 2.01%     | -1.60% | -0.63   |
| 6/16/2010 | 569,449   | \$ 16.99 | -0.64% | 0.11%  | -0.69%   | -0.02%    | -0.62% | -0.25   |
| 6/17/2010 | 337,111   | \$ 17.06 | 0.41%  | 0.21%  | 0.26%    | 0.40%     | 0.01%  | 0.01    |
| 6/18/2010 | 1,078,450 | \$ 17.41 | 2.05%  | -0.15% | 0.74%    | 0.21%     | 1.84%  | 0.73    |
| 6/21/2010 | 1,003,386 | \$ 17.80 | 2.24%  | 0.07%  | 1.61%    | 0.73%     | 1.51%  | 0.60    |
| 6/22/2010 | 734,154   | \$ 17.34 | -2.58% | -1.16% | -0.72%   | -1.26%    | -1.32% | -0.52   |
| 6/23/2010 | 390,681   | \$ 17.54 | 1.15%  | 0.08%  | -0.21%   | 0.11%     | 1.04%  | 0.41    |
| 6/24/2010 | 1,043,507 | \$ 17.28 | -1.48% | -1.16% | -0.96%   | -1.35%    | -0.13% | -0.05   |
| 6/25/2010 | 582,045   | \$ 16.88 | -2.31% | 0.32%  | 0.32%    | 0.53%     | -2.84% | -1.13   |
| 6/28/2010 | 592,991   | \$ 16.58 | -1.78% | -0.86% | 0.00%    | -0.73%    | -1.05% | -0.42   |
| 6/29/2010 | 1,194,024 | \$ 15.29 | -7.78% | -2.96% | -0.75%   | -3.01%    | -4.77% | -1.89   |
| 6/30/2010 | 1,306,102 | \$ 15.13 | -1.05% | 0.27%  | -0.91%   | 0.05%     | -1.10% | -0.44   |
| 7/1/2010  | 8,099     | \$ 15.13 | 0.00%  | 0.27%  | -0.91%   | 0.05%     | -0.05% | -0.02   |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]       | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]    |
|-----------|-----------|----------|--------|--------|----------|-----------|--------|--------|
|           | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |        |
| Date      | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat |
| 7/2/2010  | 1,494,975 | \$ 15.10 | -0.20% | -0.87% | -0.08%   | -0.76%    | 0.56%  | 0.22   |
| 7/5/2010  | 360,884   | \$ 15.19 | 0.60%  | -0.92% | 0.18%    | -0.73%    | 1.32%  | 0.52   |
| 7/6/2010  | 1,299,164 | \$ 15.33 | 0.92%  | 0.97%  | 0.43%    | 1.19%     | -0.27% | -0.11  |
| 7/7/2010  | 1,836,920 | \$ 15.41 | 0.52%  | 1.76%  | -0.80%   | 1.53%     | -1.01% | -0.40  |
| 7/8/2010  | 2,014,841 | \$ 15.75 | 2.21%  | 0.32%  | 0.74%    | 0.67%     | 1.54%  | 0.61   |
| 7/9/2010  | 835,933   | \$ 16.15 | 2.54%  | 1.20%  | -0.14%   | 1.22%     | 1.32%  | 0.52   |
| 7/12/2010 | 639,386   | \$ 15.98 | -1.05% | -0.04% | -0.22%   | -0.01%    | -1.04% | -0.41  |
| 7/13/2010 | 1,303,310 | \$ 16.30 | 2.00%  | 0.93%  | 0.85%    | 1.29%     | 0.71%  | 0.28   |
| 7/14/2010 | 661,466   | \$ 15.90 | -2.45% | -0.45% | 0.63%    | -0.11%    | -2.34% | -0.93  |
| 7/15/2010 | 1,413,418 | \$ 15.84 | -0.38% | 1.05%  | -1.35%   | 0.65%     | -1.03% | -0.41  |
| 7/16/2010 | 839,484   | \$ 15.48 | -2.27% | -1.47% | -0.05%   | -1.33%    | -0.94% | -0.37  |
| 7/19/2010 | 348,215   | \$ 15.63 | 0.97%  | -0.23% | 0.52%    | 0.07%     | 0.90%  | 0.36   |
| 7/20/2010 | 1,119,024 | \$ 16.56 | 5.95%  | 0.75%  | 1.26%    | 1.27%     | 4.68%  | 1.86   |
| 7/21/2010 | 1,021,088 | \$ 16.37 | -1.15% | -1.00% | 1.56%    | -0.32%    | -0.83% | -0.33  |
| 7/22/2010 | 1,795,201 | \$ 17.26 | 5.44%  | 1.34%  | 0.98%    | 1.74%     | 3.70%  | 1.47   |
| 7/23/2010 | 1,136,408 | \$ 16.86 | -2.32% | 0.40%  | 0.83%    | 0.78%     | -3.09% | -1.23  |
| 7/26/2010 | 521,534   | \$ 16.98 | 0.71%  | 0.27%  | 1.09%    | 0.74%     | -0.03% | -0.01  |
| 7/27/2010 | 914,189   | \$ 16.26 | -4.24% | -0.25% | 0.32%    | -0.03%    | -4.21% | -1.67  |
| 7/28/2010 | 353,604   | \$ 16.09 | -1.05% | -0.17% | -0.72%   | -0.31%    | -0.74% | -0.29  |
| 7/29/2010 | 634,936   | \$ 16.09 | 0.00%  | 0.27%  | -0.12%   | 0.33%     | -0.33% | -0.13  |
| 7/30/2010 | 723,070   | \$ 15.83 | -1.62% | -0.13% | 0.03%    | -0.01%    | -1.61% | -0.64  |
| 8/2/2010  | 4,225     | \$ 15.83 | 0.00%  | -0.13% | 0.03%    | -0.01%    | 0.01%  | 0.00   |
| 8/3/2010  | 2,385,383 | \$ 16.46 | 3.98%  | 0.59%  | 1.86%    | 1.32%     | 2.66%  | 1.05   |
| 8/4/2010  | 410,915   | \$ 16.25 | -1.28% | 0.53%  | -0.28%   | 0.52%     | -1.80% | -0.71  |
| 8/5/2010  | 1,118,603 | \$ 16.70 | 2.77%  | -0.59% | 0.88%    | -0.16%    | 2.93%  | 1.16   |
| 8/6/2010  | 1,982,606 | \$ 16.85 | 0.90%  | 0.21%  | -0.33%   | 0.20%     | 0.70%  | 0.28   |
| 8/9/2010  | 526,796   | \$ 17.15 | 1.78%  | 0.54%  | -0.02%   | 0.62%     | 1.16%  | 0.46   |
| 8/10/2010 | 938,618   | \$ 16.93 | -1.28% | -0.21% | -1.14%   | -0.49%    | -0.79% | -0.31  |
| 8/11/2010 | 845,178   | \$ 16.65 | -1.65% | -2.16% | -1.24%   | -2.41%    | 0.76%  | 0.30   |
| 8/12/2010 | 3,661,687 | \$ 17.34 | 4.14%  | -0.51% | 0.43%    | -0.23%    | 4.38%  | 1.74   |
| 8/13/2010 | 1,315,440 | \$ 17.60 | 1.50%  | 0.04%  | 0.50%    | 0.32%     | 1.18%  | 0.47   |
| 8/16/2010 | 344,803   |          | -0.91% | 0.21%  | 0.02%    | 0.32%     | -1.23% | -0.49  |
| 8/17/2010 | 640,433   | \$ 17.86 | 2.41%  | 1.52%  | -0.16%   | 1.52%     | 0.89%  | 0.35   |
| 8/18/2010 | 881,480   | \$ 18.64 | 4.37%  | 0.45%  | 0.05%    | 0.56%     | 3.81%  | 1.51   |
| 8/19/2010 | 1,174,413 | \$ 18.68 | 0.21%  | -0.60% | -0.74%   | -0.73%    | 0.95%  | 0.37   |
| 8/20/2010 | 768,272   | \$ 18.52 | -0.86% | 0.10%  | -1.58%   | -0.34%    | -0.51% | -0.20  |
| 8/23/2010 | 256,510   | \$ 18.54 | 0.11%  | -0.03% | -0.57%   | -0.12%    | 0.23%  | 0.09   |
| 8/24/2010 | 746,220   | \$ 17.58 | -5.18% | -1.38% | -0.28%   | -1.32%    | -3.86% | -1.53  |
| 8/25/2010 | 802,457   | \$ 17.45 | -0.74% | 0.79%  | -1.64%   | 0.30%     | -1.04% | -0.41  |
| 8/26/2010 | 700,829   | \$ 17.99 | 3.09%  | 0.04%  | 0.04%    | 0.16%     | 2.93%  | 1.16   |
| 8/27/2010 | 352,834   | \$ 18.24 | 1.39%  | 1.94%  | -0.59%   | 1.78%     | -0.39% | -0.15  |
| 8/30/2010 | 690,586   | \$ 17.99 | -1.37% | 0.13%  | -0.85%   | -0.06%    | -1.31% | -0.52  |
| 8/31/2010 | 823,468   | \$ 18.37 | 2.11%  | 0.15%  | -0.18%   | 0.19%     | 1.92%  | 0.76   |
| 9/1/2010  | 970,675   | \$ 19.03 | 3.59%  | 0.75%  | 2.52%    | 1.71%     | 1.88%  | 0.75   |
| 9/2/2010  | 946,226   | \$ 19.00 | -0.16% | 0.89%  | 0.60%    | 1.18%     | -1.33% | -0.53  |
| 9/3/2010  | 752,349   | \$ 19.02 | 0.11%  | 0.28%  | 0.17%    | 0.43%     | -0.33% | -0.13  |
| 9/6/2010  | 631       | \$ 19.02 | 0.00%  | 0.28%  | 0.17%    | 0.43%     | -0.43% | -0.17  |
| _         |           | •        |        | -      |          |           |        |        |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]        | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]    |
|------------|-----------|----------|--------|--------|----------|-----------|--------|--------|
|            | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |        |
| Date       | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat |
| 9/7/2010   | 1,104,020 | \$ 18.77 | -1.31% | -0.35% | -0.09%   | -0.27%    | -1.05% | -0.42  |
| 9/8/2010   | 1,076,329 | \$ 19.00 | 1.23%  | -0.49% | 0.80%    | -0.09%    | 1.32%  | 0.52   |
| 9/9/2010   | 820,144   | \$ 18.31 | -3.63% | -0.07% | 0.45%    | 0.19%     | -3.82% | -1.51  |
| 9/10/2010  | 772,359   | \$ 18.20 | -0.60% | 0.53%  | -0.11%   | 0.58%     | -1.18% | -0.47  |
| 9/13/2010  | 976,991   | \$ 18.55 | 1.92%  | 0.44%  | 1.65%    | 1.10%     | 0.82%  | 0.33   |
| 9/14/2010  | 1,030,175 | \$ 18.48 | -0.38% | 0.35%  | 0.04%    | 0.46%     | -0.84% | -0.33  |
| 9/15/2010  | 999,219   | \$ 17.76 | -3.90% | -0.39% | 0.61%    | -0.06%    | -3.83% | -1.52  |
| 9/16/2010  | 1,151,833 | \$ 17.47 | -1.63% | 0.23%  | -0.07%   | 0.31%     | -1.94% | -0.77  |
| 9/17/2010  | 1,587,671 | \$ 17.22 | -1.43% | -0.07% | 0.21%    | 0.11%     | -1.54% | -0.61  |
| 9/20/2010  | 1,610,162 | \$ 17.78 | 3.25%  | 0.58%  | -1.16%   | 0.26%     | 2.99%  | 1.19   |
| 9/21/2010  | 701,731   | \$ 17.45 | -1.86% | -0.52% | 1.29%    | 0.05%     | -1.90% | -0.75  |
| 9/22/2010  | 887,592   | \$ 17.19 | -1.49% | -0.19% | -0.47%   | -0.24%    | -1.25% | -0.49  |
| 9/23/2010  | 1,585,791 | \$ 16.82 | -2.15% | -0.37% | -0.57%   | -0.45%    | -1.70% | -0.67  |
| 9/24/2010  | 1,009,015 | \$ 17.00 | 1.07%  | 0.85%  | 1.14%    | 1.32%     | -0.25% | -0.10  |
| 9/27/2010  | 858,093   | \$ 16.90 | -0.59% | -0.12% | 0.44%    | 0.15%     | -0.73% | -0.29  |
| 9/28/2010  | 1,881,065 | \$ 16.81 | -0.53% | 0.72%  | -0.12%   | 0.76%     | -1.30% | -0.51  |
| 9/29/2010  | 2,017,557 | \$ 17.61 | 4.76%  | 0.85%  | -0.39%   | 0.79%     | 3.97%  | 1.57   |
| 9/30/2010  | 2,207,542 | \$ 17.14 | -2.67% | -0.11% | 0.98%    | 0.33%     | -3.00% | -1.19  |
| 10/1/2010  | 1,214,735 | \$ 17.05 | -0.53% | -0.05% | 0.89%    | 0.37%     | -0.90% | -0.35  |
| 10/4/2010  | 1,712,584 | \$ 17.31 | 1.52%  | -0.32% | -1.25%   | -0.64%    | 2.16%  | 0.86   |
| 10/5/2010  | 1,952,891 | \$ 18.01 | 4.04%  | 1.42%  | 0.54%    | 1.67%     | 2.38%  | 0.94   |
| 10/6/2010  | 839,022   | \$ 17.72 | -1.61% | 0.03%  | 0.92%    | 0.45%     | -2.06% | -0.82  |
| 10/7/2010  | 1,157,668 | \$ 17.42 | -1.69% | -0.45% | -0.29%   | -0.43%    | -1.27% | -0.50  |
| 10/8/2010  | 3,538,863 | \$ 18.04 | 3.56%  | 0.72%  | -0.26%   | 0.71%     | 2.85%  | 1.13   |
| 10/11/2010 | 1,906     | \$ 18.04 | 0.00%  | 0.72%  | -0.26%   | 0.71%     | -0.71% | -0.28  |
| 10/12/2010 | 2,118,443 | \$ 18.99 | 5.27%  | 0.32%  | -0.36%   | 0.29%     | 4.98%  | 1.97 * |
| 10/13/2010 | 5,416,468 | \$ 19.24 | 1.32%  | 0.78%  | 0.69%    | 1.10%     | 0.22%  | 0.09   |
| 10/14/2010 | 1,559,143 | \$ 19.53 | 1.51%  | -0.42% | 0.47%    | -0.14%    | 1.65%  | 0.65   |
| 10/15/2010 | 1,958,062 | \$ 19.46 | -0.36% | -0.08% | -0.36%   | -0.10%    | -0.26% | -0.10  |
| 10/18/2010 | 2,170,412 | \$ 20.10 | 3.29%  | 0.47%  | -1.22%   | 0.13%     | 3.15%  | 1.25   |
| 10/19/2010 | 1,085,505 | \$ 19.76 | -1.69% | -0.77% | -0.52%   | -0.82%    | -0.88% | -0.35  |
| 10/20/2010 | 651,936   | \$ 19.90 | 0.71%  | 0.63%  | 0.62%    | 0.93%     | -0.22% | -0.09  |
| 10/21/2010 | 2,397,761 | \$ 20.41 | 2.56%  | -0.40% | 1.19%    | 0.13%     | 2.43%  | 0.96   |
| 10/22/2010 | 1,871,821 | \$ 21.17 | 3.72%  | 0.02%  | -0.14%   | 0.07%     | 3.65%  | 1.45   |
| 10/25/2010 | 1,755,296 | \$ 21.32 | 0.71%  | 0.50%  | 0.68%    | 0.82%     | -0.11% | -0.04  |
| 10/26/2010 | 1,228,212 | \$ 20.51 | -3.80% | 0.17%  | -0.72%   | 0.02%     | -3.82% | -1.51  |
| 10/27/2010 | 1,394,134 | \$ 20.11 | -1.95% | -0.93% | 0.15%    | -0.74%    | -1.21% | -0.48  |
| 10/28/2010 | 334,745   | \$ 19.93 | -0.90% | -0.03% | -0.40%   | -0.06%    | -0.84% | -0.33  |
| 10/29/2010 | 775,678   | \$ 20.16 | 1.15%  | 0.89%  | 0.23%    | 1.05%     | 0.10%  | 0.04   |
| 11/1/2010  | 893,014   | \$ 20.60 | 2.18%  | -0.09% | 0.19%    | 0.08%     | 2.10%  | 0.83   |
| 11/2/2010  | 992,430   | \$ 20.42 | -0.87% | 0.13%  | 0.68%    | 0.47%     | -1.34% | -0.53  |
| 11/3/2010  | 1,003,207 | \$ 20.82 | 1.96%  | -0.08% | 0.61%    | 0.24%     | 1.72%  | 0.68   |
| 11/4/2010  | 1,224,816 | \$ 21.03 | 1.01%  | 1.64%  | -0.07%   | 1.67%     | -0.66% | -0.26  |
| 11/5/2010  | 4,937,137 | \$ 21.24 | 1.00%  | 0.36%  | -0.63%   | 0.23%     | 0.76%  | 0.30   |
| 11/8/2010  | 1,358,312 | \$ 22.39 | 5.41%  | 0.99%  | -1.23%   | 0.63%     | 4.78%  | 1.90   |
| 11/9/2010  | 1,239,631 | \$ 21.24 | -5.14% | -1.04% | 0.83%    | -0.61%    | -4.52% | -1.79  |
| 11/10/2010 | 2,203,414 | \$ 21.83 | 2.78%  | 0.20%  | -0.54%   | 0.11%     | 2.66%  | 1.06   |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]        | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]    |
|------------|-----------|----------|--------|--------|----------|-----------|--------|--------|
| _          | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |        |
| Date       | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat |
| 11/11/2010 | 1,581,015 | \$ 22.59 | 3.48%  | -0.06% | -0.43%   | -0.10%    | 3.58%  | 1.42   |
| 11/12/2010 | 3,174,858 | \$ 21.55 | -4.60% | -1.43% | -0.61%   | -1.49%    | -3.11% | -1.23  |
| 11/15/2010 | 658,942   | \$ 21.67 | 0.56%  | -0.11% | 0.23%    | 0.08%     | 0.48%  | 0.19   |
| 11/16/2010 | 873,512   | \$ 21.92 | 1.15%  | -1.05% | -1.61%   | -1.46%    | 2.61%  | 1.04   |
| 11/17/2010 | 549,310   | \$ 21.50 | -1.92% | 0.44%  | -0.37%   | 0.40%     | -2.32% | -0.92  |
| 11/18/2010 | 797,553   | \$ 22.26 | 3.53%  | 1.68%  | 0.17%    | 1.79%     | 1.75%  | 0.69   |
| 11/19/2010 | 817,655   | \$ 22.46 | 0.90%  | 0.67%  | -0.80%   | 0.48%     | 0.42%  | 0.17   |
| 11/22/2010 | 962,862   | \$ 22.55 | 0.40%  | -0.21% | -0.37%   | -0.23%    | 0.63%  | 0.25   |
| 11/23/2010 | 2,846,658 | \$ 22.34 | -0.93% | -1.05% | -1.36%   | -1.38%    | 0.45%  | 0.18   |
| 11/24/2010 | 1,605,735 | \$ 22.51 | 0.76%  | 0.85%  | 0.50%    | 1.10%     | -0.34% | -0.13  |
| 11/25/2010 | 89,818    | \$ 22.50 | -0.04% | 0.34%  | 0.03%    | 0.45%     | -0.49% | -0.19  |
| 11/26/2010 | 566,022   | \$ 22.42 | -0.36% | -0.41% | -0.93%   | -0.61%    | 0.26%  | 0.10   |
| 11/29/2010 | 565,870   | \$ 22.12 | -1.34% | 0.02%  | -0.43%   | -0.02%    | -1.32% | -0.52  |
| 11/30/2010 | 592,070   | \$ 22.24 | 0.54%  | 0.44%  | -1.82%   | -0.09%    | 0.64%  | 0.25   |
| 12/1/2010  | 1,134,825 | \$ 22.65 | 1.84%  | 1.51%  | 0.63%    | 1.78%     | 0.06%  | 0.02   |
| 12/2/2010  | 1,614,062 | \$ 23.69 | 4.59%  | 0.12%  | 1.94%    | 0.89%     | 3.70%  | 1.47   |
| 12/3/2010  | 847,997   | \$ 23.32 | -1.56% | 0.12%  | 1.10%    | 0.60%     | -2.16% | -0.86  |
| 12/6/2010  | 622,086   | \$ 23.46 | 0.60%  | 0.74%  | -1.40%   | 0.33%     | 0.27%  | 0.11   |
| 12/7/2010  | 1,557,572 | \$ 23.40 | -0.26% | -0.19% | 0.06%    | -0.06%    | -0.20% | -0.08  |
| 12/8/2010  | 1,323,108 | \$ 23.39 | -0.04% | -0.74% | 0.17%    | -0.56%    | 0.51%  | 0.20   |
| 12/9/2010  | 633,808   | \$ 23.46 | 0.30%  | 0.11%  | -0.49%   | 0.04%     | 0.25%  | 0.10   |
| 12/10/2010 | 759,586   | \$ 23.58 | 0.51%  | 0.55%  | -0.52%   | 0.46%     | 0.05%  | 0.02   |
| 12/13/2010 | 1,020,703 | \$ 24.02 | 1.87%  | 0.43%  | 0.43%    | 0.67%     | 1.20%  | 0.48   |
| 12/14/2010 | 723,551   | \$ 24.43 | 1.71%  | -0.12% | 0.26%    | 0.08%     | 1.63%  | 0.64   |
| 12/15/2010 | 1,232,389 | \$ 23.88 | -2.25% | -0.38% | -0.58%   | -0.47%    | -1.78% | -0.71  |
| 12/16/2010 | 398,086   | \$ 23.83 | -0.21% | -0.36% | -0.38%   | -0.38%    | 0.17%  | 0.07   |
| 12/17/2010 | 1,548,719 | \$ 23.61 | -0.92% | 0.15%  | -0.42%   | 0.11%     | -1.03% | -0.41  |
| 12/20/2010 | 923,996   | \$ 23.32 | -1.23% | -0.06% | -0.29%   | -0.05%    | -1.18% | -0.47  |
| 12/20/2010 | 958,333   | \$ 23.65 | 1.42%  | 1.30%  | 0.44%    | 1.52%     | -0.10% | -0.04  |
| 12/21/2010 | 621,693   | \$ 23.42 | -0.97% | 0.12%  | 0.41%    | 0.36%     | -1.33% | -0.53  |
| 12/23/2010 | 319,083   | \$ 23.42 | -0.56% | -0.07% | -0.15%   | -0.02%    | -0.54% | -0.33  |
| 12/23/2010 | 30,783    | \$ 23.29 | -0.82% | 0.09%  | -0.13%   | 0.14%     | -0.96% |        |
| 12/24/2010 | 3,385     | \$ 23.10 | 0.00%  | 0.09%  | -0.14%   | 0.14%     | -0.14% | -0.36  |
| 12/27/2010 | 1,245     | \$ 23.10 | 0.00%  | 0.09%  | -0.14%   | 0.14%     | -0.14% | -0.06  |
| 12/29/2010 | 685,286   | \$ 23.10 | 0.82%  | 0.09%  | 0.44%    | 0.14%     | 0.09%  | 0.03   |
| 12/29/2010 | 286,783   | \$ 23.29 | -0.13% |        |          |           | -0.17% | -0.07  |
|            |           |          |        | -0.11% | 0.11%    | 0.04%     |        |        |
| 12/31/2010 | 479,292   | \$ 23.29 | 0.13%  | 0.07%  | 0.12%    | 0.21%     | -0.08% | -0.03  |
| 1/3/2011   | 223,572   | \$ 23.29 | 0.00%  | 0.07%  | 0.12%    | 0.21%     | -0.21% | -0.08  |
| 1/4/2011   | 2,309,790 | \$ 23.50 | 0.90%  | -0.30% | 1.64%    | 0.38%     | 0.52%  | 0.21   |
| 1/5/2011   | 5,801,447 | \$ 23.65 | 0.64%  | -0.05% | 0.26%    | 0.15%     | 0.49%  | 0.19   |
| 1/6/2011   | 898,583   | \$ 23.32 | -1.40% | -0.63% | -0.44%   | -0.66%    | -0.74% | -0.29  |
| 1/7/2011   | 520,363   | \$ 23.00 | -1.37% | -0.30% | 0.09%    | -0.15%    | -1.22% | -0.49  |
| 1/10/2011  | 1,718,525 | \$ 22.44 | -2.43% | -0.20% | -0.61%   | -0.30%    | -2.13% | -0.84  |
| 1/11/2011  | 848,012   | \$ 22.58 | 0.62%  | 1.18%  | -0.22%   | 1.17%     | -0.54% | -0.21  |
| 1/12/2011  | 1,012,513 | \$ 22.86 | 1.24%  | 0.44%  | 1.54%    | 1.07%     | 0.17%  | 0.07   |
| 1/13/2011  | 1,134,716 | \$ 22.89 | 0.13%  | -0.44% | 1.20%    | 0.10%     | 0.03%  | 0.01   |
| 1/14/2011  | 1,158,771 | \$ 22.62 | -1.18% | 0.47%  | -0.25%   | 0.47%     | -1.65% | -0.65  |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]       | [2]       | [3]      | [4]    | [5]    | [6]      | [7]       | [8]    | [9]    |
|-----------|-----------|----------|--------|--------|----------|-----------|--------|--------|
|           | Total     | TRE CN   | TRE CN | Market | Industry | Predicted | Excess |        |
| Date      | Volume    | Price    | Return | Return | Return   | Return    | Return | t-stat |
| 1/17/2011 | 169,405   | \$ 22.64 | 0.09%  | -0.18% | -0.44%   | -0.22%    | 0.31%  | 0.12   |
| 1/18/2011 | 790,064   | \$ 22.37 | -1.19% | 0.89%  | -0.24%   | 0.88%     | -2.07% | -0.82  |
| 1/19/2011 | 662,608   | \$ 22.00 | -1.65% | -0.89% | 0.48%    | -0.58%    | -1.07% | -0.42  |
| 1/20/2011 | 2,630,997 | \$ 21.50 | -2.27% | -0.80% | -0.47%   | -0.83%    | -1.44% | -0.57  |
| 1/21/2011 | 2,120,145 | \$ 21.10 | -1.86% | -0.55% | 1.79%    | 0.20%     | -2.06% | -0.82  |
| 1/24/2011 | 1,303,113 | \$ 21.48 | 1.80%  | 0.67%  | 0.29%    | 0.85%     | 0.95%  | 0.38   |
| 1/25/2011 | 1,129,408 | \$ 21.08 | -1.86% | -0.66% | 1.44%    | -0.03%    | -1.83% | -0.73  |
| 1/26/2011 | 1,812,180 | \$ 21.49 | 1.94%  | 1.55%  | -1.05%   | 1.24%     | 0.70%  | 0.28   |
| 1/27/2011 | 1,764,242 | \$ 21.84 | 1.63%  | -0.41% | 0.67%    | -0.06%    | 1.69%  | 0.67   |
| 1/28/2011 | 1,700,391 | \$ 21.80 | -0.18% | 0.20%  | -1.69%   | -0.28%    | 0.10%  | 0.04   |
| 1/31/2011 | 1,025,625 | \$ 21.78 | -0.09% | 0.85%  | -0.44%   | 0.77%     | -0.87% | -0.34  |
| 2/1/2011  | 2,951,607 | \$ 22.59 | 3.72%  | 1.19%  | 0.61%    | 1.46%     | 2.26%  | 0.89   |
| 2/2/2011  | 1,097,558 | \$ 22.85 | 1.15%  | -0.24% | -0.60%   | -0.33%    | 1.48%  | 0.59   |
| 2/3/2011  | 739,831   | \$ 22.74 | -0.48% | 1.18%  | -2.07%   | 0.53%     | -1.01% | -0.40  |
| 2/4/2011  | 1,340,302 | \$ 23.41 | 2.95%  | -0.36% | 0.57%    | -0.04%    | 2.99%  | 1.18   |
| 2/7/2011  | 4,642,960 | \$ 24.20 | 3.37%  | 0.15%  | 0.23%    | 0.32%     | 3.05%  | 1.21   |
| 2/8/2011  | 1,831,949 | \$ 24.10 | -0.41% | 0.58%  | -0.88%   | 0.37%     | -0.78% | -0.31  |
| 2/9/2011  | 1,024,326 | \$ 23.03 | -4.44% | -0.78% | 0.32%    | -0.54%    | -3.90% | -1.55  |
| 2/10/2011 | 2,068,872 | \$ 22.59 | -1.91% | 0.41%  | -1.39%   | 0.02%     | -1.93% | -0.76  |
| 2/11/2011 | 2,191,292 | \$ 22.85 | 1.15%  | -0.53% | 1.75%    | 0.20%     | 0.95%  | 0.38   |
| 2/14/2011 | 900,045   | \$ 22.76 | -0.39% | 1.05%  | -0.19%   | 1.05%     | -1.44% | -0.57  |
| 2/15/2011 | 508,207   | \$ 22.72 | -0.18% | 0.13%  | -0.44%   | 0.08%     | -0.26% | -0.10  |
| 2/16/2011 | 1,028,202 | \$ 22.56 | -0.70% | 0.93%  | -0.63%   | 0.79%     | -1.49% | -0.59  |
| 2/17/2011 | 1,104,080 | \$ 22.57 | 0.04%  | 0.55%  | -0.35%   | 0.51%     | -0.47% | -0.19  |
| 2/18/2011 | 3,396,129 | \$ 22.23 | -1.51% | -0.09% | -0.21%   | -0.06%    | -1.45% | -0.58  |
| 2/21/2011 | 1,250     | \$ 22.23 | 0.00%  | -0.09% | -0.21%   | -0.06%    | 0.06%  | 0.02   |
| 2/22/2011 | 1,638,607 | \$ 21.26 | -4.36% | -1.13% | -0.97%   | -1.32%    | -3.04% | -1.21  |
| 2/23/2011 | 2,256,282 | \$ 21.28 | 0.09%  | -0.05% | -1.10%   | -0.33%    | 0.42%  | 0.17   |
| 2/24/2011 | 705,068   | \$ 21.15 | -0.61% | -0.64% | 0.21%    | -0.44%    | -0.17% | -0.07  |
| 2/25/2011 | 1,580,166 | \$ 21.51 | 1.70%  | 1.33%  | -0.22%   | 1.32%     | 0.38%  | 0.15   |
| 2/28/2011 | 1,347,930 | \$ 21.71 | 0.93%  | 0.60%  | -0.05%   | 0.67%     | 0.26%  | 0.10   |
| 3/1/2011  | 3,483,262 | \$ 22.31 | 2.76%  | -0.10% | -0.68%   | -0.22%    | 2.99%  | 1.18   |
| 3/2/2011  | 1,226,820 | \$ 22.00 | -1.39% | 0.15%  | -0.19%   | 0.19%     | -1.57% | -0.62  |
| 3/3/2011  | 1,754,912 | \$ 22.29 | 1.32%  | 0.50%  | 0.96%    | 0.92%     | 0.40%  | 0.16   |
| 3/4/2011  | 1,329,084 | \$ 21.73 | -2.51% | 0.27%  | -0.42%   | 0.22%     | -2.73% | -1.08  |
| 3/7/2011  | 805,510   | \$ 21.40 | -1.52% | -1.13% | 0.60%    | -0.77%    | -0.75% | -0.30  |
| 3/8/2011  | 952,561   | \$ 21.25 | -0.70% | -0.56% | 0.75%    | -0.18%    | -0.52% | -0.21  |
| 3/9/2011  | 1,788,354 | \$ 21.05 | -0.94% | -0.92% | 0.97%    | -0.44%    | -0.50% | -0.20  |
| 3/10/2011 | 1,140,137 | \$ 20.49 | -2.66% | -1.77% | -0.56%   | -1.80%    | -0.86% | -0.34  |
| 3/11/2011 | 976,979   | \$ 20.78 | 1.42%  | 0.26%  | -0.09%   | 0.33%     | 1.09%  | 0.43   |
| 3/14/2011 | 1,437,854 | \$ 21.32 | 2.60%  | -0.40% | 0.02%    | -0.28%    | 2.88%  | 1.14   |
| 3/15/2011 | 3,194,039 | \$ 21.77 | 2.11%  | -0.53% | -1.41%   | -0.90%    | 3.01%  | 1.19   |
| 3/16/2011 | 1,475,612 | \$ 21.67 | -0.46% | -0.16% | -0.53%   | -0.24%    | -0.22% | -0.09  |
| 3/17/2011 | 2,141,375 | \$ 23.21 | 7.11%  | 1.64%  | -0.82%   | 1.40%     | 5.70%  | 2.26 * |
| 3/18/2011 | 1,979,846 | \$ 23.28 | 0.30%  | 0.32%  | 1.79%    | 1.03%     | -0.73% | -0.29  |
| 3/21/2011 | 1,288,622 | \$ 22.84 | -1.89% | 1.62%  | -0.45%   | 1.52%     | -3.41% | -1.35  |
| 3/22/2011 | 1,392,337 | \$ 22.75 | -0.39% | -0.10% | 0.85%    | 0.30%     | -0.70% | -0.28  |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| Date   Volume   Price   Return   Re                         | [1]       | [2]       | [3]      | [4]    | [5]    | [6]    | [7]    | [8]    | [9]     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|----------|--------|--------|--------|--------|--------|---------|
| 3/23/2011   1,969,585   \$22,77   0.09%   0.62%   -0.48%   0.54%   -0.45%   -0.18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |           |          |        |        |        |        |        |         |
| 3/24/2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Date      | Volume    | Price    | Return | Return |        | Return | Return | t-stat  |
| 3/28/2011   1,318.808   \$2.3.52   1,31%   0,07%   0,25%   0,26%   1,05%   0.41   3/28/2011   1,179.936   \$2.3.52   1,16%   -1.04%   0.89%   -0.66%   1,76%   0.70   3/29/2011   1,179.936   \$2.4.17   2,76%   0,27%   0,07%   0,39%   2,37%   0.94   3/31/2011   1,987.995   \$2.5.01   3,48%   1,10%   -0.19%   1,10%   2,37%   0.94   3/31/2011   1,664.732   \$2.4.99   -1.23%   0,10%   1,40%   0,69%   -1.91%   0,76   4/4/2011   6.687.352   \$2.4.99   -1.23%   0,10%   1,40%   0,69%   -1.91%   0,76   4/4/2011   6.683.552   \$2.5.00   0,04%   0,62%   -0.29%   0,61%   0.57%   0,23   4/5/2011   1,648.502   \$2.4.75   -1.00%   0,37%   -0.12%   0.42%   -1.42%   -0.56   4/6/2011   1,648.502   \$2.4.75   -1.00%   0.37%   -0.12%   0.42%   -1.42%   -0.56   4/8/2011   1,006.678   \$2.3.99   0.08%   0.71%   -0.59%   0.59%   -0.51%   -0.20   4/1/2011   1,389.474   \$2.4.04   0.21%   -1.49%   0.16%   -1.28%   1.49%   0.59   4/1/2/2011   1,497.734   \$2.4.04   0.54%   0.23%   0.19%   0.40%   0.15%   0.06   4/1/2/2011   1,972.842   \$2.4.30   1.08%   -0.09%   0.45%   0.18%   0.90%   0.36   4/1/3/2011   1,553.349   \$2.4.30   1.08%   -0.09%   0.45%   0.18%   0.90%   0.36   4/1/3/2011   1,553.349   \$2.4.21   3.20%   0.25%   0.59%   0.59%   0.59%   0.06%   -0.04   4/1/2/2011   1,383.590   \$2.4.21   3.20%   0.25%   0.59%   0.59%   0.59%   0.06%   -0.04   4/1/2/2011   1,383.590   \$2.4.21   3.20%   0.25%   0.59%   0.59%   0.06%   0.04   4/1/2/2011   1,383.590   \$2.4.21   3.20%   0.25%   0.59%   0.59%   0.06%   0.04   4/1/2/2011   1,383.590   \$2.4.21   3.20%   0.25%   0.59%   0.59%   0.06%   0.04   4/1/2/2011   1,383.590   \$2.4.21   3.20%   0.25%   0.59%   0.59%   0.55%   0.60%   0.04   4/1/2/2011   1,383.590   \$2.4.21   3.20%   0.25%   0.59%   0.59%   0.55%   0.60%   0.04   4/1/2/2011   1,385.5737   \$2.3.84   -1.89%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06%   0.06% | 3/23/2011 | 1,969,585 | \$ 22.77 | 0.09%  | 0.62%  | -0.48% | 0.54%  | -0.45% | -0.18   |
| 3/28/2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 3/24/2011 | 971,007   | \$ 22.95 | 0.79%  | -0.41% | 1.30%  | 0.16%  | 0.63%  | 0.25    |
| 3/29/2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 3/25/2011 | 1,318,808 | \$ 23.25 | 1.31%  | 0.07%  | 0.25%  | 0.26%  | 1.05%  | 0.41    |
| 3/30/2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 3/28/2011 | 946,909   | \$ 23.52 | 1.16%  | -1.04% | 0.89%  | -0.60% | 1.76%  | 0.70    |
| 3/31/2011 1,987,995 \$ 25.30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3/29/2011 | 1,173,936 | \$ 24.17 | 2.76%  | 0.27%  | 0.07%  | 0.39%  | 2.37%  | 0.94    |
| 4/1/2011         1,664,732         \$ 24.99         -1.23%         0.10%         1.40%         0.69%         -1.91%         -0.76           4/4/2011         685,352         \$ 25.00         0.04%         0.62%         -0.29%         0.61%         -0.57%         -0.23           4/5/2011         1685,352         \$ 24.75         -1.00%         0.37%         -0.12%         0.42%         -1.42%         -0.56           4/6/2011         1,648,502         \$ 24.70         -0.20%         -0.48%         0.71%         -0.11%         -0.09%         -0.04           4/7/2011         1,233,480         \$ 23.97         -2.96%         -0.67%         0.06%         -0.52%         -2.44%         0.97           4/8/2011         1,066,678         \$ 23.99         0.08%         0.71%         -0.59%         -0.51%         -0.20           4/11/2011         1,059,449         \$ 23.91         -0.54%         -1.49%         0.16%         -1.23%         0.69%         0.27           4/13/2011         4,497,734         \$ 24.04         0.54%         0.23%         0.19%         0.40%         0.15%         0.06           4/15/2011         1,95,976         \$ 23.84         -1.89%         -0.16%         0.62%         0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3/30/2011 | 2,179,586 | \$ 25.01 | 3.48%  | 1.10%  | -0.19% | 1.10%  | 2.37%  | 0.94    |
| 4/4/2011         685,352         \$ 25.00         0.04%         0.62%         -0.29%         0.61%         -0.57%         -0.23           4/5/2011         1.648,533         \$ 24.75         -1.00%         0.37%         -0.12%         0.42%         -1.42%         -0.56           4/6/2011         1.648,502         \$ 24.70         -0.20%         -0.48%         0.71%         -0.11%         -0.09%         -0.04           4/7/2011         1.206,678         \$ 23.99         -0.08%         -0.71%         -0.59%         -0.59%         -0.51%         -0.20           4/11/2011         3.096,474         \$ 24.04         0.21%         -1.49%         0.16%         -1.28%         1.49%         0.59           4/12/2011         1.059,449         \$ 23.91         -0.54%         -1.40%         0.06%         -1.23%         0.69%         0.27           4/13/2011         4.97,734         \$ 24.04         0.54%         0.23%         0.19%         0.40%         0.15%         0.06           4/18/2011         1.95,9459         \$ 24.30         1.08%         -0.09%         0.45%         0.18%         0.90%         0.36           4/18/2011         1.953,349         2.41         3.20%         0.25%         0.59                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 3/31/2011 | 1,987,995 | \$ 25.30 | 1.16%  |        | 0.64%  |        | 0.61%  | 0.24    |
| 4/4/2011         685,352         \$ 25.00         0.04%         0.62%         -0.29%         0.61%         -0.57%         -0.23           4/5/2011         1.648,502         \$ 24.70         -0.20%         -0.43%         0.11%         -0.09%         -0.04           4/6/2011         1.233,480         \$ 23.97         -2.96%         -0.67%         0.06%         -0.52%         -2.44%         -0.97           4/8/2011         1.006,678         \$ 23.99         -0.86%         -0.71%         -0.59%         0.59%         -0.51%         -0.20           4/11/2011         3.09,474         \$ 24.04         0.21%         -1.49%         0.16%         -1.28%         1.49%         0.59           4/12/2011         1.059,449         \$ 23.91         -0.54%         -1.40%         0.16%         -1.28%         1.49%         0.59           4/13/2011         2.972,842         \$ 24.30         1.08%         -0.09%         0.45%         0.18%         0.90%         0.27           4/18/2011         1.957,975         \$ 23.84         -1.89%         -0.16%         0.62%         0.18%         0.90%         0.36           4/18/2011         1.953,349         \$ 24.50         1.20%         0.25%         0.59%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 4/1/2011  | 1,664,732 | \$ 24.99 | -1.23% | 0.10%  | 1.40%  | 0.69%  | -1.91% | -0.76   |
| 4/5/2011         678,953         \$ 24.75         -1.00%         0.37%         -0.12%         0.42%         -1.42%         -0.56           4/6/2011         1.648,502         \$ 24.70         -0.20%         -0.48%         0.71%         -0.11%         -0.099         -0.04%         0.71%         -0.11%         -0.099         -0.04         4/12011         1.006,678         \$ 23.99         0.08%         0.71%         -0.59%         -0.51%         -0.20           4/11/2011         389,474         \$ 24.04         0.21%         -1.49%         0.16%         -1.23%         0.69%         0.59           4/12/2011         1.059,449         \$ 23.91         -0.54%         -1.40%         0.16%         -1.23%         0.69%         0.27           4/13/2011         4,497,734         \$ 24.04         0.54%         0.23%         0.19%         0.40%         0.15%         0.06           4/14/2011         1,959,76         \$ 23.84         -1.89%         -0.16%         0.62%         0.16%         -2.06%         -0.82           4/18/2011         1,953,349         \$ 24.21         3.20%         0.25%         0.59%         0.55%         2.64%         1.05           4/20/2011         1,953,349         \$ 24.50 <td< td=""><td>4/4/2011</td><td>685,352</td><td>\$ 25.00</td><td>0.04%</td><td>0.62%</td><td>-0.29%</td><td>0.61%</td><td>-0.57%</td><td>-0.23</td></td<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4/4/2011  | 685,352   | \$ 25.00 | 0.04%  | 0.62%  | -0.29% | 0.61%  | -0.57% | -0.23   |
| 4/7/2011         1,233,480         \$23.97         -2.96%         -0.67%         -0.06%         -0.52%         -2.44%         -0.97           4/8/2011         1,006,678         \$23.99         0.08%         0.71%         -0.59%         0.59%         -0.51%         -0.20           4/11/2011         1,059,449         \$24.04         0.21%         -1.49%         0.16%         -1.28%         1.49%         0.59           4/13/2011         4,497,734         \$24.04         0.54%         0.23%         0.19%         0.40%         0.15%         0.06           4/14/2011         2,972,842         \$24.30         1.08%         -0.09%         0.45%         0.18%         0.99%         0.36           4/15/2011         1,859,768         \$23.84         -1.89%         -0.16%         0.62%         0.16%         -2.06%         -0.82           4/18/2011         \$853,733         \$23.46         -1.59%         -0.70%         -1.23%         -1.00%         -0.60%         -0.24           4/19/2011         1,383,590         \$24.21         3.20%         0.25%         0.59%         0.55%         2.64%         1.05           4/21/2011         722,457         \$24.28         -0.90%         0.54%         0.23% <td>4/5/2011</td> <td></td> <td>\$ 24.75</td> <td>-1.00%</td> <td>0.37%</td> <td>-0.12%</td> <td>0.42%</td> <td>-1.42%</td> <td>-0.56</td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4/5/2011  |           | \$ 24.75 | -1.00% | 0.37%  | -0.12% | 0.42%  | -1.42% | -0.56   |
| 4/8/2011         1,006,678         \$ 23.99         0.08%         0.71%         -0.59%         0.59%         -0.51%         -0.20           4/11/2011         389,474         \$ 24.04         0.21%         -1.49%         0.16%         -1.28%         1.49%         0.59           4/12/2011         1,059,449         \$ 23.91         -0.54%         -1.40%         0.03%         -1.23%         0.69%         0.27           4/13/2011         4,497,734         \$ 24.04         0.54%         0.23%         0.19%         0.40%         0.15%         0.06           4/14/2011         2,972,842         \$ 24.30         1.08%         -0.09%         0.45%         0.18%         0.90%         0.36           4/18/2011         1,953,733         \$ 23.44         -1.59%         -0.16%         0.62%         0.16%         -2.06%         -0.82           4/19/2011         1,953,349         \$ 24.50         1.20%         1.17%         0.14%         1.28%         -0.08%         -0.03           4/21/2011         722,457         \$ 24.28         -0.90%         0.54%         0.28%         0.72%         -1.62%         -0.64           4/25/2011         547,257         \$ 23.94         -1.40%         -0.46%         0.08%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4/6/2011  | 1,648,502 | \$ 24.70 | -0.20% | -0.48% | 0.71%  | -0.11% | -0.09% | -0.04   |
| 4/11/2011         389,474         \$24.04         0.21%         -1.49%         0.16%         -1.28%         1.49%         0.59           4/12/2011         1,059,449         \$23.91         -0.54%         -1.40%         0.03%         -1.23%         0.69%         0.27           4/13/2011         2,497,344         \$24.04         0.54%         0.23%         0.19%         0.40%         0.15%         0.06           4/14/2011         2,972,842         \$24.30         1.08%         -0.09%         0.45%         0.18%         0.90%         0.36           4/18/2011         853,733         \$23.84         -1.89%         -0.16%         0.62%         0.16%         -2.06%         -0.82           4/18/2011         1,383,590         \$24.21         3.20%         0.25%         0.59%         0.55%         2.64%         1.05           4/20/2011         1,953,349         \$24.50         1.20%         1.17%         0.14%         1.28%         -0.68%         -0.03           4/21/2011         722,457         \$2.3.94         -1.40%         -0.46%         0.08%         -0.31%         -1.09%         -0.44           4/25/2011         547,257         \$2.3.94         -0.88%         -0.12%         0.26%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 4/7/2011  | 1,233,480 | \$ 23.97 | -2.96% | -0.67% | 0.06%  | -0.52% | -2.44% | -0.97   |
| 4/12/2011         1,059,449         \$23,91         -0.54%         -1.40%         0.03%         -1.23%         0.69%         0.27           4/13/2011         4,497,734         \$24.04         0.54%         0.23%         0.19%         0.40%         0.15%         0.06           4/14/2011         1,959,76         \$23.84         -1.89%         -0.16%         0.62%         0.16%         -2.06%         -0.82           4/18/2011         853,733         \$23.46         -1.59%         -0.70%         -1.23%         -1.00%         -0.60%         -0.24           4/19/2011         1,383,590         \$24.21         3.20%         0.25%         0.59%         0.55%         2.64%         1.05           4/20/2011         1,953,349         \$24.50         1.20%         1.17%         0.14%         1.28%         -0.08%         -0.03           4/21/2011         524,257         \$24.28         -0.90%         0.54%         0.28%         0.72%         -1.62%         -0.64           4/25/2011         547,257         \$23.91         -1.40%         -0.46%         0.08%         -0.31%         -1.09%         -0.43           4/26/2011         499,953         \$24.00         0.25%         0.01%         0.76%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4/8/2011  | 1,006,678 | \$ 23.99 | 0.08%  | 0.71%  | -0.59% | 0.59%  | -0.51% | -0.20   |
| 4/13/2011         4,497,734         \$ 24.04         0.54%         0.23%         0.19%         0.40%         0.15%         0.06           4/14/2011         2,972,842         \$ 24.30         1.08%         -0.09%         0.45%         0.18%         0.90%         0.36           4/15/2011         1,195,976         \$ 23.84         -1.89%         -0.16%         0.62%         0.16%         -2.06%         -0.82           4/18/2011         \$ 853,733         \$ 23.46         -1.59%         -0.70%         -1.23%         -1.00%         -0.60%         -0.24           4/19/2011         1,383,590         \$ 24.21         3.20%         0.25%         0.59%         0.55%         2.64%         1.05           4/20/2011         1,953,349         \$ 24.50         1.20%         1.17%         0.14%         1.28%         -0.08%         -0.03           4/21/2011         722,457         \$ 24.28         -0.90%         0.54%         0.28%         0.72%         -1.62%         -0.64           4/25/2011         547,257         \$ 23.94         -1.40%         -0.46%         0.08%         -0.31%         -1.09%         -0.43           4/28/2011         1,166,975         \$ 23.91         -0.50%         0.04%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4/11/2011 | 389,474   | \$ 24.04 | 0.21%  | -1.49% | 0.16%  | -1.28% | 1.49%  | 0.59    |
| 4/14/2011         2,972,842         \$ 24.30         1.08%         -0.09%         0.45%         0.18%         0.90%         0.36           4/15/2011         1,195,976         \$ 23.84         -1.89%         -0.16%         0.62%         0.16%         -2.06%         -0.82           4/18/2011         853,733         \$ 23.46         -1.59%         -0.70%         -1.23%         -1.00%         -0.60%         -0.24           4/19/2011         1,383,590         \$ 24.21         3.20%         0.25%         0.59%         0.55%         2.64%         1.05           4/20/2011         1,953,349         \$ 24.50         1.20%         1.17%         0.14%         1.28%         -0.08%         -0.03           4/21/2011         722,457         \$ 24.28         -0.90%         0.54%         0.28%         0.72%         -1.62%         -0.64           4/25/2011         547,257         \$ 23.94         -1.40%         -0.46%         0.08%         -0.31%         -1.09%         -0.43           4/26/2011         499,953         \$ 24.00         0.25%         0.01%         0.76%         0.38%         -0.13%         -0.05           4/28/2011         1,166,975         \$ 23.91         0.50%         0.01%         0.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4/12/2011 | 1,059,449 | \$ 23.91 | -0.54% | -1.40% | 0.03%  | -1.23% | 0.69%  | 0.27    |
| 4/15/2011         1,195,976         \$23.84         -1.89%         -0.16%         0.62%         0.16%         -2.06%         -0.82           4/18/2011         853,733         \$23.46         -1.59%         -0.70%         -1.23%         -1.00%         -0.60%         -0.24           4/19/2011         1,383,590         \$24.21         3.20%         0.25%         0.59%         0.55%         2.64%         1.05           4/20/2011         1,953,349         \$24.50         1.20%         1.17%         0.14%         1.28%         -0.08%         -0.03           4/21/2011         722,457         \$24.28         -0.90%         0.54%         0.28%         0.72%         -1.62%         -0.64           4/25/2011         547,257         \$23.94         -1.40%         -0.46%         0.08%         -0.31%         -1.09%         -0.43           4/26/2011         499,953         \$24.00         0.25%         0.019%         0.76%         0.38%         -0.13%         -0.05           4/27/2011         726,708         \$23.79         -0.88%         -0.12%         0.26%         0.08%         -0.59%         0.21           4/29/2011         853,727         \$23.51         -1.67%         0.36%         -0.33%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4/13/2011 | 4,497,734 | \$ 24.04 | 0.54%  | 0.23%  | 0.19%  | 0.40%  | 0.15%  | 0.06    |
| 4/18/2011         853,733         \$23.46         -1.59%         -0.70%         -1.23%         -1.00%         -0.60%         -0.24           4/19/2011         1,383,590         \$24.21         3.20%         0.25%         0.59%         0.55%         2.64%         1.05           4/20/2011         1,953,349         \$24.50         1.20%         1.17%         0.14%         1.28%         -0.08%         -0.03           4/21/2011         722,457         \$24.28         -0.90%         0.54%         0.28%         0.72%         -1.62%         -0.64           4/25/2011         547,257         \$23.94         -1.40%         -0.46%         0.08%         -0.13%         -0.05           4/26/2011         499,953         \$24.00         0.25%         0.01%         0.76%         0.38%         -0.13%         -0.05           4/28/2011         1,166,975         \$23.91         0.50%         0.01%         -0.40%         -0.02%         0.52%         0.21           4/28/2011         1,218,893         \$23.51         -1.67%         0.36%         -0.33%         0.34%         -2.01%         -0.58           5/3/2011         2,118,893         \$23.21         -1.28%         -0.07%         0.46%         0.19%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4/14/2011 | 2,972,842 | \$ 24.30 | 1.08%  | -0.09% | 0.45%  | 0.18%  | 0.90%  | 0.36    |
| 4/18/2011         853,733         \$23.46         -1.59%         -0.70%         -1.23%         -1.00%         -0.60%         -0.24           4/19/2011         1,383,590         \$24.21         3.20%         0.25%         0.59%         0.55%         2.64%         1.05           4/20/2011         1,953,349         \$24.50         1.20%         1.17%         0.14%         1.28%         -0.08%         -0.03           4/21/2011         722,457         \$24.28         -0.90%         0.54%         0.28%         0.72%         -1.62%         -0.64           4/25/2011         547,257         \$23.94         -1.40%         -0.46%         0.08%         -0.13%         -0.05           4/26/2011         499,953         \$24.00         0.25%         0.01%         0.76%         0.38%         -0.13%         -0.05           4/28/2011         1,166,975         \$23.91         0.50%         0.01%         -0.40%         -0.02%         0.52%         0.21           4/28/2011         1,218,893         \$23.51         -1.67%         0.36%         -0.33%         0.34%         -2.01%         -0.58           5/3/2011         2,118,893         \$23.21         -1.28%         -0.07%         0.46%         0.19%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4/15/2011 | 1,195,976 | \$ 23.84 | -1.89% | -0.16% | 0.62%  | 0.16%  | -2.06% | -0.82   |
| 4/20/2011         1,953,349         \$ 24.50         1.20%         1.17%         0.14%         1.28%         -0.08%         -0.03           4/21/2011         722,457         \$ 24.28         -0.90%         0.54%         0.28%         0.72%         -1.62%         -0.64           4/25/2011         547,257         \$ 23.94         -1.40%         -0.46%         0.08%         -0.31%         -1.09%         -0.43           4/26/2011         499,953         \$ 24.00         0.25%         0.01%         0.76%         0.38%         -0.13%         -0.05           4/27/2011         726,708         \$ 23.79         -0.88%         -0.12%         0.26%         0.08%         -0.96%         -0.38           4/28/2011         1,166,975         \$ 23.91         0.50%         0.01%         -0.40%         -0.02%         0.52%         0.21           4/29/2011         853,727         \$ 23.51         -1.67%         0.36%         -0.33%         0.34%         -2.01%         -0.80           5/2/2011         1,218,893         \$ 23.21         -1.28%         -0.07%         0.46%         0.19%         -1.47%         -0.58           5/3/2011         2,111,271         \$ 22.28         -4.01%         -1.74%         0.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4/18/2011 | 853,733   | \$ 23.46 | -1.59% | -0.70% | -1.23% |        | -0.60% | -0.24   |
| 4/21/2011         722,457         \$ 24.28         -0.90%         0.54%         0.28%         0.72%         -1.62%         -0.64           4/25/2011         547,257         \$ 23.94         -1.40%         -0.46%         0.08%         -0.31%         -1.09%         -0.43           4/26/2011         499,953         \$ 24.00         0.25%         0.01%         0.76%         0.38%         -0.13%         -0.05           4/27/2011         726,708         \$ 23.79         -0.88%         -0.12%         0.26%         0.08%         -0.96%         -0.38           4/28/2011         1,166,975         \$ 23.91         0.50%         0.01%         -0.40%         -0.02%         0.52%         0.21           4/29/2011         853,727         \$ 23.51         -1.67%         0.36%         -0.33%         -2.01%         -0.80           5/2/2011         1,218,893         \$ 23.21         -1.28%         -0.07%         0.46%         0.19%         -1.47%         -0.58           5/3/2011         2,111,271         \$ 22.28         -4.01%         -1.74%         0.49%         -1.40%         -2.60%         -1.03           5/4/2011         1,939,805         \$ 21.58         -3.14%         -0.59%         -0.66% <td< td=""><td>4/19/2011</td><td>1,383,590</td><td>\$ 24.21</td><td>3.20%</td><td>0.25%</td><td>0.59%</td><td>0.55%</td><td>2.64%</td><td>1.05</td></td<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 4/19/2011 | 1,383,590 | \$ 24.21 | 3.20%  | 0.25%  | 0.59%  | 0.55%  | 2.64%  | 1.05    |
| 4/25/2011         547,257         \$ 23.94         -1.40%         -0.46%         0.08%         -0.31%         -1.09%         -0.43           4/26/2011         499,953         \$ 24.00         0.25%         0.01%         0.76%         0.38%         -0.13%         -0.05           4/27/2011         726,708         \$ 23.79         -0.88%         -0.12%         0.26%         0.08%         -0.96%         -0.38           4/28/2011         1,166,975         \$ 23.91         0.50%         0.01%         -0.40%         -0.02%         0.52%         0.21           4/29/2011         853,727         \$ 23.51         -1.67%         0.36%         -0.33%         0.34%         -2.01%         -0.80           5/2/2011         1,218,893         \$ 23.21         -1.28%         -0.07%         0.46%         0.19%         -1.47%         -0.58           5/3/2011         2,111,271         \$ 22.28         -4.01%         -1.74%         0.49%         -1.40%         -2.60%         -1.03           5/4/2011         1,939,805         \$ 21.58         -3.14%         -0.59%         -0.66%         -0.69%         -2.45%         -0.97           5/5/2011         3,546,283         \$ 20.88         -3.24%         -1.15%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4/20/2011 | 1,953,349 | \$ 24.50 | 1.20%  | 1.17%  | 0.14%  | 1.28%  | -0.08% | -0.03   |
| 4/26/2011         499,953         \$ 24.00         0.25%         0.01%         0.76%         0.38%         -0.13%         -0.05           4/27/2011         726,708         \$ 23.79         -0.88%         -0.12%         0.26%         0.08%         -0.96%         -0.38           4/28/2011         1,166,975         \$ 23.91         0.50%         0.01%         -0.40%         -0.02%         0.52%         0.21           4/29/2011         853,727         \$ 23.51         -1.67%         0.36%         -0.33%         0.34%         -2.01%         -0.80           5/2/2011         1,218,893         \$ 23.21         -1.28%         -0.07%         0.46%         0.19%         -1.47%         -0.58           5/3/2011         2,111,271         \$ 22.28         -4.01%         -1.74%         0.49%         -1.40%         -2.60%         -1.03           5/4/2011         1,939,805         \$ 21.58         -3.14%         -0.59%         -0.66%         -0.69%         -2.45%         -0.97           5/5/2011         3,546,283         \$ 20.88         -3.24%         -1.15%         0.40%         -0.86%         -2.38%         -0.94           5/6/2011         1,566,107         \$ 21.75         3.03%         0.81%         <                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4/21/2011 | 722,457   | \$ 24.28 | -0.90% | 0.54%  | 0.28%  | 0.72%  | -1.62% | -0.64   |
| 4/27/2011         726,708         \$ 23.79         -0.88%         -0.12%         0.26%         0.08%         -0.96%         -0.38           4/28/2011         1,166,975         \$ 23.91         0.50%         0.01%         -0.40%         -0.02%         0.52%         0.21           4/29/2011         853,727         \$ 23.51         -1.67%         0.36%         -0.33%         0.34%         -2.01%         -0.80           5/2/2011         1,218,893         \$ 23.21         -1.28%         -0.07%         0.46%         0.19%         -1.47%         -0.58           5/3/2011         2,111,271         \$ 22.28         -4.01%         -1.74%         0.49%         -1.40%         -2.60%         -1.03           5/4/2011         1,939,805         \$ 21.58         -3.14%         -0.59%         -0.66%         -0.69%         -2.45%         -0.97           5/5/2011         3,546,283         \$ 20.88         -3.24%         -1.15%         0.40%         0.77%         0.33%         0.13           5/9/2011         1,566,107         \$ 21.75         3.03%         0.81%         -0.57%         0.70%         2.34%         0.93           5/10/2011         1,6380,024         \$ 21.49         -1.20%         -0.26%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4/25/2011 | 547,257   | \$ 23.94 | -1.40% | -0.46% | 0.08%  | -0.31% | -1.09% | -0.43   |
| 4/28/2011         1,166,975         \$ 23.91         0.50%         0.01%         -0.40%         -0.02%         0.52%         0.21           4/29/2011         853,727         \$ 23.51         -1.67%         0.36%         -0.33%         0.34%         -2.01%         -0.80           5/2/2011         1,218,893         \$ 23.21         -1.28%         -0.07%         0.46%         0.19%         -1.47%         -0.58           5/3/2011         2,111,271         \$ 22.28         -4.01%         -1.74%         0.49%         -1.40%         -2.60%         -1.03           5/4/2011         1,939,805         \$ 21.58         -3.14%         -0.59%         -0.66%         -0.69%         -2.45%         -0.97           5/5/2011         3,546,283         \$ 20.88         -3.24%         -1.15%         0.40%         -0.86%         -2.38%         -0.94           5/6/2011         2,857,051         \$ 21.11         1.10%         0.83%         -0.40%         0.77%         0.33%         0.13           5/9/2011         1,566,107         \$ 21.75         3.03%         0.81%         -0.57%         0.70%         2.34%         0.93           5/10/2011         1,380,024         \$ 21.49         -1.20%         -0.26%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4/26/2011 | 499,953   | \$ 24.00 | 0.25%  | 0.01%  | 0.76%  | 0.38%  | -0.13% | -0.05   |
| 4/29/2011         853,727         \$ 23.51         -1.67%         0.36%         -0.33%         0.34%         -2.01%         -0.80           5/2/2011         1,218,893         \$ 23.21         -1.28%         -0.07%         0.46%         0.19%         -1.47%         -0.58           5/3/2011         2,111,271         \$ 22.28         -4.01%         -1.74%         0.49%         -1.40%         -2.60%         -1.03           5/4/2011         1,939,805         \$ 21.58         -3.14%         -0.59%         -0.66%         -0.69%         -2.45%         -0.97           5/5/2011         3,546,283         \$ 20.88         -3.24%         -1.15%         0.40%         -0.86%         -2.38%         -0.94           5/6/2011         2,857,051         \$ 21.11         1.10%         0.83%         -0.40%         0.77%         0.33%         0.13           5/9/2011         1,566,107         \$ 21.75         3.03%         0.81%         -0.57%         0.70%         2.34%         0.93           5/10/2011         1,380,024         \$ 21.49         -1.20%         -0.26%         1.43%         0.35%         -1.55%         -0.61           5/11/2011         1,637,272         \$ 21.47         -0.09%         -1.63%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 4/27/2011 | 726,708   | \$ 23.79 | -0.88% | -0.12% | 0.26%  | 0.08%  | -0.96% | -0.38   |
| 5/2/2011         1,218,893         \$ 23.21         -1.28%         -0.07%         0.46%         0.19%         -1.47%         -0.58           5/3/2011         2,111,271         \$ 22.28         -4.01%         -1.74%         0.49%         -1.40%         -2.60%         -1.03           5/4/2011         1,939,805         \$ 21.58         -3.14%         -0.59%         -0.66%         -0.69%         -2.45%         -0.97           5/5/2011         3,546,283         \$ 20.88         -3.24%         -1.15%         0.40%         -0.86%         -2.38%         -0.94           5/6/2011         2,857,051         \$ 21.11         1.10%         0.83%         -0.40%         0.77%         0.33%         0.13           5/9/2011         1,566,107         \$ 21.75         3.03%         0.81%         -0.57%         0.70%         2.34%         0.93           5/10/2011         1,380,024         \$ 21.49         -1.20%         -0.26%         1.43%         0.35%         -1.55%         -0.61           5/11/2011         1,637,272         \$ 21.47         -0.09%         -1.63%         0.46%         -1.31%         1.22%         0.48           5/12/2011         2,612,870         \$ 20.50         -4.52%         -0.23%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 4/28/2011 | 1,166,975 | \$ 23.91 | 0.50%  | 0.01%  | -0.40% | -0.02% | 0.52%  | 0.21    |
| 5/3/2011         2,111,271         \$ 22.28         -4.01%         -1.74%         0.49%         -1.40%         -2.60%         -1.03           5/4/2011         1,939,805         \$ 21.58         -3.14%         -0.59%         -0.66%         -0.69%         -2.45%         -0.97           5/5/2011         3,546,283         \$ 20.88         -3.24%         -1.15%         0.40%         -0.86%         -2.38%         -0.94           5/6/2011         2,857,051         \$ 21.11         1.10%         0.83%         -0.40%         0.77%         0.33%         0.13           5/9/2011         1,566,107         \$ 21.75         3.03%         0.81%         -0.57%         0.70%         2.34%         0.93           5/10/2011         1,380,024         \$ 21.49         -1.20%         -0.26%         1.43%         0.35%         -1.55%         -0.61           5/11/2011         1,637,272         \$ 21.47         -0.09%         -1.63%         0.46%         -1.31%         1.22%         0.48           5/12/2011         2,612,870         \$ 20.50         -4.52%         -0.23%         -0.15%         -0.16%         -4.35%         -1.73           5/13/2011         7,238,615         \$ 19.20         -6.34%         -0.09%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 4/29/2011 | 853,727   | \$ 23.51 | -1.67% | 0.36%  | -0.33% | 0.34%  | -2.01% | -0.80   |
| 5/4/2011         1,939,805         \$ 21.58         -3.14%         -0.59%         -0.66%         -0.69%         -2.45%         -0.97           5/5/2011         3,546,283         \$ 20.88         -3.24%         -1.15%         0.40%         -0.86%         -2.38%         -0.94           5/6/2011         2,857,051         \$ 21.11         1.10%         0.83%         -0.40%         0.77%         0.33%         0.13           5/9/2011         1,566,107         \$ 21.75         3.03%         0.81%         -0.57%         0.70%         2.34%         0.93           5/10/2011         1,380,024         \$ 21.49         -1.20%         -0.26%         1.43%         0.35%         -1.55%         -0.61           5/11/2011         1,637,272         \$ 21.47         -0.09%         -1.63%         0.46%         -1.31%         1.22%         0.48           5/12/2011         2,612,870         \$ 20.50         -4.52%         -0.23%         -0.15%         -0.16%         -4.35%         -1.73           5/13/2011         7,238,615         \$ 19.20         -6.34%         -0.09%         -0.88%         -0.29%         -6.05%         -2.40         *           5/16/2011         5,706,037         \$ 20.27         5.57%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 5/2/2011  | 1,218,893 | \$ 23.21 | -1.28% | -0.07% | 0.46%  | 0.19%  | -1.47% | -0.58   |
| 5/5/2011         3,546,283         \$ 20.88         -3.24%         -1.15%         0.40%         -0.86%         -2.38%         -0.94           5/6/2011         2,857,051         \$ 21.11         1.10%         0.83%         -0.40%         0.77%         0.33%         0.13           5/9/2011         1,566,107         \$ 21.75         3.03%         0.81%         -0.57%         0.70%         2.34%         0.93           5/10/2011         1,380,024         \$ 21.49         -1.20%         -0.26%         1.43%         0.35%         -1.55%         -0.61           5/11/2011         1,637,272         \$ 21.47         -0.09%         -1.63%         0.46%         -1.31%         1.22%         0.48           5/12/2011         2,612,870         \$ 20.50         -4.52%         -0.23%         -0.15%         -0.16%         -4.35%         -1.73           5/13/2011         7,238,615         \$ 19.20         -6.34%         -0.09%         -0.88%         -0.29%         -6.05%         -2.40 *           5/16/2011         5,706,037         \$ 20.27         5.57%         0.11%         -0.77%         -0.06%         5.63%         2.23 *           5/17/2011         2,395,305         \$ 20.83         2.76%         0.37%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5/3/2011  | 2,111,271 | \$ 22.28 | -4.01% | -1.74% | 0.49%  | -1.40% | -2.60% | -1.03   |
| 5/6/2011         2,857,051         \$ 21.11         1.10%         0.83%         -0.40%         0.77%         0.33%         0.13           5/9/2011         1,566,107         \$ 21.75         3.03%         0.81%         -0.57%         0.70%         2.34%         0.93           5/10/2011         1,380,024         \$ 21.49         -1.20%         -0.26%         1.43%         0.35%         -1.55%         -0.61           5/11/2011         1,637,272         \$ 21.47         -0.09%         -1.63%         0.46%         -1.31%         1.22%         0.48           5/12/2011         2,612,870         \$ 20.50         -4.52%         -0.23%         -0.15%         -0.16%         -4.35%         -1.73           5/13/2011         7,238,615         \$ 19.20         -6.34%         -0.09%         -0.88%         -0.29%         -6.05%         -2.40 *           5/16/2011         5,706,037         \$ 20.27         5.57%         0.11%         -0.77%         -0.06%         5.63%         2.23 *           5/17/2011         2,395,305         \$ 20.83         2.76%         0.37%         -0.93%         0.14%         2.62%         1.04           5/18/2011         3,397,548         \$ 20.80         -0.14%         1.24%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 5/4/2011  | 1,939,805 | \$ 21.58 | -3.14% | -0.59% | -0.66% | -0.69% | -2.45% | -0.97   |
| 5/9/2011         1,566,107         \$ 21.75         3.03%         0.81%         -0.57%         0.70%         2.34%         0.93           5/10/2011         1,380,024         \$ 21.49         -1.20%         -0.26%         1.43%         0.35%         -1.55%         -0.61           5/11/2011         1,637,272         \$ 21.47         -0.09%         -1.63%         0.46%         -1.31%         1.22%         0.48           5/12/2011         2,612,870         \$ 20.50         -4.52%         -0.23%         -0.15%         -0.16%         -4.35%         -1.73           5/13/2011         7,238,615         \$ 19.20         -6.34%         -0.09%         -0.88%         -0.29%         -6.05%         -2.40 *           5/16/2011         5,706,037         \$ 20.27         5.57%         0.11%         -0.77%         -0.06%         5.63%         2.23 *           5/17/2011         2,395,305         \$ 20.83         2.76%         0.37%         -0.93%         0.14%         2.62%         1.04           5/18/2011         3,397,548         \$ 20.80         -0.14%         1.24%         -0.69%         1.06%         -1.21%         -0.48           5/19/2011         4,274,987         \$ 21.25         2.16%         0.13%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 5/5/2011  | 3,546,283 | \$ 20.88 | -3.24% | -1.15% | 0.40%  | -0.86% | -2.38% | -0.94   |
| 5/10/2011         1,380,024         \$ 21.49         -1.20%         -0.26%         1.43%         0.35%         -1.55%         -0.61           5/11/2011         1,637,272         \$ 21.47         -0.09%         -1.63%         0.46%         -1.31%         1.22%         0.48           5/12/2011         2,612,870         \$ 20.50         -4.52%         -0.23%         -0.15%         -0.16%         -4.35%         -1.73           5/13/2011         7,238,615         \$ 19.20         -6.34%         -0.09%         -0.88%         -0.29%         -6.05%         -2.40 *           5/16/2011         5,706,037         \$ 20.27         5.57%         0.11%         -0.77%         -0.06%         5.63%         2.23 *           5/17/2011         2,395,305         \$ 20.83         2.76%         0.37%         -0.93%         0.14%         2.62%         1.04           5/18/2011         3,397,548         \$ 20.80         -0.14%         1.24%         -0.69%         1.06%         -1.21%         -0.48           5/19/2011         4,274,987         \$ 21.25         2.16%         0.13%         -0.04%         0.22%         1.94%         0.77           5/20/2011         5,287,149         \$ 20.33         -4.33%         0.20% <td>5/6/2011</td> <td>2,857,051</td> <td>\$ 21.11</td> <td>1.10%</td> <td>0.83%</td> <td>-0.40%</td> <td>0.77%</td> <td>0.33%</td> <td>0.13</td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 5/6/2011  | 2,857,051 | \$ 21.11 | 1.10%  | 0.83%  | -0.40% | 0.77%  | 0.33%  | 0.13    |
| 5/11/2011         1,637,272         \$ 21.47         -0.09%         -1.63%         0.46%         -1.31%         1.22%         0.48           5/12/2011         2,612,870         \$ 20.50         -4.52%         -0.23%         -0.15%         -0.16%         -4.35%         -1.73           5/13/2011         7,238,615         \$ 19.20         -6.34%         -0.09%         -0.88%         -0.29%         -6.05%         -2.40 *           5/16/2011         5,706,037         \$ 20.27         5.57%         0.11%         -0.77%         -0.06%         5.63%         2.23 *           5/17/2011         2,395,305         \$ 20.83         2.76%         0.37%         -0.93%         0.14%         2.62%         1.04           5/18/2011         3,397,548         \$ 20.80         -0.14%         1.24%         -0.69%         1.06%         -1.21%         -0.48           5/19/2011         4,274,987         \$ 21.25         2.16%         0.13%         -0.04%         0.22%         1.94%         0.77           5/20/2011         5,287,149         \$ 20.33         -4.33%         0.20%         -0.83%         0.01%         -4.34%         -1.72           5/23/2011         24,580         \$ 20.33         0.00%         0.20%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 5/9/2011  | 1,566,107 | \$ 21.75 | 3.03%  | 0.81%  | -0.57% | 0.70%  | 2.34%  | 0.93    |
| 5/12/2011         2,612,870         \$ 20.50         -4.52%         -0.23%         -0.15%         -0.16%         -4.35%         -1.73           5/13/2011         7,238,615         \$ 19.20         -6.34%         -0.09%         -0.88%         -0.29%         -6.05%         -2.40 *           5/16/2011         5,706,037         \$ 20.27         5.57%         0.11%         -0.77%         -0.06%         5.63%         2.23 *           5/17/2011         2,395,305         \$ 20.83         2.76%         0.37%         -0.93%         0.14%         2.62%         1.04           5/18/2011         3,397,548         \$ 20.80         -0.14%         1.24%         -0.69%         1.06%         -1.21%         -0.48           5/19/2011         4,274,987         \$ 21.25         2.16%         0.13%         -0.04%         0.22%         1.94%         0.77           5/20/2011         5,287,149         \$ 20.33         -4.33%         0.20%         -0.83%         0.01%         -4.34%         -1.72           5/23/2011         24,580         \$ 20.33         0.00%         0.20%         -0.83%         0.01%         -0.01%         0.00           5/24/2011         5,144,905         \$ 18.88         -7.13%         -0.42%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5/10/2011 | 1,380,024 | \$ 21.49 | -1.20% | -0.26% | 1.43%  | 0.35%  | -1.55% | -0.61   |
| 5/13/2011       7,238,615       \$ 19.20       -6.34%       -0.09%       -0.88%       -0.29%       -6.05%       -2.40 *         5/16/2011       5,706,037       \$ 20.27       5.57%       0.11%       -0.77%       -0.06%       5.63%       2.23 *         5/17/2011       2,395,305       \$ 20.83       2.76%       0.37%       -0.93%       0.14%       2.62%       1.04         5/18/2011       3,397,548       \$ 20.80       -0.14%       1.24%       -0.69%       1.06%       -1.21%       -0.48         5/19/2011       4,274,987       \$ 21.25       2.16%       0.13%       -0.04%       0.22%       1.94%       0.77         5/20/2011       5,287,149       \$ 20.33       -4.33%       0.20%       -0.83%       0.01%       -4.34%       -1.72         5/23/2011       24,580       \$ 20.33       0.00%       0.20%       -0.83%       0.01%       -0.01%       0.00         5/24/2011       5,144,905       \$ 18.88       -7.13%       -0.42%       -1.77%       -0.91%       -6.22%       -2.47 *         5/25/2011       6,179,849       \$ 18.64       -1.27%       1.15%       -0.88%       0.91%       -2.18%       -0.87         5/26/2011       11,3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5/11/2011 | 1,637,272 | \$ 21.47 | -0.09% | -1.63% | 0.46%  | -1.31% | 1.22%  | 0.48    |
| 5/16/2011       5,706,037       \$ 20.27       5.57%       0.11%       -0.77%       -0.06%       5.63%       2.23 *         5/17/2011       2,395,305       \$ 20.83       2.76%       0.37%       -0.93%       0.14%       2.62%       1.04         5/18/2011       3,397,548       \$ 20.80       -0.14%       1.24%       -0.69%       1.06%       -1.21%       -0.48         5/19/2011       4,274,987       \$ 21.25       2.16%       0.13%       -0.04%       0.22%       1.94%       0.77         5/20/2011       5,287,149       \$ 20.33       -4.33%       0.20%       -0.83%       0.01%       -4.34%       -1.72         5/23/2011       24,580       \$ 20.33       0.00%       0.20%       -0.83%       0.01%       -0.01%       0.00         5/24/2011       5,144,905       \$ 18.88       -7.13%       -0.42%       -1.77%       -0.91%       -6.22%       -2.47 *         5/25/2011       6,179,849       \$ 18.64       -1.27%       1.15%       -0.88%       0.91%       -2.18%       -0.87         5/26/2011       11,385,505       \$ 18.14       -2.68%       0.18%       0.29%       0.38%       -3.06%       -1.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 5/12/2011 | 2,612,870 | \$ 20.50 | -4.52% | -0.23% | -0.15% | -0.16% | -4.35% | -1.73   |
| 5/17/2011       2,395,305       \$ 20.83       2.76%       0.37%       -0.93%       0.14%       2.62%       1.04         5/18/2011       3,397,548       \$ 20.80       -0.14%       1.24%       -0.69%       1.06%       -1.21%       -0.48         5/19/2011       4,274,987       \$ 21.25       2.16%       0.13%       -0.04%       0.22%       1.94%       0.77         5/20/2011       5,287,149       \$ 20.33       -4.33%       0.20%       -0.83%       0.01%       -4.34%       -1.72         5/23/2011       24,580       \$ 20.33       0.00%       0.20%       -0.83%       0.01%       -0.01%       0.00         5/24/2011       5,144,905       \$ 18.88       -7.13%       -0.42%       -1.77%       -0.91%       -6.22%       -2.47       *         5/25/2011       6,179,849       \$ 18.64       -1.27%       1.15%       -0.88%       0.91%       -2.18%       -0.87         5/26/2011       11,385,505       \$ 18.14       -2.68%       0.18%       0.29%       0.38%       -3.06%       -1.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 5/13/2011 | 7,238,615 | \$ 19.20 | -6.34% | -0.09% | -0.88% | -0.29% | -6.05% | -2.40 * |
| 5/18/2011       3,397,548       \$ 20.80       -0.14%       1.24%       -0.69%       1.06%       -1.21%       -0.48         5/19/2011       4,274,987       \$ 21.25       2.16%       0.13%       -0.04%       0.22%       1.94%       0.77         5/20/2011       5,287,149       \$ 20.33       -4.33%       0.20%       -0.83%       0.01%       -4.34%       -1.72         5/23/2011       24,580       \$ 20.33       0.00%       0.20%       -0.83%       0.01%       -0.01%       0.00         5/24/2011       5,144,905       \$ 18.88       -7.13%       -0.42%       -1.77%       -0.91%       -6.22%       -2.47       *         5/25/2011       6,179,849       \$ 18.64       -1.27%       1.15%       -0.88%       0.91%       -2.18%       -0.87         5/26/2011       11,385,505       \$ 18.14       -2.68%       0.18%       0.29%       0.38%       -3.06%       -1.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5/16/2011 | 5,706,037 | \$ 20.27 | 5.57%  | 0.11%  | -0.77% | -0.06% | 5.63%  | 2.23 *  |
| 5/19/2011       4,274,987       \$ 21.25       2.16%       0.13%       -0.04%       0.22%       1.94%       0.77         5/20/2011       5,287,149       \$ 20.33       -4.33%       0.20%       -0.83%       0.01%       -4.34%       -1.72         5/23/2011       24,580       \$ 20.33       0.00%       0.20%       -0.83%       0.01%       -0.01%       0.00         5/24/2011       5,144,905       \$ 18.88       -7.13%       -0.42%       -1.77%       -0.91%       -6.22%       -2.47       *         5/25/2011       6,179,849       \$ 18.64       -1.27%       1.15%       -0.88%       0.91%       -2.18%       -0.87         5/26/2011       11,385,505       \$ 18.14       -2.68%       0.18%       0.29%       0.38%       -3.06%       -1.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 5/17/2011 | 2,395,305 | \$ 20.83 | 2.76%  | 0.37%  | -0.93% | 0.14%  | 2.62%  | 1.04    |
| 5/20/2011       5,287,149       \$ 20.33       -4.33%       0.20%       -0.83%       0.01%       -4.34%       -1.72         5/23/2011       24,580       \$ 20.33       0.00%       0.20%       -0.83%       0.01%       -0.01%       0.00         5/24/2011       5,144,905       \$ 18.88       -7.13%       -0.42%       -1.77%       -0.91%       -6.22%       -2.47 *         5/25/2011       6,179,849       \$ 18.64       -1.27%       1.15%       -0.88%       0.91%       -2.18%       -0.87         5/26/2011       11,385,505       \$ 18.14       -2.68%       0.18%       0.29%       0.38%       -3.06%       -1.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 5/18/2011 | 3,397,548 | \$ 20.80 | -0.14% | 1.24%  | -0.69% | 1.06%  | -1.21% | -0.48   |
| 5/23/2011       24,580       \$ 20.33       0.00%       0.20%       -0.83%       0.01%       -0.01%       0.00         5/24/2011       5,144,905       \$ 18.88       -7.13%       -0.42%       -1.77%       -0.91%       -6.22%       -2.47 *         5/25/2011       6,179,849       \$ 18.64       -1.27%       1.15%       -0.88%       0.91%       -2.18%       -0.87         5/26/2011       11,385,505       \$ 18.14       -2.68%       0.18%       0.29%       0.38%       -3.06%       -1.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 5/19/2011 | 4,274,987 | \$ 21.25 | 2.16%  | 0.13%  | -0.04% | 0.22%  | 1.94%  | 0.77    |
| 5/24/2011       5,144,905       \$ 18.88       -7.13%       -0.42%       -1.77%       -0.91%       -6.22%       -2.47 *         5/25/2011       6,179,849       \$ 18.64       -1.27%       1.15%       -0.88%       0.91%       -2.18%       -0.87         5/26/2011       11,385,505       \$ 18.14       -2.68%       0.18%       0.29%       0.38%       -3.06%       -1.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 5/20/2011 | 5,287,149 | \$ 20.33 | -4.33% | 0.20%  | -0.83% | 0.01%  | -4.34% | -1.72   |
| 5/25/2011 6,179,849 \$18.64 -1.27% 1.15% -0.88% 0.91% -2.18% -0.87<br>5/26/2011 11,385,505 \$18.14 -2.68% 0.18% 0.29% 0.38% -3.06% -1.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 5/23/2011 | 24,580    | \$ 20.33 | 0.00%  | 0.20%  | -0.83% | 0.01%  | -0.01% | 0.00    |
| 5/26/2011 11,385,505 \$18.14 -2.68% 0.18% 0.29% 0.38% -3.06% -1.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 5/24/2011 | 5,144,905 | \$ 18.88 | -7.13% | -0.42% | -1.77% | -0.91% | -6.22% | -2.47 * |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 5/25/2011 | 6,179,849 | \$ 18.64 | -1.27% | 1.15%  | -0.88% | 0.91%  | -2.18% | -0.87   |
| 5/27/2011 6,300,818 \$18.39 1.38% 0.16% 0.56% 0.45% 0.93% 0.37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5/26/2011 |           |          | -2.68% | 0.18%  | 0.29%  | 0.38%  | -3.06% | -1.21   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 5/27/2011 | 6,300,818 | \$ 18.39 | 1.38%  | 0.16%  | 0.56%  | 0.45%  | 0.93%  | 0.37    |

Exhibit A-1 Sino-Forest Common Stock Daily Statistics from March 19, 2007 to June 16, 2011

| [1]       | [2]        | [3]      | [4]     | [5]    | [6]      | [7]       | [8]     | [9]       |
|-----------|------------|----------|---------|--------|----------|-----------|---------|-----------|
|           | Total      | TRE CN   | TRE CN  | Market | Industry | Predicted | Excess  |           |
| Date      | Volume     | Price    | Return  | Return | Return   | Return    | Return  | t-stat    |
| 5/30/2011 | 2,216,283  | \$ 18.87 | 2.61%   | 0.23%  | -0.30%   | 0.22%     | 2.39%   | 0.95      |
| 5/31/2011 | 4,817,356  | \$ 19.27 | 2.12%   | -0.19% | 1.69%    | 0.51%     | 1.61%   | 0.64      |
| 6/1/2011  | 5,678,648  | \$ 18.21 | -5.50%  | -1.99% | 0.36%    | -1.69%    | -3.81%  | -1.51     |
| 6/2/2011  | 26,660,339 | \$ 14.46 | -20.59% | -0.06% | 0.14%    | 0.10%     | -20.69% | -8.20 **  |
| 6/3/2011  | 77,701,932 | \$ 5.23  | -63.83% | -0.01% | -1.76%   | -0.52%    | -63.32% | -25.10 ** |
| 6/6/2011  | 47,416,117 | \$ 6.16  | 17.78%  | -1.47% | 0.24%    | -1.23%    | 19.02%  | 7.54 **   |
| 6/7/2011  | 51,637,934 | \$ 4.05  | -34.25% | -0.27% | 0.90%    | 0.16%     | -34.41% | -13.64 ** |
| 6/8/2011  | 54,829,872 | \$ 4.92  | 21.48%  | -0.75% | -0.53%   | -0.80%    | 22.28%  | 8.83 **   |
| 6/9/2011  | 30,148,976 | \$ 5.15  | 4.67%   | 0.55%  | -0.36%   | 0.51%     | 4.17%   | 1.65      |
| 6/10/2011 | 33,421,499 | \$ 4.50  | -12.62% | -1.30% | -1.00%   | -1.49%    | -11.13% | -4.41 **  |
| 6/13/2011 | 14,471,525 | \$ 4.98  | 10.67%  | -1.10% | 0.41%    | -0.82%    | 11.48%  | 4.55 **   |
| 6/14/2011 | 29,273,378 | \$ 3.36  | -32.53% | 1.22%  | -1.05%   | 0.92%     | -33.45% | -13.26 ** |
| 6/15/2011 | 53,977,381 | \$ 3.22  | -4.17%  | -0.96% | -0.81%   | -1.10%    | -3.06%  | -1.21     |
| 6/16/2011 | 13,409,580 | \$ 3.34  | 3.73%   | -0.92% | 0.11%    | -0.74%    | 4.47%   | 1.77      |

#### **Notes:**

- [1] Days when Sino-Forest common stock traded in either Canada, U.S. or Germany. Source: Bloomberg.
- [2] Reported trading volume in Canada, U.S. and Germany. Source: Bloomberg.
- [3] Reported closing price (C\$) in Canada (Bloomberg Ticker: TRE CN). On days when the markets in Canada were closed, the closing price equals the prior day closing price. Source: Bloomberg.
- [4] = { [3] / previous day [3] } 1. On days when Sino-Forest did not trade in Canada, equals 0%.
- [5] Return on the S&P 500/TSX Index (Bloomberg Ticker: SPTSX).
- [6] Return on the Bloomberg World Forest Products & Paper Index excluding Sino-Forest (Bloomberg Ticker:
- [7] Equals Market Model Intercept + { Market Index Beta x [5] } + { Industry Index Net-of-Market Beta x ([6] [5]) }. See Exhibit A-3 to Appendix A of the Torchio April 2012 Affidavit for intercept and betas.
- [8] = [4] [7].
- [9] = [8] / adjusted standard error of market model regression. See Appendix A of the Torchio April 2012 Affidavit for adjusted standard error of market model.

This is Exhibit "A-2"

to the Affidavit of Frank C. Torchio

Sworn Before Me,

this May of January, 2013

A Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948
Commission Expires June 22, 2013

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                    | [2]                  | [3]              | [4]            | [5]              | [6]            | [7]               | [8]                | [9]              | [10]               |
|------------------------|----------------------|------------------|----------------|------------------|----------------|-------------------|--------------------|------------------|--------------------|
| 1-3                    | L-3                  | [-]              | 1-3            | [-,              | [-1            | Percentage of     | [-]                | [·]              | []                 |
|                        |                      |                  |                |                  |                | Stock Price       |                    |                  | Artificial         |
|                        |                      |                  |                |                  |                | Reaction          | True Value -       | Artificial       | Inflation -        |
|                        | TRE CN               | Actual           | Predicted      | Excess           | Constructed    | Attributed to the | Constant           | Inflation/       | Constant           |
| Date                   | Price                | Return           | Return         | Return           | Return         | Alleged Claims    | Percentage         | Price            | Percentage         |
| 3/19/2007              | \$ 10.51             |                  |                |                  |                |                   | \$ 3.06            | 70.90%           | \$ 7.45            |
| 3/20/2007              | \$ 10.83             | 3.04%            | 0.06%          | 2.98%            | 0.06%          | 0.00%             | \$ 3.15            | 70.90%           | \$ 7.68            |
| 3/21/2007              | \$ 11.11             | 2.59%            | 1.24%          | 1.34%            | 1.23%          | 0.00%             | \$ 3.23            | 70.90%           | \$ 7.88            |
| 3/22/2007              | \$ 11.56             | 4.05%            | 0.13%          | 3.92%            | 0.13%          | 0.00%             | \$ 3.36            | 70.90%           | \$ 8.20            |
| 3/23/2007              | \$ 11.88             | 2.77%            | 0.54%          | 2.23%            | 0.53%          | 0.00%             | \$ 3.46            | 70.90%           | \$ 8.42            |
| 3/26/2007              | \$ 12.95             | 9.01%            | 0.47%          | 8.54%            | 0.43%          | 0.00%             | \$ 3.77            | 70.90%           | \$ 9.18            |
| 3/27/2007              | \$ 12.85             | -0.77%           | -0.46%         | -0.31%           | -0.46%         | 0.00%             | \$ 3.74            | 70.90%           | \$ 9.11            |
| 3/28/2007              | \$ 12.64             | -1.63%           | -0.37%         | -1.26%           | -0.38%         | 0.00%             | \$ 3.68            | 70.90%           | \$ 8.96            |
| 3/29/2007              | \$ 13.42             | 6.17%            | 0.50%          | 5.67%            | 0.47%          | 0.00%             | \$ 3.90            | 70.90%           | \$ 9.52            |
| 3/30/2007              | \$ 13.10             | -2.38%           | -0.39%         | -1.99%           | -0.40%         | 0.00%             | \$ 3.81            | 70.90%           | \$ 9.29            |
| 4/2/2007               | \$ 12.94             | -1.22%           | 0.69%          | -1.91%           | 0.70%          | 0.00%             | \$ 3.76            | 70.90%           | \$ 9.18            |
| 4/3/2007               | \$ 12.95             | 0.08%            | 1.01%          | -0.94%           | 1.02%          | 0.00%             | \$ 3.77            | 70.90%           | \$ 9.18            |
| 4/4/2007               | \$ 12.97             | 0.15%            | 0.60%          | -0.45%           | 0.61%          | 0.00%             | \$ 3.77            | 70.90%           | \$ 9.20            |
| 4/5/2007               | \$ 13.29             | 2.47%            | -0.06%         | 2.53%            | -0.06%         | 0.00%             | \$ 3.87            | 70.90%           | \$ 9.42            |
| 4/9/2007               | \$ 13.57             | 2.11%            | 0.44%          | 1.67%            | 0.43%          | 0.00%             | \$ 3.95            | 70.90%           | \$ 9.62            |
| 4/10/2007              | \$ 13.83             | 1.92%            | 0.03%          | 1.89%            | 0.03%          | 0.00%             | \$ 4.02            | 70.90%           | \$ 9.81            |
| 4/11/2007              | \$ 13.87             | 0.29%            | -0.14%         | 0.43%            | -0.14%         | 0.00%             | \$ 4.04            | 70.90%           | \$ 9.83            |
| 4/12/2007              | \$ 14.25             | 2.74%            | 0.60%          | 2.14%            | 0.58%          | 0.00%             | \$ 4.15            | 70.90%           | \$ 10.10           |
| 4/13/2007              | \$ 13.85             | -2.81%           | 0.57%          | -3.38%           | 0.59%          | 0.00%             | \$ 4.03            | 70.90%           | \$ 9.82            |
| 4/16/2007              | \$ 13.81             | -0.29%           | 0.83%          | -1.11%           | 0.84%          | 0.00%             | \$ 4.02            | 70.90%           | \$ 9.79            |
| 4/17/2007              | \$ 13.98             | 1.23%            | -0.03%         | 1.26%            | -0.03%         | 0.00%             | \$ 4.07            | 70.90%           | \$ 9.91            |
| 4/18/2007              | \$ 14.10             | 0.86%            | 0.25%          | 0.61%            | 0.25%          | 0.00%             | \$ 4.10            | 70.90%           | \$ 10.00           |
| 4/19/2007              | \$ 13.86             | -1.70%           | -0.74%         | -0.97%           | -0.74%         | 0.00%             | \$ 4.03            | 70.90%           | \$ 9.83            |
| 4/20/2007              | \$ 13.32             | -3.90%           | 0.71%          | -4.61%           | 0.75%          | 0.00%             | \$ 3.88            | 70.90%           | \$ 9.44            |
| 4/23/2007              | \$ 13.32             | 0.00%            | -0.28%         | 0.28%            | -0.28%         | 0.00%             | \$ 3.88            | 70.90%           | \$ 9.44            |
| 4/24/2007              | \$ 13.40             | 0.60%            | -0.24%         | 0.84%            | -0.24%         | 0.00%             | \$ 3.90            | 70.90%           | \$ 9.50            |
| 4/25/2007              | \$ 13.77             | 2.76%            | 0.74%          | 2.02%            | 0.73%          | 0.00%             | \$ 4.01            | 70.90%           | \$ 9.76            |
| 4/26/2007              | \$ 13.62             | -1.09%           | 0.35%          | -1.44%           | 0.36%          | 0.00%             | \$ 3.96            | 70.90%           | \$ 9.66            |
| 4/27/2007              | \$ 13.58             | -0.29%           | 0.06%          | -0.35%           | 0.06%          | 0.00%             | \$ 3.95            | 70.90%           | \$ 9.63            |
| 4/30/2007              | \$ 13.50             | -0.59%           | -0.99%         | 0.40%            | -0.99%         | 0.00%             | \$ 3.93            | 70.90%           | \$ 9.57            |
| 5/1/2007               | \$ 13.55             | 0.37%            | -0.03%         | 0.40%            | -0.03%         | 0.00%             | \$ 3.94            | 70.90%           | \$ 9.61            |
| 5/2/2007               | \$ 13.36             | -1.40%           | 1.11%          | -2.51%           | 1.14%          | 0.00%             | \$ 3.89            | 70.90%           | \$ 9.47            |
| 5/3/2007               | \$ 13.15             | -1.57%           | 0.67%          | -2.24%           | 0.68%          | 0.00%             | \$ 3.83            | 70.90%           | \$ 9.32            |
| 5/4/2007               | \$ 13.58             | 3.27%            | 0.94%          | 2.33%            | 0.92%          | 0.00%             | \$ 3.95            | 70.90%           | \$ 9.63            |
| 5/7/2007               | \$ 13.70             | 0.88%            | -0.90%         | 1.78%            | -0.88%         | 0.00%             | \$ 3.99            | 70.90%           | \$ 9.71            |
| 5/8/2007               | \$ 13.60             | -0.73%           | -0.12%         | -0.61%           | -0.12%         | 0.00%             | \$ 3.96            | 70.90%           | \$ 9.64            |
| 5/9/2007               | \$ 13.38             | -1.62%           | 0.21%          | -1.82%           | 0.21%          | 0.00%             | \$ 3.89            | 70.90%           | \$ 9.49            |
| 5/10/2007              | \$ 13.59             | 1.57%            | -0.23%         | 1.80%            | -0.23%         | 0.00%             | \$ 3.95            | 70.90%           | \$ 9.64            |
| 5/11/2007<br>5/14/2007 | \$ 13.60             | 0.07%            | 0.95%          | -0.87%           | 0.95%          | 0.00%             | \$ 3.96            | 70.90%           | \$ 9.64            |
|                        | \$ 13.05<br>\$ 12.40 | -4.04%<br>4.20%  | -0.33%         | -3.71%           | -0.35%         | 0.00%             | \$ 3.80            | 70.90%           | \$ 9.25            |
| 5/15/2007<br>5/16/2007 | \$ 12.49<br>\$ 12.64 | -4.29%<br>1.20%  | 1.81%<br>0.30% | -6.10%<br>0.90%  | 1.93%<br>0.30% | 0.00%<br>0.00%    | \$ 3.63<br>\$ 3.68 | 70.90%<br>70.90% | \$ 8.86<br>\$ 8.96 |
|                        |                      |                  |                | 0.90%<br>4.84%   |                |                   |                    |                  |                    |
| 5/17/2007              | \$ 13.31<br>\$ 13.41 | 5.30%            | 0.46%          |                  | 0.44%          | 0.00%             | \$ 3.87            | 70.90%<br>70.90% | \$ 9.44<br>\$ 0.51 |
| 5/18/2007<br>5/21/2007 | \$ 13.41<br>\$ 13.41 | 0.75%<br>0.00%   | 0.24%<br>0.24% | 0.51%<br>-0.24%  | 0.24%<br>0.24% | 0.00%<br>0.00%    | \$ 3.90<br>\$ 3.90 | 70.90%           | \$ 9.51<br>\$ 9.51 |
| 5/22/2007              | \$ 13.41<br>\$ 13.83 | 3.13%            | 0.24%          | 2.73%            | 0.24%          | 0.00%             | \$ 3.90<br>\$ 4.02 | 70.90%           | \$ 9.51<br>\$ 9.81 |
| 5/23/2007              | \$ 13.83<br>\$ 13.15 | -4.92%           | 0.40%          |                  | 0.52%          | 0.00%             | \$ 4.02<br>\$ 3.83 | 70.90%           | \$ 9.81<br>\$ 9.32 |
| 5/24/2007              | \$ 13.13<br>\$ 12.93 | -4.92%<br>-1.67% | -1.02%         | -5.41%<br>-0.65% | -1.03%         | 0.00%             | \$ 3.83<br>\$ 3.76 | 70.90%           | \$ 9.32<br>\$ 9.17 |
| J1 441 400 1           | φ 12.33              | -1.0770          | -1.0270        | -0.03%           | -1.0370        | 0.00%             | φ 3.70             | 70.90%           | φ 3.17             |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                    | [2]                  | [3]              | [4]              | [5]              | [6]              | [7]               | [8]                | [9]              | [10]                 |
|------------------------|----------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|------------------|----------------------|
|                        |                      |                  |                  |                  |                  | Percentage of     |                    |                  |                      |
|                        |                      |                  |                  |                  |                  | Stock Price       |                    |                  | Artificial           |
|                        |                      |                  |                  |                  |                  | Reaction          | True Value -       | Artificial       | Inflation -          |
|                        | TRE CN               | Actual           | Predicted        | Excess           |                  | Attributed to the | Constant           | Inflation/       | Constant             |
| Date                   | Price                | Return           | Return           | Return           | Return           | Alleged Claims    | Percentage         | Price            | Percentage           |
| 5/25/2007              | \$ 12.90             | -0.23%           | 0.50%            | -0.74%           | 0.51%            | 0.00%             | \$ 3.75            | 70.90%           | \$ 9.15              |
| 5/28/2007              | \$ 12.87             | -0.23%           | 0.46%            | -0.69%           | 0.46%            | 0.00%             | \$ 3.74            | 70.90%           | \$ 9.13              |
| 5/29/2007              | \$ 12.85             | -0.16%           | -0.58%           | 0.43%            | -0.58%           | 0.00%             | \$ 3.74            | 70.90%           | \$ 9.11              |
| 5/30/2007              | \$ 12.87             | 0.16%            | 0.48%            | -0.33%           | 0.48%            | 0.00%             | \$ 3.74            | 70.90%           | \$ 9.13              |
| 5/31/2007              | \$ 13.05             | 1.40%            | 0.39%            | 1.01%            | 0.39%            | 0.00%             | \$ 3.80            | 70.90%           | \$ 9.25              |
| 6/1/2007               | \$ 13.15             | 0.77%            | 0.58%            | 0.19%            | 0.58%            | 0.00%             | \$ 3.83            | 70.90%           | \$ 9.32              |
| 6/4/2007               | \$ 13.99             | 6.39%            | 0.37%            | 6.02%            | 0.35%            | 0.00%             | \$ 4.07            | 70.90%           | \$ 9.92              |
| 6/5/2007               | \$ 14.05<br>\$ 14.05 | 0.43%            | -0.06%<br>-1.06% | 0.49%<br>1.06%   | -0.06%           | 0.00%<br>0.00%    | \$ 4.09            | 70.90%           | \$ 9.96              |
| 6/6/2007<br>6/7/2007   | \$ 14.03<br>\$ 13.75 | 0.00%<br>-2.14%  | -1.54%           | -0.60%           | -1.05%<br>-1.55% | 0.00%             | \$ 4.09<br>\$ 4.00 | 70.90%<br>70.90% | \$ 9.96<br>\$ 9.75   |
| 6/8/2007               | \$ 13.75             | 0.07%            | 0.43%            | -0.36%           | 0.43%            | 0.00%             | \$ 4.00            | 70.90%           | \$ 9.75              |
| 6/11/2007              | \$ 13.70             | 2.11%            | 0.43%            | 1.78%            | 0.43%            | 0.00%             | \$ 4.00<br>\$ 4.09 | 70.90%           | \$ 9.76              |
| 6/12/2007              | \$ 14.03             | 0.36%            | -0.72%           | 1.08%            | -0.71%           | 0.00%             | \$ 4.10            | 70.90%           | \$ 10.00             |
| 6/13/2007              | \$ 14.10             | 6.24%            | 1.03%            | 5.21%            | 0.98%            | 0.00%             | \$ 4.36            | 70.90%           | \$ 10.62             |
| 6/14/2007              | \$ 16.07             | 7.28%            | 0.97%            | 6.31%            | 0.91%            | 0.00%             | \$ 4.68            | 70.90%           | \$ 11.39             |
| 6/15/2007              | \$ 16.75             | 4.23%            | 1.17%            | 3.07%            | 1.13%            | 0.00%             | \$ 4.87            | 70.90%           | \$ 11.88             |
| 6/18/2007              | \$ 17.19             | 2.63%            | 0.41%            | 2.22%            | 0.40%            | 0.00%             | \$ 5.00            | 70.90%           | \$ 12.19             |
| 6/19/2007              | \$ 17.05             | -0.81%           | -0.17%           | -0.64%           | -0.17%           | 0.00%             | \$ 4.96            | 70.90%           | \$ 12.09             |
| 6/20/2007              | \$ 16.55             | -2.93%           | -0.61%           | -2.33%           | -0.62%           | 0.00%             | \$ 4.82            | 70.90%           | \$ 11.73             |
| 6/21/2007              | \$ 16.42             | -0.79%           | 0.73%            | -1.52%           | 0.75%            | 0.00%             | \$ 4.78            | 70.90%           | \$ 11.64             |
| 6/22/2007              | \$ 15.98             | -2.68%           | -0.48%           | -2.20%           | -0.49%           | 0.00%             | \$ 4.65            | 70.90%           | \$ 11.33             |
| 6/25/2007              | \$ 15.84             | -0.88%           | -0.82%           | -0.06%           | -0.82%           | 0.00%             | \$ 4.61            | 70.90%           | \$ 11.23             |
| 6/26/2007              | \$ 15.04             | -5.05%           | -0.90%           | -4.15%           | -0.94%           | 0.00%             | \$ 4.38            | 70.90%           | \$ 10.66             |
| 6/27/2007              | \$ 15.19             | 1.00%            | 0.38%            | 0.62%            | 0.38%            | 0.00%             | \$ 4.42            | 70.90%           | \$ 10.77             |
| 6/28/2007              | \$ 14.98             | -1.38%           | 0.21%            | -1.60%           | 0.22%            | 0.00%             | \$ 4.36            | 70.90%           | \$ 10.62             |
| 6/29/2007              | \$ 15.30             | 2.14%            | 1.02%            | 1.12%            | 1.01%            | 0.00%             | \$ 4.45            | 70.90%           | \$ 10.85             |
| 7/2/2007               | \$ 15.30             | 0.00%            | 1.02%            | -1.02%           | 1.03%            | 0.00%             | \$ 4.45            | 70.90%           | \$ 10.85             |
| 7/3/2007               | \$ 16.28             | 6.41%            | 1.09%            | 5.32%            | 1.03%            | 0.00%             | \$ 4.74            | 70.90%           | \$ 11.54             |
| 7/4/2007               | \$ 16.64             | 2.21%            | 0.31%            | 1.90%            | 0.31%            | 0.00%             | \$ 4.84            | 70.90%           | \$ 11.80             |
| 7/5/2007               | \$ 17.09             | 2.70%            | 0.28%            | 2.43%            | 0.27%            | 0.00%             | \$ 4.97            | 70.90%           | \$ 12.12             |
| 7/6/2007               | \$ 17.08             | -0.06%           | 0.46%            | -0.52%           | 0.46%            | 0.00%             | \$ 4.97            | 70.90%           | \$ 12.11             |
| 7/9/2007               | \$ 17.05             | -0.18%           | 0.53%            | -0.71%           | 0.54%            | 0.00%             | \$ 4.96            | 70.90%           | \$ 12.09             |
| 7/10/2007              | \$ 17.04             | -0.06%           | -0.36%           | 0.30%            | -0.36%           | 0.00%             | \$ 4.96            | 70.90%           | \$ 12.08             |
| 7/11/2007              | \$ 17.92             | 5.16%            | 0.21%            | 4.96%            | 0.20%            | 0.00%             | \$ 5.21            | 70.90%           | \$ 12.71             |
| 7/12/2007              | \$ 18.10             | 1.00%            | 1.17%            | -0.17%           | 1.17%            | 0.00%             | \$ 5.27            | 70.90%           | \$ 12.83             |
| 7/13/2007              | \$ 17.92             | -0.99%           | 1.09%            | -2.08%           | 1.11%            | 0.00%             | \$ 5.21            | 70.90%           | \$ 12.71             |
| 7/16/2007              | \$ 17.60             | -1.79%           | -0.88%           | -0.91%           | -0.89%           | 0.00%             | \$ 5.12            | 70.90%           | \$ 12.48             |
| 7/17/2007              | \$ 17.93             | 1.87%            | 0.68%            | 1.20%            | 0.67%            | 0.00%             | \$ 5.22            | 70.90%           | \$ 12.71             |
| 7/18/2007              | \$ 18.29             | 2.01%            | 0.94%            | 1.07%            | 0.93%            | 0.00%             | \$ 5.32            | 70.90%           | \$ 12.97             |
| 7/19/2007              | \$ 18.80             | 2.79%            | 0.57%            | 2.22%            | 0.55%            | 0.00%             | \$ 5.47            | 70.90%           | \$ 13.33             |
| 7/20/2007              | \$ 18.87<br>\$ 18.50 | 0.37%<br>-1.96%  | -0.39%<br>0.11%  | 0.76%            | -0.39%<br>0.11%  | 0.00%             | \$ 5.49<br>\$ 5.38 | 70.90%           | \$ 13.38<br>\$ 13.12 |
| 7/23/2007<br>7/24/2007 | \$ 18.50<br>\$ 17.89 | -1.96%<br>-3.30% | -0.11%<br>-1.71% | -1.85%<br>-1.59% | -0.11%<br>-1.73% | 0.00%<br>0.00%    | \$ 5.38<br>\$ 5.21 | 70.90%<br>70.90% | \$ 13.12<br>\$ 12.68 |
| 7/24/2007              | \$ 17.89             | -3.30%           | -1.71%<br>-0.10% | -3.20%           | -0.10%           | 0.00%             | \$ 5.21<br>\$ 5.03 | 70.90%           | \$ 12.08<br>\$ 12.27 |
| 7/26/2007              | \$ 17.30<br>\$ 16.87 | -3.30%<br>-2.49% | -0.10%<br>-1.99% | -0.50%           | -0.10%           | 0.00%             | \$ 3.03<br>\$ 4.91 | 70.90%           | \$ 12.27<br>\$ 11.96 |
| 7/27/2007              | \$ 10.87             | 1.36%            | -1.37%           | 2.74%            | -1.34%           | 0.00%             | \$ 4.91<br>\$ 4.98 | 70.90%           | \$ 11.90             |
| 7/30/2007              | \$ 17.10             | 0.00%            | 0.86%            | -0.86%           | 0.87%            | 0.00%             | \$ 4.98            | 70.90%           | \$ 12.12             |
| 7/31/2007              | \$ 16.85             | -1.46%           | 0.33%            | -1.59%           | 0.13%            | 0.00%             | \$ 4.90            | 70.90%           | \$ 12.12             |
| ,,51,2001              | Ψ 10.0 <i>3</i>      | 1.10/0           | 0.13/0           | 2.00/10          | 3.1370           | 0.0070            | Ψ 1.70             | . 3.7 0 /0       | y 11.70              |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                    | [2]                  | [3]            | [4]            | [5]             | [6]            | [7]               | [8]                | [9]              | [10]                 |
|------------------------|----------------------|----------------|----------------|-----------------|----------------|-------------------|--------------------|------------------|----------------------|
|                        |                      |                |                |                 |                | Percentage of     |                    |                  |                      |
|                        |                      |                |                |                 |                | Stock Price       |                    |                  | Artificial           |
|                        |                      |                |                |                 |                | Reaction          | True Value -       | Artificial       | Inflation -          |
|                        | TRE CN               | Actual         | Predicted      | Excess          | Constructed    | Attributed to the | Constant           | Inflation/       | Constant             |
| Date                   | Price                | Return         | Return         | Return          | Return         | Alleged Claims    | Percentage         | Price            | Percentage           |
| 8/1/2007               | \$ 16.12             | -4.33%         | -1.35%         | -2.98%          | -1.39%         | 0.00%             | \$ 4.69            | 70.90%           | \$ 11.43             |
| 8/2/2007               | \$ 16.30             | 1.12%          | 0.74%          | 0.38%           | 0.74%          | 0.00%             | \$ 4.74            | 70.90%           | \$ 11.56             |
| 8/3/2007               | \$ 16.01             | -1.78%         | -1.59%         | -0.19%          | -1.59%         | 0.00%             | \$ 4.66            | 70.90%           | \$ 11.35             |
| 8/6/2007               | \$ 16.01             | 0.00%          | -1.59%         | 1.59%           | -1.57%         | 0.00%             | \$ 4.66            | 70.90%           | \$ 11.35             |
| 8/7/2007               | \$ 15.96             | -0.31%         | -0.14%         | -0.17%          | -0.14%         | 0.00%             | \$ 4.64            | 70.90%           | \$ 11.32             |
| 8/8/2007               | \$ 16.45             | 3.07%          | 1.53%          | 1.54%           | 1.51%          | 0.00%             | \$ 4.79            | 70.90%           | \$ 11.66             |
| 8/9/2007               | \$ 15.60             | -5.17%         | -1.72%         | -3.45%          | -1.78%         | 0.00%             | \$ 4.54            | 70.90%           | \$ 11.06             |
| 8/10/2007              | \$ 14.91             | -4.42%         | -0.59%         | -3.84%          | -0.61%         | 0.00%             | \$ 4.34            | 70.90%           | \$ 10.57             |
| 8/13/2007              | \$ 15.26             | 2.35%          | 0.12%          | 2.22%           | 0.12%          | 0.00%             | \$ 4.44            | 70.90%           | \$ 10.82             |
| 8/14/2007              | \$ 15.23             | -0.20%         | -1.33%         | 1.14%           | -1.32%         | 0.00%             | \$ 4.43            | 70.90%           | \$ 10.80             |
| 8/15/2007              | \$ 14.84             | -2.56%         | -1.66%         | -0.90%          | -1.68%         | 0.00%             | \$ 4.32            | 70.90%           | \$ 10.52             |
| 8/16/2007              | \$ 14.25             | -3.98%         | -1.80%         | -2.17%          | -1.84%         | 0.00%             | \$ 4.15            | 70.90%           | \$ 10.10             |
| 8/17/2007              | \$ 13.97             | -1.96%         | 1.53%          | -3.50%          | 1.59%          | 0.00%             | \$ 4.06            | 70.90%           | \$ 9.91              |
| 8/20/2007              | \$ 14.01             | 0.29%          | 0.97%          | -0.69%          | 0.98%          | 0.00%             | \$ 4.08            | 70.90%           | \$ 9.93              |
| 8/21/2007              | \$ 13.99             | -0.14%         | 0.89%          | -1.03%          | 0.90%          | 0.00%             | \$ 4.07            | 70.90%           | \$ 9.92              |
| 8/22/2007              | \$ 17.19             | 22.87%         | 2.24%          | 20.64%          | 1.85%          | 0.00%             | \$ 5.00            | 70.90%           | \$ 12.19             |
| 8/23/2007              | \$ 16.15             | -6.05%         | 0.33%          | -6.38%          | 0.36%          | 0.00%             | \$ 4.70            | 70.90%           | \$ 11.45             |
| 8/24/2007              | \$ 17.08             | 5.76%          | 0.86%          | 4.90%           | 0.82%          | 0.00%             | \$ 4.97            | 70.90%           | \$ 12.11             |
| 8/27/2007              | \$ 17.26             | 1.05%          | 0.09%          | 0.96%           | 0.09%          | 0.00%             | \$ 5.02            | 70.90%           | \$ 12.24             |
| 8/28/2007              | \$ 17.28             | 0.12%          | -1.48%         | 1.59%           | -1.45%         | 0.00%             | \$ 5.03            | 70.90%           | \$ 12.25             |
| 8/29/2007              | \$ 17.46             | 1.04%          | 1.41%          | -0.37%          | 1.42%          | 0.00%             | \$ 5.08            | 70.90%           | \$ 12.38             |
| 8/30/2007              | \$ 17.64             | 1.03%          | 0.07%          | 0.96%           | 0.07%          | 0.00%             | \$ 5.13            | 70.90%           | \$ 12.51             |
| 8/31/2007              | \$ 18.00             | 2.04%          | 1.63%          | 0.41%           | 1.62%          | 0.00%             | \$ 5.24            | 70.90%           | \$ 12.76             |
| 9/3/2007               | \$ 18.00             | 0.00%          | 1.63%          | -1.63%          | 1.65%          | 0.00%             | \$ 5.24            | 70.90%           | \$ 12.76             |
| 9/4/2007               | \$ 18.33             | 1.83%          | 0.85%          | 0.99%           | 0.84%          | 0.00%             | \$ 5.33            | 70.90%           | \$ 13.00             |
| 9/5/2007               | \$ 18.96             | 3.44%          | -0.43%         | 3.86%           | -0.41%         | 0.00%             | \$ 5.52            | 70.90%           | \$ 13.44             |
| 9/6/2007               | \$ 18.90             | -0.32%         | 0.85%          | -1.17%          | 0.86%          | 0.00%             | \$ 5.50            | 70.90%           | \$ 13.40             |
| 9/7/2007               | \$ 19.02             | 0.63%          | -0.94%         | 1.57%           | -0.92%         | 0.00%             | \$ 5.53            | 70.90%           | \$ 13.49             |
| 9/10/2007              | \$ 19.08             | 0.32%          | -0.18%         | 0.50%           | -0.18%         | 0.00%             | \$ 5.55            | 70.90%           | \$ 13.53             |
| 9/11/2007              | \$ 19.56             | 2.52%          | 0.83%          | 1.68%           | 0.82%          | 0.00%             | \$ 5.69            | 70.90%           | \$ 13.87             |
| 9/12/2007              | \$ 19.40             | -0.82%         | 0.55%          | -1.37%          | 0.56%          | 0.00%             | \$ 5.64            | 70.90%           | \$ 13.76             |
| 9/13/2007              | \$ 19.81             | 2.11%          | 0.63%          | 1.48%           | 0.62%          | 0.00%             | \$ 5.76            | 70.90%           | \$ 14.05             |
| 9/14/2007              | \$ 20.28             | 2.37%          | -0.06%         | 2.43%           | -0.05%         | 0.00%             | \$ 5.90            | 70.90%           | \$ 14.38             |
| 9/17/2007              | \$ 20.21             | -0.35%         | -0.30%         | -0.05%          | -0.30%         | 0.00%             | \$ 5.88            | 70.90%           | \$ 14.33             |
| 9/18/2007              | \$ 21.01             | 3.96%          | 1.59%          | 2.37%           | 1.55%          | 0.00%             | \$ 6.11            | 70.90%           | \$ 14.90             |
| 9/19/2007              | \$ 22.15             | 5.43%          | 0.39%          | 5.04%           | 0.37%          | 0.00%             | \$ 6.44            | 70.90%           | \$ 15.71             |
| 9/20/2007              | \$ 22.86             | 3.21%          | -0.64%         | 3.85%           | -0.62%         | 0.00%             | \$ 6.65            | 70.90%           | \$ 16.21             |
| 9/21/2007              | \$ 22.17<br>\$ 22.86 | -3.02%         | 0.81%          | -3.83%          | 0.85%          | 0.00%             | \$ 6.45            | 70.90%           | \$ 15.72             |
| 9/24/2007              |                      | 3.11%          | 0.08%          | 3.03%           | 0.08%          | 0.00%             | \$ 6.65            | 70.90%           | \$ 16.21<br>\$ 15.79 |
| 9/25/2007              | \$ 22.26             | -2.62%         | -0.12%         | -2.51%          | -0.12%         | 0.00%             | \$ 6.48            | 70.90%           | \$ 15.78             |
| 9/26/2007<br>9/27/2007 | \$ 22.18<br>\$ 21.81 | -0.36%         | 0.43%          | -0.79%<br>2.44% | 0.43%          | 0.00%<br>0.00%    | \$ 6.45<br>\$ 6.35 | 70.90%           | \$ 15.73<br>\$ 15.46 |
|                        |                      | -1.67%         | 0.77%          | -2.44%<br>2.70% | 0.79%          |                   | \$ 6.35<br>\$ 6.54 | 70.90%           | \$ 15.46<br>\$ 15.04 |
| 9/28/2007<br>10/1/2007 | \$ 22.48<br>\$ 23.47 | 3.07%<br>4.40% | 0.38%<br>0.73% | 2.70%           | 0.37%<br>0.70% | 0.00%<br>0.00%    | \$ 6.54<br>\$ 6.83 | 70.90%           | \$ 15.94<br>\$ 16.64 |
| 10/1/2007              | \$ 23.47<br>\$ 23.59 | 4.40%<br>0.51% | -0.10%         | 3.68%<br>0.61%  | -0.10%         | 0.00%             | \$ 6.85<br>\$ 6.86 | 70.90%<br>70.90% | \$ 16.64<br>\$ 16.73 |
| 10/2/2007              | \$ 23.39             | -3.05%         | -0.74%         | -2.31%          | -0.10%         | 0.00%             | \$ 6.65            | 70.90%           | \$ 16.73             |
| 10/4/2007              | \$ 22.87             | 1.40%          | -0.74%         | 1.50%           | -0.70%         | 0.00%             | \$ 6.03<br>\$ 6.75 | 70.90%           | \$ 16.22<br>\$ 16.44 |
| 10/5/2007              | \$ 23.19             | 2.03%          | 1.04%          | 0.99%           | 1.03%          | 0.00%             | \$ 6.73<br>\$ 6.88 | 70.90%           | \$ 16.44             |
| 10/3/2007              | φ 23.00              | 2.0370         | 1.0470         | U.JJ70          | 1.0570         | 0.0070            | ψ 0.00             | 10.7070          | ψ 10.76              |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

|      | [1]                | [2]                  | [3]              | [4]              | [5]              | [6]              | [7]               | [8]                | [9]              | [10]                 |
|------|--------------------|----------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|------------------|----------------------|
|      |                    |                      |                  |                  |                  |                  | Percentage of     |                    |                  |                      |
|      |                    |                      |                  |                  |                  |                  | Stock Price       |                    |                  | Artificial           |
|      |                    |                      |                  |                  |                  |                  | Reaction          | True Value -       | Artificial       | Inflation -          |
|      |                    | TRE CN               | Actual           | Predicted        | Excess           |                  | Attributed to the | Constant           | Inflation/       | Constant             |
|      | ate                | Price                | Return           | Return           | Return           | Return           | Alleged Claims    | Percentage         | Price            | Percentage           |
|      | 8/2007             | \$ 23.66             | 0.00%            | 1.04%            | -1.04%           | 1.05%            | 0.00%             | \$ 6.88            | 70.90%           | \$ 16.78             |
|      | 9/2007             | \$ 23.68             | 0.08%            | 0.41%            | -0.33%           | 0.42%            | 0.00%             | \$ 6.89            | 70.90%           | \$ 16.79             |
|      | 0/2007             | \$ 24.10             | 1.77%            | 0.08%            | 1.69%            | 0.08%            | 0.00%             | \$ 7.01            | 70.90%           | \$ 17.09             |
|      | 1/2007             | \$ 24.55             | 1.87%            | 0.03%            | 1.84%            | 0.03%            | 0.00%             | \$ 7.14            | 70.90%           | \$ 17.41             |
|      | 2/2007             | \$ 24.92             | 1.51%            | 0.13%            | 1.38%            | 0.13%            | 0.00%             | \$ 7.25            | 70.90%           | \$ 17.67             |
|      | 5/2007             | \$ 24.13             | -3.17%           | -0.92%           | -2.25%           | -0.94%           | 0.00%             | \$ 7.02            | 70.90%           | \$ 17.11             |
|      | 6/2007             | \$ 23.58             | -2.28%           | -0.41%           | -1.87%           | -0.42%           | 0.00%             | \$ 6.86            | 70.90%           | \$ 16.72             |
|      | 7/2007             | \$ 23.10             | -2.04%           | 0.58%            | -2.62%           | 0.60%            | 0.00%             | \$ 6.72            | 70.90%           | \$ 16.38             |
|      | 8/2007             | \$ 23.54             | 1.90%            | 0.81%            | 1.10%            | 0.80%            | 0.00%             | \$ 6.85            | 70.90%           | \$ 16.69             |
|      | 9/2007             | \$ 23.17             | -1.57%           | -1.77%           | 0.20%            | -1.77%           | 0.00%             | \$ 6.74            | 70.90%           | \$ 16.43             |
|      | 2/2007             | \$ 22.76             | -1.77%           | -0.44%           | -1.33%           | -0.45%           | 0.00%             | \$ 6.62            | 70.90%           | \$ 16.14             |
|      | 3/2007             | \$ 22.51             | -1.10%           | 0.65%            | -1.74%           | 0.66%            | 0.00%             | \$ 6.55            | 70.90%           | \$ 15.96             |
|      | 4/2007             | \$ 22.89             | 1.69%            | 0.07%            | 1.62%            | 0.06%            | 0.00%             | \$ 6.66            | 70.90%           | \$ 16.23             |
|      | 5/2007             | \$ 22.88             | -0.04%           | 0.34%            | -0.38%           | 0.34%            | 0.00%             | \$ 6.66            | 70.90%           | \$ 16.22             |
|      | 6/2007             | \$ 23.84             | 4.20%            | 1.12%            | 3.08%            | 1.09%            | 0.00%             | \$ 6.94            | 70.90%           | \$ 16.90             |
|      | 9/2007             | \$ 24.72             | 3.69%            | 1.16%            | 2.53%            | 1.13%            | 0.00%             | \$ 7.19            | 70.90%           | \$ 17.53             |
|      | 0/2007             | \$ 24.94             | 0.89%            | -0.54%           | 1.43%            | -0.53%           | 0.00%             | \$ 7.26            | 70.90%           | \$ 17.68             |
|      | 1/2007             | \$ 25.12             | 0.72%            | 2.10%            | -1.37%           | 2.12%            | 0.00%             | \$ 7.31            | 70.90%           | \$ 17.81             |
|      | 1/2007             | \$ 23.81             | -5.21%           | -1.63%           | -3.59%           | -1.69%           | 0.00%             | \$ 6.93            | 70.90%           | \$ 16.88             |
|      | 2/2007             | \$ 23.24             | -2.39%           | -0.14%           | -2.25%           | -0.15%           | 0.00%             | \$ 6.76            | 70.90%           | \$ 16.48             |
|      | 5/2007             | \$ 23.18             | -0.26%           | -0.91%           | 0.65%            | -0.90%           | 0.00%             | \$ 6.74            | 70.90%           | \$ 16.44             |
|      | 6/2007             | \$ 24.06             | 3.80%            | 0.85%            | 2.95%            | 0.83%            | 0.00%             | \$ 7.00            | 70.90%           | \$ 17.06             |
|      | 7/2007             | \$ 23.48             | -2.41%           | -1.30%           | -1.11%           | -1.31%           | 0.00%             | \$ 6.83            | 70.90%           | \$ 16.65             |
|      | 8/2007             | \$ 23.15             | -1.41%           | 0.05%            | -1.46%           | 0.05%            | 0.00%             | \$ 6.74            | 70.90%           | \$ 16.41             |
|      | 9/2007             | \$ 23.00             | -0.65%           | -1.41%           | 0.77%            | -1.40%           | 0.00%             | \$ 6.69            | 70.90%           | \$ 16.31             |
|      | 2/2007             | \$ 20.48             | -10.96%          | -1.74%           | -9.22%           | -1.91%           | 0.00%             | \$ 5.96            | 70.90%           | \$ 14.52             |
|      | 3/2007             | \$ 20.90             | 2.05%            | 0.99%            | 1.07%            | 0.97%            | 0.00%             | \$ 6.08            | 70.90%           | \$ 14.82             |
|      | 4/2007             | \$ 22.00             | 5.26%            | 0.59%            | 4.68%            | 0.56%            | 0.00%             | \$ 6.40            | 70.90%           | \$ 15.60             |
|      | 5/2007             | \$ 21.39             | -2.77%           | -1.56%           | -1.21%           | -1.58%           | 0.00%             | \$ 6.22            | 70.90%           | \$ 15.17             |
|      | 6/2007             | \$ 20.51             | -4.11%           | 0.17%            | -4.28%           | 0.18%            | 0.00%             | \$ 5.97            | 70.90%           | \$ 14.54             |
|      | 9/2007             | \$ 18.63             | -9.17%           | -1.56%           | -7.60%           | -1.69%           | 0.00%             | \$ 5.42            | 70.90%           | \$ 13.21             |
|      | 0/2007             | \$ 19.50             | 4.67%            | 0.82%            | 3.85%            | 0.79%            | 0.00%             | \$ 5.67            | 70.90%           | \$ 13.83             |
|      | 1/2007             | \$ 19.50             | 0.00%            | -1.45%           | 1.45%            | -1.43%           | 0.00%             | \$ 5.67            | 70.90%           | \$ 13.83             |
|      | 2/2007             | \$ 19.00             | -2.56%           | 0.33%            | -2.90%           | 0.34%            | 0.00%             | \$ 5.53            | 70.90%           | \$ 13.47             |
|      | 3/2007             | \$ 20.38             | 7.26%            | 0.96%            | 6.31%            | 0.90%            | 0.00%             | \$ 5.93            | 70.90%           | \$ 14.45             |
|      |                    | \$ 19.13             | -6.13%           | -0.53%           | -5.61%           | -0.56%           | 0.00%             | \$ 5.57            | 70.90%           | \$ 13.56             |
|      | 7/2007<br>8/2007   | \$ 19.94<br>\$ 20.79 | 4.23%<br>4.26%   | 0.31%<br>2.13%   | 3.92%<br>2.13%   | 0.30%<br>2.09%   | 0.00%<br>0.00%    | \$ 5.80<br>\$ 6.05 | 70.90%<br>70.90% | \$ 14.14<br>\$ 14.74 |
|      | 9/2007             |                      |                  |                  |                  |                  |                   |                    |                  |                      |
|      |                    | \$ 21.00             | 1.01%            | 0.51%            | 0.50%            | 0.51%            | 0.00%             | \$ 6.11            | 70.90%           | \$ 14.89             |
|      | 0/2007             | \$ 22.00             | 4.76%            | 0.32%            | 4.44%            | 0.31%            | 0.00%             | \$ 6.40            | 70.90%           | \$ 15.60<br>\$ 14.04 |
|      | /3/2007<br>/4/2007 | \$ 21.07<br>\$ 20.70 | -4.23%<br>-1.76% | -0.10%<br>-0.62% | -4.13%<br>-1.13% | -0.10%<br>-0.63% | 0.00%<br>0.00%    | \$ 6.13<br>\$ 6.02 | 70.90%<br>70.90% | \$ 14.94<br>\$ 14.68 |
|      | 5/2007             | \$ 20.70             | 1.30%            | 1.18%            | -1.13%<br>0.12%  | 1.18%            | 0.00%             | \$ 6.02<br>\$ 6.10 | 70.90%           | \$ 14.08<br>\$ 14.87 |
|      | 6/2007             | \$ 20.97             | -1.96%           | 1.18%            | -3.23%           | 1.18%            | 0.00%             | \$ 5.10            | 70.90%           | \$ 14.87<br>\$ 14.58 |
|      | 7/2007             | \$ 20.36             | -1.96%<br>-1.99% | 0.55%            | -3.23%<br>-2.54% | 0.56%            | 0.00%             | \$ 5.98<br>\$ 5.86 | 70.90%           | \$ 14.38<br>\$ 14.29 |
|      | 0/2007             | \$ 20.13             | 3.97%            | 0.35%            | 3.51%            | 0.36%            | 0.00%             | \$ 5.80<br>\$ 6.10 | 70.90%           | \$ 14.29<br>\$ 14.85 |
|      | 1/2007             | \$ 20.93             | 0.19%            | -1.46%           | 1.65%            | -1.43%           | 0.00%             | \$ 6.10            | 70.90%           | \$ 14.88             |
|      | 2/2007             | \$ 20.55             | -1.86%           | 0.38%            | -2.24%           | 0.39%            | 0.00%             | \$ 5.99            | 70.90%           | \$ 14.61             |
| 14/1 | 2,2001             | Ψ 20.00              | 1.00/0           | 0.5070           | 2.27/0           | 0.37/0           | 0.0070            | ψ 3.77             | 10.70/0          | ψ 17.01              |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]        | [2]      | [3]     | [4]       | [5]    | [6]         | [7]               | [8]          | [9]        | [10]        |
|------------|----------|---------|-----------|--------|-------------|-------------------|--------------|------------|-------------|
|            |          |         |           |        |             | Percentage of     |              |            |             |
|            |          |         |           |        |             | Stock Price       |              |            | Artificial  |
|            |          |         |           |        |             | Reaction          | True Value - | Artificial | Inflation - |
|            | TRE CN   | Actual  | Predicted | Excess | Constructed | Attributed to the | Constant     | Inflation/ | Constant    |
| Date       | Price    | Return  | Return    | Return | Return      | Alleged Claims    | Percentage   | Price      | Percentage  |
| 12/13/2007 | \$ 20.00 | -2.91%  | -0.83%    | -2.08% | -0.85%      | 0.00%             | \$ 5.82      | 70.90%     | \$ 14.18    |
| 12/14/2007 | \$ 19.28 | -3.60%  | -0.87%    | -2.73% | -0.89%      | 0.00%             | \$ 5.61      | 70.90%     | \$ 13.67    |
| 12/17/2007 | \$ 18.30 | -5.08%  | -1.97%    | -3.11% | -2.03%      | 0.00%             | \$ 5.32      | 70.90%     | \$ 12.98    |
| 12/18/2007 | \$ 19.00 | 3.83%   | 0.05%     | 3.78%  | 0.04%       | 0.00%             | \$ 5.53      | 70.90%     | \$ 13.47    |
| 12/19/2007 | \$ 18.50 | -2.63%  | 0.41%     | -3.04% | 0.43%       | 0.00%             | \$ 5.38      | 70.90%     | \$ 13.12    |
| 12/20/2007 | \$ 18.64 | 0.76%   | 0.21%     | 0.55%  | 0.20%       | 0.00%             | \$ 5.42      | 70.90%     | \$ 13.22    |
| 12/21/2007 | \$ 20.04 | 7.51%   | 1.67%     | 5.84%  | 1.58%       | 0.00%             | \$ 5.83      | 70.90%     | \$ 14.21    |
| 12/24/2007 | \$ 20.01 | -0.15%  | 0.62%     | -0.77% | 0.63%       | 0.00%             | \$ 5.82      | 70.90%     | \$ 14.19    |
| 12/27/2007 | \$ 20.53 | 2.60%   | 0.23%     | 2.37%  | 0.22%       | 0.00%             | \$ 5.97      | 70.90%     | \$ 14.56    |
| 12/28/2007 | \$ 20.79 | 1.27%   | 0.84%     | 0.43%  | 0.84%       | 0.00%             | \$ 6.05      | 70.90%     | \$ 14.74    |
| 12/31/2007 | \$ 21.44 | 3.13%   | -0.18%    | 3.31%  | -0.17%      | 0.00%             | \$ 6.24      | 70.90%     | \$ 15.20    |
| 1/2/2008   | \$ 21.52 | 0.37%   | 0.51%     | -0.13% | 0.51%       | 0.00%             | \$ 6.26      | 70.90%     | \$ 15.26    |
| 1/3/2008   | \$ 21.69 | 0.79%   | 0.41%     | 0.38%  | 0.40%       | 0.00%             | \$ 6.31      | 70.90%     | \$ 15.38    |
| 1/4/2008   | \$ 21.36 | -1.52%  | -1.53%    | 0.01%  | -1.53%      | 0.00%             | \$ 6.21      | 70.90%     | \$ 15.15    |
| 1/7/2008   | \$ 20.71 | -3.04%  | -1.10%    | -1.94% | -1.12%      | 0.00%             | \$ 6.03      | 70.90%     | \$ 14.68    |
| 1/8/2008   | \$ 20.82 | 0.53%   | -0.32%    | 0.86%  | -0.32%      | 0.00%             | \$ 6.06      | 70.90%     | \$ 14.76    |
| 1/9/2008   | \$ 21.18 | 1.73%   | -0.01%    | 1.74%  | -0.01%      | 0.00%             | \$ 6.16      | 70.90%     | \$ 15.02    |
| 1/10/2008  | \$ 21.01 | -0.80%  | 0.43%     | -1.24% | 0.44%       | 0.00%             | \$ 6.11      | 70.90%     | \$ 14.90    |
| 1/11/2008  | \$ 20.99 | -0.10%  | -0.32%    | 0.22%  | -0.32%      | 0.00%             | \$ 6.11      | 70.90%     | \$ 14.88    |
| 1/14/2008  | \$ 21.92 | 4.43%   | 0.52%     | 3.91%  | 0.50%       | 0.00%             | \$ 6.38      | 70.90%     | \$ 15.54    |
| 1/15/2008  | \$ 20.40 | -6.93%  | -2.60%    | -4.34% | -2.71%      | 0.00%             | \$ 5.94      | 70.90%     | \$ 14.46    |
| 1/16/2008  | \$ 18.94 | -7.16%  | -1.40%    | -5.76% | -1.48%      | 0.00%             | \$ 5.51      | 70.90%     | \$ 13.43    |
| 1/17/2008  | \$ 19.08 | 0.74%   | -1.78%    | 2.52%  | -1.74%      | 0.00%             | \$ 5.55      | 70.90%     | \$ 13.53    |
| 1/18/2008  | \$ 18.67 | -2.15%  | -0.57%    | -1.58% | -0.58%      | 0.00%             | \$ 5.43      | 70.90%     | \$ 13.24    |
| 1/21/2008  | \$ 16.59 | -11.14% | -4.19%    | -6.95% | -4.51%      | 0.00%             | \$ 4.83      | 70.90%     | \$ 11.76    |
| 1/22/2008  | \$ 17.09 | 3.01%   | 2.52%     | 0.49%  | 2.51%       | 0.00%             | \$ 4.97      | 70.90%     | \$ 12.12    |
| 1/23/2008  | \$ 17.74 | 3.80%   | 0.20%     | 3.60%  | 0.20%       | 0.00%             | \$ 5.16      | 70.90%     | \$ 12.58    |
| 1/24/2008  | \$ 18.50 | 4.28%   | 2.36%     | 1.92%  | 2.32%       | 0.00%             | \$ 5.38      | 70.90%     | \$ 13.12    |
| 1/25/2008  | \$ 18.39 | -0.59%  | 0.17%     | -0.77% | 0.18%       | 0.00%             | \$ 5.35      | 70.90%     | \$ 13.04    |
| 1/28/2008  | \$ 17.83 | -3.05%  | 0.30%     | -3.35% | 0.31%       | 0.00%             | \$ 5.19      | 70.90%     | \$ 12.64    |
| 1/29/2008  | \$ 17.74 | -0.50%  | 1.16%     | -1.67% | 1.18%       | 0.00%             | \$ 5.16      | 70.90%     | \$ 12.58    |
| 1/30/2008  | \$ 18.07 | 1.86%   | -0.11%    | 1.97%  | -0.11%      | 0.00%             | \$ 5.26      | 70.90%     | \$ 12.81    |
| 1/31/2008  | \$ 18.44 | 2.05%   | 1.23%     | 0.82%  | 1.22%       | 0.00%             | \$ 5.37      | 70.90%     | \$ 13.07    |
| 2/1/2008   | \$ 19.35 | 4.93%   | 1.20%     | 3.74%  | 1.15%       | 0.00%             | \$ 5.63      | 70.90%     | \$ 13.72    |
| 2/4/2008   | \$ 19.92 | 2.95%   | 0.14%     | 2.81%  | 0.13%       | 0.00%             | \$ 5.80      | 70.90%     | \$ 14.12    |
| 2/5/2008   | \$ 19.13 | -3.97%  | -2.70%    | -1.26% | -2.74%      | 0.00%             | \$ 5.57      | 70.90%     | \$ 13.56    |
| 2/6/2008   | \$ 19.14 | 0.05%   | -0.43%    | 0.48%  | -0.43%      | 0.00%             | \$ 5.57      | 70.90%     | \$ 13.57    |
| 2/7/2008   | \$ 19.20 | 0.31%   | -0.07%    | 0.38%  | -0.07%      | 0.00%             | \$ 5.59      | 70.90%     | \$ 13.61    |
| 2/8/2008   | \$ 19.47 | 1.41%   | 0.43%     | 0.97%  | 0.43%       | 0.00%             | \$ 5.66      | 70.90%     | \$ 13.81    |
| 2/11/2008  | \$ 19.20 | -1.39%  | 0.77%     | -2.16% | 0.79%       | 0.00%             | \$ 5.59      | 70.90%     | \$ 13.61    |
| 2/12/2008  | \$ 18.76 | -2.29%  | 0.16%     | -2.46% | 0.17%       | 0.00%             | \$ 5.46      | 70.90%     | \$ 13.30    |
| 2/13/2008  | \$ 19.00 | 1.28%   | 0.98%     | 0.30%  | 0.98%       | 0.00%             | \$ 5.53      | 70.90%     | \$ 13.47    |
| 2/14/2008  | \$ 18.91 | -0.47%  | -0.14%    | -0.33% | -0.14%      | 0.00%             | \$ 5.50      | 70.90%     | \$ 13.41    |
| 2/15/2008  | \$ 19.09 | 0.95%   | 0.18%     | 0.77%  | 0.18%       | 0.00%             | \$ 5.55      | 70.90%     | \$ 13.54    |
| 2/18/2008  | \$ 19.09 | 0.00%   | 0.18%     | -0.18% | 0.18%       | 0.00%             | \$ 5.55      | 70.90%     | \$ 13.54    |
| 2/19/2008  | \$ 18.94 | -0.79%  | 1.45%     | -2.23% | 1.48%       | 0.00%             | \$ 5.51      | 70.90%     | \$ 13.43    |
| 2/20/2008  | \$ 18.50 | -2.32%  | 0.31%     | -2.63% | 0.32%       | 0.00%             | \$ 5.38      | 70.90%     | \$ 13.12    |
| 2/21/2008  | \$ 19.35 | 4.59%   | 0.17%     | 4.42%  | 0.16%       | 0.00%             | \$ 5.63      | 70.90%     | \$ 13.72    |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]       | [2]             | [3]              | [4]                 | [5]              | [6]         | [7]                           | [8]                    | [9]                 | [10]                    |
|-----------|-----------------|------------------|---------------------|------------------|-------------|-------------------------------|------------------------|---------------------|-------------------------|
|           |                 |                  |                     |                  |             | Percentage of                 |                        |                     |                         |
|           |                 |                  |                     |                  |             | Stock Price                   |                        |                     | Artificial              |
|           | TDE CN          | A a4 a1          | Duadiatad           | F                | Comptunited | Reaction<br>Attributed to the | True Value -           | Artificial          | Inflation -<br>Constant |
| Date      | TRE CN<br>Price | Actual<br>Return | Predicted<br>Return | Excess<br>Return | Return      | Alleged Claims                | Constant<br>Percentage | Inflation/<br>Price | Percentage              |
| 2/22/2008 | \$ 18.71        | -3.31%           | 0.16%               | -3.47%           | 0.17%       | 0.00%                         | \$ 5.44                | 70.90%              | \$ 13.27                |
| 2/25/2008 | \$ 19.15        | 2.35%            | 1.01%               | 1.34%            | 1.00%       | 0.00%                         | \$ 5.57                | 70.90%              | \$ 13.58                |
| 2/26/2008 | \$ 19.10        | -0.26%           | 1.00%               | -1.26%           | 1.01%       | 0.00%                         | \$ 5.56                | 70.90%              | \$ 13.54                |
| 2/27/2008 | \$ 19.25        | 0.79%            | 0.22%               | 0.57%            | 0.21%       | 0.00%                         | \$ 5.60                | 70.90%              | \$ 13.65                |
| 2/28/2008 | \$ 18.98        | -1.40%           | 0.22%               | -1.62%           | 0.22%       | 0.00%                         | \$ 5.52                | 70.90%              | \$ 13.46                |
| 2/29/2008 | \$ 18.98        | 0.00%            | -1.72%              | 1.72%            | -1.70%      | 0.00%                         | \$ 5.52                | 70.90%              | \$ 13.46                |
| 3/3/2008  | \$ 19.14        | 0.84%            | -0.25%              | 1.09%            | -0.24%      | 0.00%                         | \$ 5.57                | 70.90%              | \$ 13.57                |
| 3/4/2008  | \$ 19.06        | -0.42%           | -0.49%              | 0.07%            | -0.49%      | 0.00%                         | \$ 5.55                | 70.90%              | \$ 13.51                |
| 3/5/2008  | \$ 19.65        | 3.10%            | 1.08%               | 2.02%            | 1.06%       | 0.00%                         | \$ 5.72                | 70.90%              | \$ 13.93                |
| 3/6/2008  | \$ 18.60        | -5.34%           | -1.04%              | -4.30%           | -1.09%      | 0.00%                         | \$ 5.41                | 70.90%              | \$ 13.19                |
| 3/7/2008  | \$ 17.94        | -3.55%           | -0.52%              | -3.03%           | -0.53%      | 0.00%                         | \$ 5.22                | 70.90%              | \$ 12.72                |
| 3/10/2008 | \$ 17.11        | -4.63%           | -1.88%              | -2.75%           | -1.93%      | 0.00%                         | \$ 4.98                | 70.90%              | \$ 12.13                |
| 3/11/2008 | \$ 18.11        | 5.84%            | 2.32%               | 3.52%            | 2.24%       | 0.00%                         | \$ 5.27                | 70.90%              | \$ 12.84                |
| 3/12/2008 | \$ 17.72        | -2.15%           | 0.24%               | -2.39%           | 0.24%       | 0.00%                         | \$ 5.16                | 70.90%              | \$ 12.56                |
| 3/13/2008 | \$ 17.75        | 0.17%            | 0.43%               | -0.26%           | 0.43%       | 0.00%                         | \$ 5.16                | 70.90%              | \$ 12.59                |
| 3/14/2008 | \$ 17.00        | -4.23%           | -0.99%              | -3.24%           | -1.02%      | 0.00%                         | \$ 4.95                | 70.90%              | \$ 12.05                |
| 3/17/2008 | \$ 16.87        | -0.76%           | -3.00%              | 2.24%            | -2.94%      | 0.00%                         | \$ 4.91                | 70.90%              | \$ 11.96                |
| 3/18/2008 | \$ 16.83        | -0.24%           | 1.40%               | -1.64%           | 1.42%       | 0.00%                         | \$ 4.90                | 70.90%              | \$ 11.93                |
| 3/19/2008 | \$ 15.00        | -10.87%          | -2.22%              | -8.65%           | -2.43%      | 0.00%                         | \$ 4.36                | 70.90%              | \$ 10.64                |
| 3/20/2008 | \$ 14.92        | -0.53%           | 0.01%               | -0.54%           | 0.01%       | 0.00%                         | \$ 4.34                | 70.90%              | \$ 10.58                |
| 3/24/2008 | \$ 15.74        | 5.50%            | 1.60%               | 3.89%            | 1.54%       | 0.00%                         | \$ 4.58                | 70.90%              | \$ 11.16                |
| 3/25/2008 | \$ 15.82        | 0.51%            | 2.45%               | -1.94%           | 2.50%       | 0.00%                         | \$ 4.60                | 70.90%              | \$ 11.22                |
| 3/26/2008 | \$ 16.31        | 3.10%            | 0.80%               | 2.29%            | 0.78%       | 0.00%                         | \$ 4.75                | 70.90%              | \$ 11.56                |
| 3/27/2008 | \$ 15.97        | -2.08%           | -0.42%              | -1.66%           | -0.43%      | 0.00%                         | \$ 4.65                | 70.90%              | \$ 11.32                |
| 3/28/2008 | \$ 15.75        | -1.38%           | -0.61%              | -0.76%           | -0.62%      | 0.00%                         | \$ 4.58                | 70.90%              | \$ 11.17                |
| 3/31/2008 | \$ 16.00        | 1.59%            | 0.65%               | 0.94%            | 0.64%       | 0.00%                         | \$ 4.66                | 70.90%              | \$ 11.34                |
| 4/1/2008  | \$ 16.66        | 4.13%            | 1.36%               | 2.76%            | 1.32%       | 0.00%                         | \$ 4.85                | 70.90%              | \$ 11.81                |
| 4/2/2008  | \$ 17.23        | 3.42%            | 0.93%               | 2.49%            | 0.91%       | 0.00%                         | \$ 5.01                | 70.90%              | \$ 12.22                |
| 4/3/2008  | \$ 17.74        | 2.96%            | 0.30%               | 2.66%            | 0.29%       | 0.00%                         | \$ 5.16                | 70.90%              | \$ 12.58                |
| 4/4/2008  | \$ 17.62        | -0.68%           | 0.51%               | -1.19%           | 0.52%       | 0.00%                         | \$ 5.13                | 70.90%              | \$ 12.49                |
| 4/7/2008  | \$ 17.90        | 1.59%            | 1.08%               | 0.51%            | 1.08%       | 0.00%                         | \$ 5.21                | 70.90%              | \$ 12.69                |
| 4/8/2008  | \$ 17.35        | -3.07%           | -0.12%              | -2.96%           | -0.12%      | 0.00%                         | \$ 5.05                | 70.90%              | \$ 12.30                |
| 4/9/2008  | \$ 16.70        | -3.75%           | -0.11%              | -3.64%           | -0.11%      | 0.00%                         | \$ 4.86                | 70.90%              | \$ 11.84                |
| 4/10/2008 | \$ 16.48        | -1.32%           | 0.52%               | -1.84%           | 0.53%       | 0.00%                         | \$ 4.79                | 70.90%              | \$ 11.69                |
| 4/11/2008 | \$ 16.09        | -2.37%           | -1.17%              | -1.19%           | -1.19%      | 0.00%                         | \$ 4.68                | 70.90%              | \$ 11.41                |
| 4/14/2008 | \$ 16.02        | -0.44%           | 0.08%               | -0.51%           | 0.08%       | 0.00%                         | \$ 4.66                | 70.90%              | \$ 11.36                |
| 4/15/2008 | \$ 15.63        | -2.43%           | 0.38%               | -2.81%           | 0.39%       | 0.00%                         | \$ 4.55                | 70.90%              | \$ 11.08                |
| 4/16/2008 | \$ 15.61        | -0.13%           | 1.98%               | -2.11%           | 2.02%       | 0.00%                         | \$ 4.54                | 70.90%              | \$ 11.07                |
| 4/17/2008 | \$ 15.25        | -2.31%           | 0.10%               | -2.41%           | 0.10%       | 0.00%                         | \$ 4.44                | 70.90%              | \$ 10.81                |
| 4/18/2008 | \$ 15.89        | 4.20%            | 0.81%               | 3.38%            | 0.79%       | 0.00%                         | \$ 4.62                | 70.90%              | \$ 11.27                |
| 4/21/2008 | \$ 15.21        | -4.28%           | 0.52%               | -4.80%           | 0.54%       | 0.00%                         | \$ 4.43                | 70.90%              | \$ 10.78                |
| 4/22/2008 | \$ 15.35        | 0.92%            | -0.43%              | 1.35%            | -0.43%      | 0.00%                         | \$ 4.47                | 70.90%              | \$ 10.88                |
| 4/23/2008 | \$ 15.10        | -1.63%           | -0.81%              | -0.82%           | -0.82%      | 0.00%                         | \$ 4.39                | 70.90%              | \$ 10.71                |
| 4/24/2008 | \$ 15.27        | 1.13%            | -0.18%              | 1.30%            | -0.17%      | 0.00%                         | \$ 4.44                | 70.90%              | \$ 10.83                |
| 4/25/2008 | \$ 15.45        | 1.18%            | 1.40%               | -0.22%           | 1.41%       | 0.00%                         | \$ 4.50                | 70.90%              | \$ 10.95                |
| 4/28/2008 | \$ 15.59        | 0.91%            | -0.15%              | 1.06%            | -0.15%      | 0.00%                         | \$ 4.54                | 70.90%              | \$ 11.05                |
| 4/29/2008 | \$ 15.52        | -0.45%           | -1.86%              | 1.41%            | -1.83%      | 0.00%                         | \$ 4.52                | 70.90%              | \$ 11.00                |
| 4/30/2008 | \$ 15.25        | -1.74%           | 0.63%               | -2.37%           | 0.65%       | 0.00%                         | \$ 4.44                | 70.90%              | \$ 10.81                |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]       | [2]      | [3]    | [4]       | [5]    | [6]         | [7]               | [8]          | [9]        | [10]        |
|-----------|----------|--------|-----------|--------|-------------|-------------------|--------------|------------|-------------|
|           |          |        |           |        |             | Percentage of     |              |            |             |
|           |          |        |           |        |             | Stock Price       |              |            | Artificial  |
|           |          |        |           |        |             | Reaction          | True Value - | Artificial | Inflation - |
|           | TRE CN   | Actual | Predicted | Excess | Constructed | Attributed to the | Constant     | Inflation/ | Constant    |
| Date      | Price    | Return | Return    | Return | Return      | Alleged Claims    | Percentage   | Price      | Percentage  |
| 5/1/2008  | \$ 15.28 | 0.20%  | 0.57%     | -0.37% | 0.57%       | 0.00%             | \$ 4.45      | 70.90%     | \$ 10.83    |
| 5/2/2008  | \$ 16.00 | 4.71%  | 1.46%     | 3.25%  | 1.41%       | 0.00%             | \$ 4.66      | 70.90%     | \$ 11.34    |
| 5/5/2008  | \$ 16.27 | 1.69%  | 0.13%     | 1.56%  | 0.13%       | 0.00%             | \$ 4.73      | 70.90%     | \$ 11.54    |
| 5/6/2008  | \$ 17.07 | 4.92%  | 0.88%     | 4.03%  | 0.85%       | 0.00%             | \$ 4.97      | 70.90%     | \$ 12.10    |
| 5/7/2008  | \$ 17.40 | 1.93%  | -0.48%    | 2.41%  | -0.46%      | 0.00%             | \$ 5.06      | 70.90%     | \$ 12.34    |
| 5/8/2008  | \$ 17.42 | 0.11%  | 1.45%     | -1.33% | 1.47%       | 0.00%             | \$ 5.07      | 70.90%     | \$ 12.35    |
| 5/9/2008  | \$ 17.00 | -2.41% | -0.64%    | -1.77% | -0.65%      | 0.00%             | \$ 4.95      | 70.90%     | \$ 12.05    |
| 5/12/2008 | \$ 16.24 | -4.47% | 1.01%     | -5.48% | 1.07%       | 0.00%             | \$ 4.73      | 70.90%     | \$ 11.51    |
| 5/13/2008 | \$ 16.96 | 4.43%  | -0.28%    | 4.71%  | -0.26%      | 0.00%             | \$ 4.93      | 70.90%     | \$ 12.03    |
| 5/14/2008 | \$ 16.83 | -0.77% | 0.40%     | -1.17% | 0.41%       | 0.00%             | \$ 4.90      | 70.90%     | \$ 11.93    |
| 5/15/2008 | \$ 18.72 | 11.23% | 1.24%     | 9.99%  | 1.13%       | 0.00%             | \$ 5.45      | 70.90%     | \$ 13.27    |
| 5/16/2008 | \$ 18.55 | -0.91% | 1.15%     | -2.06% | 1.17%       | 0.00%             | \$ 5.40      | 70.90%     | \$ 13.15    |
| 5/19/2008 | \$ 18.55 | 0.00%  | 1.15%     | -1.15% | 1.16%       | 0.00%             | \$ 5.40      | 70.90%     | \$ 13.15    |
| 5/20/2008 | \$ 17.83 | -3.88% | 0.31%     | -4.19% | 0.33%       | 0.00%             | \$ 5.19      | 70.90%     | \$ 12.64    |
| 5/21/2008 | \$ 18.03 | 1.12%  | -1.17%    | 2.29%  | -1.14%      | 0.00%             | \$ 5.25      | 70.90%     | \$ 12.78    |
| 5/22/2008 | \$ 18.30 | 1.50%  | 0.05%     | 1.45%  | 0.05%       | 0.00%             | \$ 5.32      | 70.90%     | \$ 12.98    |
| 5/23/2008 | \$ 18.13 | -0.93% | -0.48%    | -0.45% | -0.48%      | 0.00%             | \$ 5.27      | 70.90%     | \$ 12.86    |
| 5/26/2008 | \$ 18.38 | 1.38%  | -0.16%    | 1.54%  | -0.16%      | 0.00%             | \$ 5.35      | 70.90%     | \$ 13.03    |
| 5/27/2008 | \$ 19.23 | 4.62%  | -1.08%    | 5.71%  | -1.02%      | 0.00%             | \$ 5.59      | 70.90%     | \$ 13.64    |
| 5/28/2008 | \$ 19.91 | 3.54%  | 1.10%     | 2.44%  | 1.07%       | 0.00%             | \$ 5.79      | 70.90%     | \$ 14.12    |
| 5/29/2008 | \$ 20.01 | 0.50%  | -0.26%    | 0.77%  | -0.26%      | 0.00%             | \$ 5.82      | 70.90%     | \$ 14.19    |
| 5/30/2008 | \$ 20.80 | 3.95%  | 0.55%     | 3.40%  | 0.53%       | 0.00%             | \$ 6.05      | 70.90%     | \$ 14.75    |
| 6/2/2008  | \$ 19.99 | -3.89% | 0.26%     | -4.15% | 0.27%       | 0.00%             | \$ 5.82      | 70.90%     | \$ 14.17    |
| 6/3/2008  | \$ 19.51 | -2.40% | -0.51%    | -1.89% | -0.52%      | 0.00%             | \$ 5.68      | 70.90%     | \$ 13.83    |
| 6/4/2008  | \$ 19.80 | 1.49%  | -0.08%    | 1.57%  | -0.08%      | 0.00%             | \$ 5.76      | 70.90%     | \$ 14.04    |
| 6/5/2008  | \$ 19.97 | 0.86%  | 1.61%     | -0.75% | 1.62%       | 0.00%             | \$ 5.81      | 70.90%     | \$ 14.16    |
| 6/6/2008  | \$ 19.90 | -0.35% | -0.44%    | 0.09%  | -0.44%      | 0.00%             | \$ 5.79      | 70.90%     | \$ 14.11    |
| 6/9/2008  | \$ 19.18 | -3.62% | -0.76%    | -2.86% | -0.78%      | 0.00%             | \$ 5.58      | 70.90%     | \$ 13.60    |
| 6/10/2008 | \$ 18.80 | -1.98% | -1.70%    | -0.28% | -1.71%      | 0.00%             | \$ 5.47      | 70.90%     | \$ 13.33    |
| 6/11/2008 | \$ 18.16 | -3.40% | -0.39%    | -3.02% | -0.40%      | 0.00%             | \$ 5.28      | 70.90%     | \$ 12.88    |
| 6/12/2008 | \$ 18.35 | 1.05%  | -0.67%    | 1.72%  | -0.66%      | 0.00%             | \$ 5.34      | 70.90%     | \$ 13.01    |
| 6/13/2008 | \$ 18.68 | 1.80%  | 0.93%     | 0.87%  | 0.92%       | 0.00%             | \$ 5.43      | 70.90%     | \$ 13.25    |
| 6/16/2008 | \$ 19.00 | 1.71%  | 0.88%     | 0.83%  | 0.88%       | 0.00%             | \$ 5.53      | 70.90%     | \$ 13.47    |
| 6/17/2008 | \$ 19.04 | 0.21%  | 0.42%     | -0.21% | 0.43%       | 0.00%             | \$ 5.54      | 70.90%     | \$ 13.50    |
| 6/18/2008 | \$ 19.04 | 0.00%  | 0.21%     | -0.21% | 0.22%       | 0.00%             | \$ 5.54      | 70.90%     | \$ 13.50    |
| 6/19/2008 | \$ 18.70 | -1.79% | -1.92%    | 0.14%  | -1.92%      | 0.00%             | \$ 5.44      | 70.90%     | \$ 13.26    |
| 6/20/2008 | \$ 18.33 | -1.98% | -1.04%    | -0.94% | -1.05%      | 0.00%             | \$ 5.33      | 70.90%     | \$ 13.00    |
| 6/23/2008 | \$ 18.69 | 1.96%  | -0.49%    | 2.45%  | -0.47%      | 0.00%             | \$ 5.44      | 70.90%     | \$ 13.25    |
| 6/24/2008 | \$ 18.48 | -1.12% | -1.44%    | 0.32%  | -1.44%      | 0.00%             | \$ 5.38      | 70.90%     | \$ 13.10    |
| 6/25/2008 | \$ 18.83 | 1.89%  | 0.18%     | 1.71%  | 0.18%       | 0.00%             | \$ 5.48      | 70.90%     | \$ 13.35    |
| 6/26/2008 | \$ 17.90 | -4.94% | -0.43%    | -4.51% | -0.45%      | 0.00%             | \$ 5.21      | 70.90%     | \$ 12.69    |
| 6/27/2008 | \$ 17.86 | -0.22% | 0.16%     | -0.38% | 0.16%       | 0.00%             | \$ 5.20      | 70.90%     | \$ 12.66    |
| 6/30/2008 | \$ 17.86 | 0.00%  | 0.57%     | -0.57% | 0.58%       | 0.00%             | \$ 5.20      | 70.90%     | \$ 12.66    |
| 7/1/2008  | \$ 17.86 | 0.00%  | 0.57%     | -0.57% | 0.58%       | 0.00%             | \$ 5.20      | 70.90%     | \$ 12.66    |
| 7/2/2008  | \$ 16.97 | -4.98% | -2.59%    | -2.40% | -2.65%      | 0.00%             | \$ 4.94      | 70.90%     | \$ 12.03    |
| 7/3/2008  | \$ 16.30 | -3.95% | 0.36%     | -4.30% | 0.37%       | 0.00%             | \$ 4.74      | 70.90%     | \$ 11.56    |
| 7/4/2008  | \$ 16.34 | 0.25%  | -0.63%    | 0.88%  | -0.63%      | 0.00%             | \$ 4.75      | 70.90%     | \$ 11.59    |
| 7/7/2008  | \$ 16.39 | 0.31%  | -0.82%    | 1.12%  | -0.81%      | 0.00%             | \$ 4.77      | 70.90%     | \$ 11.62    |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]       | [2]                  | [3]             | [4]             | [5]             | [6]             | [7]               | [8]                | [9]        | [10]                 |
|-----------|----------------------|-----------------|-----------------|-----------------|-----------------|-------------------|--------------------|------------|----------------------|
| 1-3       | L-3                  | [-]             | 3               | [-J             | [-]             | Percentage of     | [-]                | [·]        | []                   |
|           |                      |                 |                 |                 |                 | Stock Price       |                    |            | Artificial           |
|           |                      |                 |                 |                 |                 | Reaction          | True Value -       | Artificial | Inflation -          |
|           | TRE CN               | Actual          | Predicted       | Excess          | Constructed     | Attributed to the | Constant           | Inflation/ | Constant             |
| Date      | Price                | Return          | Return          | Return          | Return          | Alleged Claims    | Percentage         | Price      | Percentage           |
| 7/8/2008  | \$ 16.30             | -0.55%          | 0.36%           | -0.91%          | 0.36%           | 0.00%             | \$ 4.74            | 70.90%     | \$ 11.56             |
| 7/9/2008  | \$ 16.30             | 0.00%           | -0.61%          | 0.61%           | -0.61%          | 0.00%             | \$ 4.74            | 70.90%     | \$ 11.56             |
| 7/10/2008 | \$ 16.34             | 0.25%           | 0.60%           | -0.36%          | 0.61%           | 0.00%             | \$ 4.75            | 70.90%     | \$ 11.59             |
| 7/11/2008 | \$ 15.89             | -2.75%          | -0.55%          | -2.20%          | -0.57%          | 0.00%             | \$ 4.62            | 70.90%     | \$ 11.27             |
| 7/14/2008 | \$ 16.12             | 1.45%           | 0.29%           | 1.15%           | 0.29%           | 0.00%             | \$ 4.69            | 70.90%     | \$ 11.43             |
| 7/15/2008 | \$ 15.41             | -4.40%          | -2.21%          | -2.19%          | -2.26%          | 0.00%             | \$ 4.48            | 70.90%     | \$ 10.93             |
| 7/16/2008 | \$ 15.45             | 0.26%           | 1.00%           | -0.74%          | 1.00%           | 0.00%             | \$ 4.50            | 70.90%     | \$ 10.95             |
| 7/17/2008 | \$ 15.05             | -2.59%          | 0.97%           | -3.56%          | 1.00%           | 0.00%             | \$ 4.38            | 70.90%     | \$ 10.67             |
| 7/18/2008 | \$ 14.80             | -1.66%          | 0.50%           | -2.16%          | 0.51%           | 0.00%             | \$ 4.31            | 70.90%     | \$ 10.49             |
| 7/21/2008 | \$ 14.50             | -2.03%          | 1.44%           | -3.47%          | 1.49%           | 0.00%             | \$ 4.22            | 70.90%     | \$ 10.28             |
| 7/22/2008 | \$ 14.52             | 0.14%           | -0.03%          | 0.17%           | -0.03%          | 0.00%             | \$ 4.22            | 70.90%     | \$ 10.30             |
| 7/23/2008 | \$ 14.56             | 0.28%           | -0.13%          | 0.40%           | -0.13%          | 0.00%             | \$ 4.24            | 70.90%     | \$ 10.32             |
| 7/24/2008 | \$ 14.45             | -0.76%          | -2.30%          | 1.55%           | -2.27%          | 0.00%             | \$ 4.20            | 70.90%     | \$ 10.25             |
| 7/25/2008 | \$ 14.55             | 0.69%           | 1.06%           | -0.37%          | 1.07%           | 0.00%             | \$ 4.23            | 70.90%     | \$ 10.32             |
| 7/28/2008 | \$ 14.56             | 0.07%           | -0.45%          | 0.52%           | -0.45%          | 0.00%             | \$ 4.24            | 70.90%     | \$ 10.32             |
| 7/29/2008 | \$ 15.17             | 4.19%           | 0.39%           | 3.80%           | 0.38%           | 0.00%             | \$ 4.41            | 70.90%     | \$ 10.76             |
| 7/30/2008 | \$ 15.98             | 5.34%           | 1.81%           | 3.53%           | 1.75%           | 0.00%             | \$ 4.65            | 70.90%     | \$ 11.33             |
| 7/31/2008 | \$ 16.30             | 2.00%           | 0.37%           | 1.63%           | 0.36%           | 0.00%             | \$ 4.74            | 70.90%     | \$ 11.56             |
| 8/1/2008  | \$ 15.84             | -2.82%          | -0.18%          | -2.64%          | -0.19%          | 0.00%             | \$ 4.61            | 70.90%     | \$ 11.23             |
| 8/4/2008  | \$ 15.84             | 0.00%           | -0.18%          | 0.18%           | -0.18%          | 0.00%             | \$ 4.61            | 70.90%     | \$ 11.23             |
| 8/5/2008  | \$ 15.85             | 0.06%           | -0.71%          | 0.78%           | -0.71%          | 0.00%             | \$ 4.61            | 70.90%     | \$ 11.24             |
| 8/6/2008  | \$ 15.31             | -3.41%          | 0.95%           | -4.36%          | 0.99%           | 0.00%             | \$ 4.45            | 70.90%     | \$ 10.86             |
| 8/7/2008  | \$ 15.69             | 2.48%           | -0.86%          | 3.34%           | -0.83%          | 0.00%             | \$ 4.57            | 70.90%     | \$ 11.12             |
| 8/8/2008  | \$ 15.60             | -0.57%          | 0.66%           | -1.23%          | 0.67%           | 0.00%             | \$ 4.54            | 70.90%     | \$ 11.06             |
| 8/11/2008 | \$ 15.00             | -3.85%          | -0.27%          | -3.58%          | -0.28%          | 0.00%             | \$ 4.36            | 70.90%     | \$ 10.64             |
| 8/12/2008 | \$ 17.50             | 16.67%          | -0.38%          | 17.05%          | -0.33%          | 0.00%             | \$ 5.09            | 70.90%     | \$ 12.41             |
| 8/13/2008 | \$ 17.70             | 1.14%           | 0.49%           | 0.65%           | 0.49%           | 0.00%             | \$ 5.15            | 70.90%     | \$ 12.55             |
| 8/14/2008 | \$ 18.75             | 5.93%           | 0.12%           | 5.81%           | 0.12%           | 0.00%             | \$ 5.46            | 70.90%     | \$ 13.29             |
| 8/15/2008 | \$ 18.79             | 0.21%           | -0.78%          | 0.99%           | -0.77%          | 0.00%             | \$ 5.47            | 70.90%     | \$ 13.32             |
| 8/18/2008 | \$ 18.87             | 0.43%           | -0.37%          | 0.79%           | -0.37%          | 0.00%             | \$ 5.49            | 70.90%     | \$ 13.38             |
| 8/19/2008 | \$ 18.50             | -1.96%          | -0.95%          | -1.01%          | -0.96%          | 0.00%             | \$ 5.38            | 70.90%     | \$ 13.12             |
| 8/20/2008 | \$ 18.89             | 2.11%           | 1.50%           | 0.61%           | 1.49%           | 0.00%             | \$ 5.50            | 70.90%     | \$ 13.39             |
| 8/21/2008 | \$ 19.07             | 0.95%           | 1.22%           | -0.27%          | 1.23%           | 0.00%             | \$ 5.55            | 70.90%     | \$ 13.52             |
| 8/22/2008 | \$ 19.49             | 2.20%           | -0.13%          | 2.33%           | -0.12%          | 0.00%             | \$ 5.67            | 70.90%     | \$ 13.82             |
| 8/25/2008 | \$ 18.95             | -2.77%          | -0.95%          | -1.82%          | -0.97%          | 0.00%             | \$ 5.51            | 70.90%     | \$ 13.44             |
| 8/26/2008 | \$ 18.80             | -0.79%          | -0.06%          | -0.73%          | -0.06%          | 0.00%             | \$ 5.47            | 70.90%     | \$ 13.33             |
| 8/27/2008 | \$ 19.32             | 2.77%           | 1.58%           | 1.18%           | 1.56%           | 0.00%             | \$ 5.62            | 70.90%     | \$ 13.70             |
| 8/28/2008 | \$ 19.84             | 2.69%           | 1.95%           | 0.74%           | 1.94%           | 0.00%             | \$ 5.77            | 70.90%     | \$ 14.07             |
| 8/29/2008 | \$ 20.00             | 0.81%           | 0.00%           | 0.81%           | 0.00%           | 0.00%             | \$ 5.82            | 70.90%     | \$ 14.18             |
| 9/1/2008  | \$ 20.00             | 0.00%           | 0.00%           | 0.00%           | 0.00%           | 0.00%             | \$ 5.82            | 70.90%     | \$ 14.18             |
| 9/2/2008  | \$ 19.50<br>\$ 19.69 | -2.50%          | -2.20%          | -0.30%          | -2.21%          | 0.00%             | \$ 5.67<br>\$ 5.73 | 70.90%     | \$ 13.83<br>\$ 13.96 |
| 9/3/2008  | \$ 19.69<br>\$ 18.82 | 0.97%           | -0.02%          | 0.99%           | -0.02%          | 0.00%             | \$ 5.73            | 70.90%     | \$ 13.96<br>\$ 13.34 |
| 9/4/2008  |                      | -4.42%<br>5.05% | -2.46%          | -1.96%<br>5.03% | -2.51%          | 0.00%             | \$ 5.48<br>\$ 5.15 | 70.90%     |                      |
| 9/5/2008  | \$ 17.70<br>\$ 17.31 | -5.95%<br>2.20% | -0.03%          | -5.93%<br>2.20% | -0.03%          | 0.00%             | \$ 5.15<br>\$ 5.04 | 70.90%     | \$ 12.55<br>\$ 12.27 |
| 9/8/2008  | \$ 17.31<br>\$ 16.60 | -2.20%<br>4.10% | 0.08%           | -2.29%<br>1.24% | 0.08%           | 0.00%             | \$ 5.04<br>\$ 4.83 | 70.90%     |                      |
| 9/9/2008  | \$ 16.60<br>\$ 18.00 | -4.10%<br>8.43% | -2.86%<br>2.45% | -1.24%<br>5.00% | -2.90%<br>2.21% | 0.00%             | \$ 4.83<br>\$ 5.24 | 70.90%     | \$ 11.77<br>\$ 12.76 |
| 9/10/2008 | \$ 18.00<br>\$ 17.05 | 8.43%           | 2.45%           | 5.99%           | 2.31%           | 0.00%             | \$ 5.24<br>\$ 5.22 | 70.90%     | \$ 12.76<br>\$ 12.73 |
| 9/11/2008 | \$ 17.95             | -0.28%          | 0.67%           | -0.95%          | 0.68%           | 0.00%             | \$ 5.22            | 70.90%     | \$ 12.73             |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]        | [2]      | [3]     | [4]       | [5]     | [6]    | [7]               | [8]          | [9]        | [10]        |
|------------|----------|---------|-----------|---------|--------|-------------------|--------------|------------|-------------|
|            |          |         |           |         |        | Percentage of     |              |            |             |
|            |          |         |           |         |        | Stock Price       |              |            | Artificial  |
|            |          |         |           |         |        | Reaction          | True Value - | Artificial | Inflation - |
|            | TRE CN   | Actual  | Predicted | Excess  |        | Attributed to the | Constant     | Inflation/ | Constant    |
| Date       | Price    | Return  | Return    | Return  | Return | Alleged Claims    | Percentage   | Price      | Percentage  |
| 9/12/2008  | \$ 18.50 | 3.06%   | 1.17%     | 1.90%   | 1.14%  | 0.00%             | \$ 5.38      | 70.90%     | \$ 13.12    |
| 9/15/2008  | \$ 18.00 | -2.70%  | -3.04%    | 0.33%   | -3.03% | 0.00%             | \$ 5.24      | 70.90%     | \$ 12.76    |
| 9/16/2008  | \$ 17.02 | -5.44%  | -0.42%    | -5.02%  | -0.45% | 0.00%             | \$ 4.95      | 70.90%     | \$ 12.07    |
| 9/17/2008  | \$ 15.93 | -6.40%  | -2.75%    | -3.66%  | -2.85% | 0.00%             | \$ 4.63      | 70.90%     | \$ 11.30    |
| 9/18/2008  | \$ 16.80 | 5.46%   | 1.23%     | 4.23%   | 1.18%  | 0.00%             | \$ 4.89      | 70.90%     | \$ 11.91    |
| 9/19/2008  | \$ 17.04 | 1.43%   | 6.23%     | -4.80%  | 6.54%  | 0.00%             | \$ 4.96      | 70.90%     | \$ 12.08    |
| 9/22/2008  | \$ 16.26 | -4.58%  | -1.84%    | -2.74%  | -1.89% | 0.00%             | \$ 4.73      | 70.90%     | \$ 11.53    |
| 9/23/2008  | \$ 16.00 | -1.60%  | -1.31%    | -0.29%  | -1.31% | 0.00%             | \$ 4.66      | 70.90%     | \$ 11.34    |
| 9/24/2008  | \$ 15.92 | -0.50%  | 0.06%     | -0.56%  | 0.06%  | 0.00%             | \$ 4.63      | 70.90%     | \$ 11.29    |
| 9/25/2008  | \$ 15.69 | -1.44%  | 0.68%     | -2.12%  | 0.69%  | 0.00%             | \$ 4.57      | 70.90%     | \$ 11.12    |
| 9/26/2008  | \$ 15.00 | -4.40%  | -2.30%    | -2.09%  | -2.35% | 0.00%             | \$ 4.36      | 70.90%     | \$ 10.64    |
| 9/29/2008  | \$ 13.00 | -13.33% | -5.99%    | -7.34%  | -6.46% | 0.00%             | \$ 3.78      | 70.90%     | \$ 9.22     |
| 9/30/2008  | \$ 13.41 | 3.15%   | 2.86%     | 0.29%   | 2.86%  | 0.00%             | \$ 3.90      | 70.90%     | \$ 9.51     |
| 10/1/2008  | \$ 13.05 | -2.68%  | -0.42%    | -2.27%  | -0.43% | 0.00%             | \$ 3.80      | 70.90%     | \$ 9.25     |
| 10/2/2008  | \$ 12.10 | -7.28%  | -4.99%    | -2.29%  | -5.11% | 0.00%             | \$ 3.52      | 70.90%     | \$ 8.58     |
| 10/3/2008  | \$ 12.59 | 4.05%   | -0.71%    | 4.76%   | -0.68% | 0.00%             | \$ 3.66      | 70.90%     | \$ 8.93     |
| 10/6/2008  | \$ 10.60 | -15.81% | -5.26%    | -10.55% | -5.88% | 0.00%             | \$ 3.08      | 70.90%     | \$ 7.52     |
| 10/7/2008  | \$ 10.01 | -5.57%  | -3.75%    | -1.82%  | -3.82% | 0.00%             | \$ 2.91      | 70.90%     | \$ 7.10     |
| 10/8/2008  | \$ 10.67 | 6.59%   | -0.34%    | 6.94%   | -0.32% | 0.00%             | \$ 3.10      | 70.90%     | \$ 7.57     |
| 10/9/2008  | \$ 9.97  | -6.56%  | -3.95%    | -2.61%  | -4.06% | 0.00%             | \$ 2.90      | 70.90%     | \$ 7.07     |
| 10/10/2008 | \$ 9.10  | -8.73%  | -5.06%    | -3.67%  | -5.25% | 0.00%             | \$ 2.65      | 70.90%     | \$ 6.45     |
| 10/13/2008 | \$ 9.10  | 0.00%   | -5.06%    | 5.06%   | -4.82% | 0.00%             | \$ 2.65      | 70.90%     | \$ 6.45     |
| 10/14/2008 | \$ 10.08 | 10.77%  | 9.31%     | 1.46%   | 9.17%  | 0.00%             | \$ 2.93      | 70.90%     | \$ 7.15     |
| 10/15/2008 | \$ 9.60  | -4.76%  | -7.18%    | 2.42%   | -7.01% | 0.00%             | \$ 2.79      | 70.90%     | \$ 6.81     |
| 10/16/2008 | \$ 9.56  | -0.42%  | -1.55%    | 1.13%   | -1.53% | 0.00%             | \$ 2.78      | 70.90%     | \$ 6.78     |
| 10/17/2008 | \$ 9.85  | 3.03%   | 3.02%     | 0.02%   | 3.02%  | 0.00%             | \$ 2.87      | 70.90%     | \$ 6.98     |
| 10/20/2008 | \$ 9.75  | -1.02%  | 5.50%     | -6.52%  | 5.89%  | 0.00%             | \$ 2.84      | 70.90%     | \$ 6.91     |
| 10/21/2008 | \$ 9.39  | -3.69%  | -3.40%    | -0.29%  | -3.41% | 0.00%             | \$ 2.73      | 70.90%     | \$ 6.66     |
| 10/22/2008 | \$ 9.14  | -2.66%  | -5.48%    | 2.82%   | -5.33% | 0.00%             | \$ 2.66      | 70.90%     | \$ 6.48     |
| 10/23/2008 | \$ 9.70  | 6.13%   | 0.67%     | 5.45%   | 0.64%  | 0.00%             | \$ 2.82      | 70.90%     | \$ 6.88     |
| 10/24/2008 | \$ 9.35  | -3.61%  | -2.33%    | -1.28%  | -2.36% | 0.00%             | \$ 2.72      | 70.90%     | \$ 6.63     |
| 10/27/2008 | \$ 8.85  | -5.35%  | -5.85%    | 0.50%   | -5.82% | 0.00%             | \$ 2.57      | 70.90%     | \$ 6.28     |
| 10/28/2008 | \$ 9.30  | 5.08%   | 6.33%     | -1.25%  | 6.41%  | 0.00%             | \$ 2.71      | 70.90%     | \$ 6.59     |
| 10/29/2008 | \$ 10.35 | 11.29%  | 4.61%     | 6.68%   | 4.32%  | 0.00%             | \$ 3.01      | 70.90%     | \$ 7.34     |
| 10/30/2008 | \$ 11.14 | 7.63%   | 2.52%     | 5.11%   | 2.40%  | 0.00%             | \$ 3.24      | 70.90%     | \$ 7.90     |
| 10/31/2008 | \$ 11.28 | 1.26%   | -0.22%    | 1.47%   | -0.21% | 0.00%             | \$ 3.28      | 70.90%     | \$ 8.00     |
| 11/3/2008  | \$ 10.65 | -5.59%  | -0.27%    | -5.31%  | -0.29% | 0.00%             | \$ 3.10      | 70.90%     | \$ 7.55     |
| 11/4/2008  | \$ 10.50 | -1.41%  | 5.04%     | -6.45%  | 5.38%  | 0.00%             | \$ 3.05      | 70.90%     | \$ 7.45     |
| 11/5/2008  | \$ 10.38 | -1.14%  | -1.98%    | 0.84%   | -1.96% | 0.00%             | \$ 3.02      | 70.90%     | \$ 7.36     |
| 11/6/2008  | \$ 10.20 | -1.73%  | -3.87%    | 2.13%   | -3.79% | 0.00%             | \$ 2.97      | 70.90%     | \$ 7.23     |
| 11/7/2008  | \$ 9.71  | -4.80%  | 0.74%     | -5.55%  | 0.78%  | 0.00%             | \$ 2.83      | 70.90%     | \$ 6.88     |
| 11/10/2008 | \$ 9.34  | -3.81%  | 1.57%     | -5.38%  | 1.66%  | 0.00%             | \$ 2.72      | 70.90%     | \$ 6.62     |
| 11/11/2008 | \$ 8.90  | -4.71%  | -2.67%    | -2.04%  | -2.73% | 0.00%             | \$ 2.59      | 70.90%     | \$ 6.31     |
| 11/12/2008 | \$ 7.68  | -13.71% | -3.88%    | -9.83%  | -4.31% | 0.00%             | \$ 2.23      | 70.90%     | \$ 5.45     |
| 11/13/2008 | \$ 6.62  | -13.80% | 4.20%     | -18.01% | 5.13%  | 0.00%             | \$ 1.93      | 70.90%     | \$ 4.69     |
| 11/14/2008 | \$ 7.08  | 6.95%   | -2.59%    | 9.54%   | -2.37% | 0.00%             | \$ 2.06      | 70.90%     | \$ 5.02     |
| 11/17/2008 | \$ 6.86  | -3.11%  | -2.41%    | -0.69%  | -2.43% | 0.00%             | \$ 2.00      | 70.90%     | \$ 4.86     |
| 11/18/2008 | \$ 6.65  | -3.06%  | 0.06%     | -3.12%  | 0.06%  | 0.00%             | \$ 1.93      | 70.90%     | \$ 4.72     |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]        | [2]             | [3]              | [4]                 | [5]              | [6]                   | [7]                              | [8]                    | [9]                 | [10]                   |
|------------|-----------------|------------------|---------------------|------------------|-----------------------|----------------------------------|------------------------|---------------------|------------------------|
|            |                 |                  |                     |                  |                       | Percentage of                    |                        |                     |                        |
|            |                 |                  |                     |                  |                       | Stock Price                      |                        |                     | Artificial             |
|            |                 |                  |                     | _                |                       | Reaction                         | True Value -           | Artificial          | Inflation -            |
| Date       | TRE CN<br>Price | Actual<br>Return | Predicted<br>Return | Excess<br>Return | Constructed<br>Return | Attributed to the Alleged Claims | Constant<br>Percentage | Inflation/<br>Price | Constant<br>Percentage |
| 11/19/2008 | \$ 6.55         | -1.50%           | -4.10%              | 2.60%            | -4.00%                | 0.00%                            | \$ 1.91                | 70.90%              | \$ 4.64                |
| 11/20/2008 | \$ 6.05         | -7.63%           | -6.96%              | -0.68%           | -7.01%                | 0.00%                            | \$ 1.76                | 70.90%              | \$ 4.29                |
| 11/21/2008 | \$ 5.78         | -4.46%           | 3.90%               | -8.36%           | 4.26%                 | 0.00%                            | \$ 1.68                | 70.90%              | \$ 4.10                |
| 11/24/2008 | \$ 5.81         | 0.52%            | 4.43%               | -3.91%           | 4.61%                 | 0.00%                            | \$ 1.69                | 70.90%              | \$ 4.12                |
| 11/25/2008 | \$ 5.53         | -4.82%           | 0.67%               | -5.49%           | 0.71%                 | 0.00%                            | \$ 1.61                | 70.90%              | \$ 3.92                |
| 11/26/2008 | \$ 5.62         | 1.63%            | 2.12%               | -0.49%           | 2.13%                 | 0.00%                            | \$ 1.64                | 70.90%              | \$ 3.98                |
| 11/27/2008 | \$ 6.27         | 11.57%           | 1.45%               | 10.11%           | 1.32%                 | 0.00%                            | \$ 1.82                | 70.90%              | \$ 4.45                |
| 11/28/2008 | \$ 7.24         | 15.47%           | 3.24%               | 12.23%           | 2.89%                 | 0.00%                            | \$ 2.11                | 70.90%              | \$ 5.13                |
| 12/1/2008  | \$ 6.43         | -11.19%          | -7.61%              | -3.58%           | -7.89%                | 0.00%                            | \$ 1.87                | 70.90%              | \$ 4.56                |
| 12/2/2008  | \$ 6.90         | 7.31%            | -0.13%              | 7.44%            | -0.12%                | 0.00%                            | \$ 2.01                | 70.90%              | \$ 4.89                |
| 12/3/2008  | \$ 6.71         | -2.75%           | 0.75%               | -3.50%           | 0.77%                 | 0.00%                            | \$ 1.95                | 70.90%              | \$ 4.76                |
| 12/4/2008  | \$ 6.88         | 2.53%            | -1.47%              | 4.00%            | -1.41%                | 0.00%                            | \$ 2.00                | 70.90%              | \$ 4.88                |
| 12/5/2008  | \$ 7.11         | 3.34%            | 0.08%               | 3.26%            | 0.08%                 | 0.00%                            | \$ 2.07                | 70.90%              | \$ 5.04                |
| 12/8/2008  | \$ 8.34         | 17.30%           | 5.45%               | 11.85%           | 4.88%                 | 0.00%                            | \$ 2.43                | 70.90%              | \$ 5.91                |
| 12/9/2008  | \$ 8.25         | -1.08%           | -1.11%              | 0.04%            | -1.11%                | 0.00%                            | \$ 2.40                | 70.90%              | \$ 5.85                |
| 12/10/2008 | \$ 9.68         | 17.33%           | 2.50%               | 14.84%           | 2.17%                 | 0.00%                            | \$ 2.82                | 70.90%              | \$ 6.86                |
| 12/11/2008 | \$ 9.55         | -1.34%           | -2.40%              | 1.06%            | -2.38%                | 0.00%                            | \$ 2.78                | 70.90%              | \$ 6.77                |
| 12/12/2008 | \$ 9.40         | -1.57%           | 0.88%               | -2.45%           | 0.90%                 | 0.00%                            | \$ 2.73                | 70.90%              | \$ 6.67                |
| 12/15/2008 | \$ 8.92         | -5.11%           | 0.07%               | -5.18%           | 0.07%                 | 0.00%                            | \$ 2.60                | 70.90%              | \$ 6.32                |
| 12/16/2008 | \$ 9.20         | 3.14%            | 3.05%               | 0.08%            | 3.05%                 | 0.00%                            | \$ 2.68                | 70.90%              | \$ 6.52                |
| 12/17/2008 | \$ 9.05         | -1.63%           | 0.66%               | -2.29%           | 0.68%                 | 0.00%                            | \$ 2.63                | 70.90%              | \$ 6.42                |
| 12/18/2008 | \$ 9.44         | 4.31%            | -2.41%              | 6.72%            | -2.25%                | 0.00%                            | \$ 2.75                | 70.90%              | \$ 6.69                |
| 12/19/2008 | \$ 10.60        | 12.29%           | 0.32%               | 11.97%           | 0.28%                 | 0.00%                            | \$ 3.08                | 70.90%              | \$ 7.52                |
| 12/22/2008 | \$ 9.30         | -12.26%          | -2.78%              | -9.48%           | -3.07%                | 0.00%                            | \$ 2.71                | 70.90%              | \$ 6.59                |
| 12/23/2008 | \$ 9.35         | 0.54%            | 0.34%               | 0.20%            | 0.34%                 | 0.00%                            | \$ 2.72                | 70.90%              | \$ 6.63                |
| 12/24/2008 | \$ 9.05         | -3.21%           | 0.05%               | -3.26%           | 0.05%                 | 0.00%                            | \$ 2.63                | 70.90%              | \$ 6.42                |
| 12/29/2008 | \$ 9.64         | 6.52%            | 2.46%               | 4.06%            | 2.36%                 | 0.00%                            | \$ 2.80                | 70.90%              | \$ 6.84                |
| 12/30/2008 | \$ 10.07        | 4.46%            | 2.03%               | 2.43%            | 1.98%                 | 0.00%                            | \$ 2.93                | 70.90%              | \$ 7.14                |
| 12/31/2008 | \$ 9.87         | -1.99%           | 1.51%               | -3.50%           | 1.56%                 | 0.00%                            | \$ 2.87                | 70.90%              | \$ 7.00                |
| 1/2/2009   | \$ 10.12        | 2.53%            | 2.56%               | -0.03%           | 2.56%                 | 0.00%                            | \$ 2.94                | 70.90%              | \$ 7.18                |
| 1/5/2009   | \$ 9.95         | -1.68%           | 0.44%               | -2.12%           | 0.45%                 | 0.00%                            | \$ 2.89                | 70.90%              | \$ 7.06                |
| 1/6/2009   | \$ 10.74        | 7.94%            | 1.47%               | 6.47%            | 1.39%                 | 0.00%                            | \$ 3.12                | 70.90%              | \$ 7.62                |
| 1/7/2009   | \$ 9.93         | -7.54%           | -3.09%              | -4.45%           | -3.23%                | 0.00%                            | \$ 2.89                | 70.90%              | \$ 7.04                |
| 1/8/2009   | \$ 10.25        | 3.22%            | 0.20%               | 3.02%            | 0.20%                 | 0.00%                            | \$ 2.98                | 70.90%              | \$ 7.27                |
| 1/9/2009   | \$ 10.00        | -2.44%           | -1.24%              | -1.20%           | -1.26%                | 0.00%                            | \$ 2.91                | 70.90%              | \$ 7.09                |
| 1/12/2009  | \$ 9.30         | -7.00%           | -2.43%              | -4.57%           | -2.55%                | 0.00%                            | \$ 2.71                | 70.90%              | \$ 6.59                |
| 1/13/2009  | \$ 9.35         | 0.54%            | 0.06%               | 0.47%            | 0.06%                 | 0.00%                            | \$ 2.72                | 70.90%              | \$ 6.63                |
| 1/14/2009  | \$ 8.98         | -3.96%           | -2.80%              | -1.15%           | -2.84%                | 0.00%                            | \$ 2.61                | 70.90%              | \$ 6.37                |
| 1/15/2009  | \$ 9.00         | 0.22%            | 1.23%               | -1.01%           | 1.25%                 | 0.00%                            | \$ 2.62                | 70.90%              | \$ 6.38                |
| 1/16/2009  | \$ 9.38         | 4.22%            | 1.22%               | 3.00%            | 1.19%                 | 0.00%                            | \$ 2.73                | 70.90%              | \$ 6.65                |
| 1/19/2009  | \$ 9.08         | -3.20%           | -0.84%              | -2.36%           | -0.86%                | 0.00%                            | \$ 2.64                | 70.90%              | \$ 6.44                |
| 1/20/2009  | \$ 8.76         | -3.52%           | -3.57%              | 0.05%            | -3.57%                | 0.00%                            | \$ 2.55                | 70.90%              | \$ 6.21                |
| 1/21/2009  | \$ 9.00         | 2.74%            | 2.47%               | 0.27%            | 2.46%                 | 0.00%                            | \$ 2.62                | 70.90%              | \$ 6.38                |
| 1/22/2009  | \$ 9.00         | 0.00%            | -1.49%              | 1.49%            | -1.47%                | 0.00%                            | \$ 2.62                | 70.90%              | \$ 6.38                |
| 1/23/2009  | \$ 8.80         | -2.22%           | 0.87%               | -3.09%           | 0.89%                 | 0.00%                            | \$ 2.56                | 70.90%              | \$ 6.24                |
| 1/26/2009  | \$ 8.90         | 1.14%            | 0.98%               | 0.16%            | 0.98%                 | 0.00%                            | \$ 2.59                | 70.90%              | \$ 6.31<br>\$ 6.32     |
| 1/27/2009  | \$ 8.92         | 0.22%            | 1.07%               | -0.85%           | 1.08%                 | 0.00%                            | \$ 2.60                | 70.90%              | \$ 6.32                |
| 1/28/2009  | \$ 9.01         | 1.01%            | 2.06%               | -1.05%           | 2.09%                 | 0.00%                            | \$ 2.62                | 70.90%              | \$ 6.39                |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                    | [2]                             | [3]              | [4]                 | [5]              | [6]                   | [7]                              | [8]                    | [9]                 | [10]                   |
|------------------------|---------------------------------|------------------|---------------------|------------------|-----------------------|----------------------------------|------------------------|---------------------|------------------------|
|                        |                                 |                  |                     |                  |                       | Percentage of                    |                        |                     |                        |
|                        |                                 |                  |                     |                  |                       | Stock Price                      |                        |                     | Artificial             |
|                        |                                 |                  |                     | _                |                       | Reaction                         | True Value -           | Artificial          | Inflation -            |
| Date                   | TRE CN<br>Price                 | Actual<br>Return | Predicted<br>Return | Excess<br>Return | Constructed<br>Return | Attributed to the Alleged Claims | Constant<br>Percentage | Inflation/<br>Price | Constant<br>Percentage |
| 1/29/2009              | \$ 8.77                         | -2.66%           | -2.06%              | -0.60%           | -2.07%                | 0.00%                            | \$ 2.55                | 70.90%              | \$ 6.22                |
| 1/30/2009              | \$ 9.20                         | 4.90%            | -0.87%              | 5.77%            | -0.82%                | 0.00%                            | \$ 2.53                | 70.90%              | \$ 6.52                |
| 2/2/2009               | \$ 8.69                         | -5.54%           | -1.53%              | -4.01%           | -1.60%                | 0.00%                            | \$ 2.53                | 70.90%              | \$ 6.16                |
| 2/3/2009               | \$ 9.13                         | 5.06%            | 0.90%               | 4.16%            | 0.86%                 | 0.00%                            | \$ 2.66                | 70.90%              | \$ 6.47                |
| 2/4/2009               | \$ 9.50                         | 4.05%            | 0.94%               | 3.12%            | 0.91%                 | 0.00%                            | \$ 2.76                | 70.90%              | \$ 6.74                |
| 2/5/2009               | \$ 9.82                         | 3.37%            | 0.54%               | 2.82%            | 0.53%                 | 0.00%                            | \$ 2.86                | 70.90%              | \$ 6.96                |
| 2/6/2009               | \$ 11.14                        | 13.44%           | 2.28%               | 11.17%           | 2.05%                 | 0.00%                            | \$ 3.24                | 70.90%              | \$ 7.90                |
| 2/9/2009               | \$ 10.77                        | -3.32%           | 0.61%               | -3.93%           | 0.63%                 | 0.00%                            | \$ 3.13                | 70.90%              | \$ 7.64                |
| 2/10/2009              | \$ 10.54                        | -2.14%           | -2.48%              | 0.34%            | -2.47%                | 0.00%                            | \$ 3.07                | 70.90%              | \$ 7.47                |
| 2/11/2009              | \$ 10.68                        | 1.33%            | -0.85%              | 2.18%            | -0.83%                | 0.00%                            | \$ 3.11                | 70.90%              | \$ 7.57                |
| 2/12/2009              | \$ 11.00                        | 3.00%            | -0.15%              | 3.15%            | -0.15%                | 0.00%                            | \$ 3.20                | 70.90%              | \$ 7.80                |
| 2/13/2009              | \$ 10.99                        | -0.09%           | -0.31%              | 0.22%            | -0.31%                | 0.00%                            | \$ 3.20                | 70.90%              | \$ 7.79                |
| 2/17/2009              | \$ 11.00                        | 0.09%            | -3.53%              | 3.62%            | -3.40%                | 0.00%                            | \$ 3.20                | 70.90%              | \$ 7.80                |
| 2/18/2009              | \$ 10.15                        | -7.73%           | -1.94%              | -5.79%           | -2.05%                | 0.00%                            | \$ 2.95                | 70.90%              | \$ 7.20                |
| 2/19/2009              | \$ 10.14                        | -0.10%           | -0.10%              | 0.00%            | -0.10%                | 0.00%                            | \$ 2.95                | 70.90%              | \$ 7.19                |
| 2/20/2009              | \$ 10.00                        | -1.38%           | -2.32%              | 0.94%            | -2.30%                | 0.00%                            | \$ 2.91                | 70.90%              | \$ 7.09                |
| 2/23/2009              | \$ 9.35                         | -6.50%           | -3.04%              | -3.46%           | -3.15%                | 0.00%                            | \$ 2.72                | 70.90%              | \$ 6.63                |
| 2/24/2009              | \$ 8.50                         | -9.09%           | 1.57%               | -10.67%          | 1.76%                 | 0.00%                            | \$ 2.47                | 70.90%              | \$ 6.03                |
| 2/25/2009              | \$ 8.78                         | 3.29%            | -0.15%              | 3.44%            | -0.14%                | 0.00%                            | \$ 2.55                | 70.90%              | \$ 6.23                |
| 2/26/2009              | \$ 8.60                         | -2.05%           | 2.02%               | -4.07%           | 2.11%                 | 0.00%                            | \$ 2.50                | 70.90%              | \$ 6.10                |
| 2/27/2009              | \$ 8.50                         | -1.16%           | -1.06%              | -0.11%           | -1.06%                | 0.00%                            | \$ 2.47                | 70.90%              | \$ 6.03                |
| 3/2/2009               | \$ 7.53                         | -11.41%          | -4.76%              | -6.66%           | -5.09%                | 0.00%                            | \$ 2.19                | 70.90%              | \$ 5.34                |
| 3/3/2009               | \$ 6.99                         | -7.17%           | -1.05%              | -6.12%           | -1.12%                | 0.00%                            | \$ 2.03                | 70.90%              | \$ 4.96                |
| 3/4/2009               | \$ 7.80                         | 11.59%           | 2.73%               | 8.86%            | 2.51%                 | 0.00%                            | \$ 2.27                | 70.90%              | \$ 5.53                |
| 3/5/2009               | \$ 8.32                         | 6.67%            | -2.32%              | 8.99%            | -2.13%                | 0.00%                            | \$ 2.42                | 70.90%              | \$ 5.90                |
| 3/6/2009               | \$ 8.29                         | -0.36%           | -0.10%              | -0.27%           | -0.10%                | 0.00%                            | \$ 2.41                | 70.90%              | \$ 5.88                |
| 3/9/2009               | \$ 8.20                         | -1.09%           | -0.71%              | -0.38%           | -0.71%                | 0.00%                            | \$ 2.39                | 70.90%              | \$ 5.81                |
| 3/10/2009              | \$ 8.80                         | 7.32%            | 4.20%               | 3.12%            | 4.07%                 | 0.00%                            | \$ 2.56                | 70.90%              | \$ 6.24                |
| 3/11/2009              | \$ 8.65                         | -1.70%           | 2.24%               | -3.94%           | 2.33%                 | 0.00%                            | \$ 2.52                | 70.90%              | \$ 6.13                |
| 3/12/2009              | \$ 8.85                         | 2.31%            | 2.97%               | -0.66%           | 2.99%                 | 0.00%                            | \$ 2.57                | 70.90%              | \$ 6.28                |
| 3/13/2009              | \$ 8.58<br>\$ 8.02              | -3.05%           | 0.71%               | -3.76%           | 0.73%                 | 0.00%                            | \$ 2.50<br>\$ 2.33     | 70.90%              | \$ 6.08<br>\$ 5.69     |
| 3/16/2009<br>3/17/2009 | \$ 8.02<br>\$ 7.95              | -6.53%<br>-0.87% | 1.55%<br>1.79%      | -8.07%<br>-2.66% | 1.68%<br>1.84%        | 0.00%<br>0.00%                   | \$ 2.33<br>\$ 2.31     | 70.90%<br>70.90%    | \$ 5.69<br>\$ 5.64     |
| 3/18/2009              | \$ 7.93<br>\$ 7.99              | 0.50%            | 1.79%               | -2.00%           | 1.54%                 | 0.00%                            | \$ 2.31                | 70.90%              | \$ 5.67                |
| 3/18/2009              | \$ 7.99<br>\$ 7.87              | -1.50%           | 0.41%               | -1.02%<br>-1.91% | 0.42%                 | 0.00%                            | \$ 2.32<br>\$ 2.29     | 70.90%              | \$ 5.58                |
| 3/20/2009              | \$ 7.87<br>\$ 7.47              | -5.08%           | -1.90%              | -3.18%           | -1.96%                | 0.00%                            | \$ 2.27                | 70.90%              | \$ 5.30                |
| 3/23/2009              | \$ 7. <del>4</del> 7<br>\$ 7.98 | 6.83%            | 4.94%               | 1.89%            | 4.85%                 | 0.00%                            | \$ 2.17                | 70.90%              | \$ 5.66                |
| 3/24/2009              | \$ 7.90                         | -1.00%           | -0.68%              | -0.32%           | -0.68%                | 0.00%                            | \$ 2.32                | 70.90%              | \$ 5.60                |
| 3/25/2009              | \$ 7.87                         | -0.38%           | 0.03%               | -0.41%           | 0.03%                 | 0.00%                            | \$ 2.29                | 70.90%              | \$ 5.58                |
| 3/26/2009              | \$ 8.25                         | 4.83%            | 1.81%               | 3.02%            | 1.75%                 | 0.00%                            | \$ 2.40                | 70.90%              | \$ 5.85                |
| 3/27/2009              | \$ 8.29                         | 0.48%            | -1.58%              | 2.06%            | -1.54%                | 0.00%                            | \$ 2.41                | 70.90%              | \$ 5.88                |
| 3/30/2009              | \$ 8.01                         | -3.38%           | -2.88%              | -0.50%           | -2.89%                | 0.00%                            | \$ 2.33                | 70.90%              | \$ 5.68                |
| 3/31/2009              | \$ 8.79                         | 9.74%            | 0.88%               | 8.86%            | 0.81%                 | 0.00%                            | \$ 2.56                | 70.90%              | \$ 6.23                |
| 4/1/2009               | \$ 8.87                         | 0.91%            | 2.73%               | -1.82%           | 2.78%                 | 0.00%                            | \$ 2.58                | 70.90%              | \$ 6.29                |
| 4/2/2009               | \$ 10.15                        | 14.43%           | 2.49%               | 11.94%           | 2.23%                 | 0.00%                            | \$ 2.95                | 70.90%              | \$ 7.20                |
| 4/3/2009               | \$ 9.46                         | -6.80%           | 0.53%               | -7.33%           | 0.58%                 | 0.00%                            | \$ 2.75                | 70.90%              | \$ 6.71                |
| 4/6/2009               | \$ 9.78                         | 3.38%            | -0.35%              | 3.74%            | -0.34%                | 0.00%                            | \$ 2.85                | 70.90%              | \$ 6.93                |
| 4/7/2009               | \$ 9.18                         | -6.13%           | -1.69%              | -4.45%           | -1.77%                | 0.00%                            | \$ 2.67                | 70.90%              | \$ 6.51                |
|                        |                                 |                  |                     |                  |                       |                                  |                        |                     |                        |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                  | [2]                  | [3]              | [4]            | [5]              | [6]            | [7]               | [8]                | [9]              | [10]                |
|----------------------|----------------------|------------------|----------------|------------------|----------------|-------------------|--------------------|------------------|---------------------|
|                      |                      |                  |                |                  |                | Percentage of     |                    |                  |                     |
|                      |                      |                  |                |                  |                | Stock Price       |                    |                  | Artificial          |
|                      |                      |                  |                |                  |                | Reaction          | True Value -       | Artificial       | Inflation -         |
|                      | TRE CN               | Actual           | Predicted      | Excess           | Constructed    | Attributed to the | Constant           | Inflation/       | Constant            |
| Date                 | Price                | Return           | Return         | Return           | Return         | Alleged Claims    | Percentage         | Price            | Percentage          |
| 4/8/2009             | \$ 8.84              | -3.70%           | 0.66%          | -4.36%           | 0.69%          | 0.00%             | \$ 2.57            | 70.90%           | \$ 6.27             |
| 4/9/2009             | \$ 9.31              | 5.32%            | 2.69%          | 2.63%            | 2.62%          | 0.00%             | \$ 2.71            | 70.90%           | \$ 6.60             |
| 4/13/2009            | \$ 9.55              | 2.58%            | 1.36%          | 1.22%            | 1.34%          | 0.00%             | \$ 2.78            | 70.90%           | \$ 6.77             |
| 4/14/2009            | \$ 10.20             | 6.81%            | -0.42%         | 7.23%            | -0.39%         | 0.00%             | \$ 2.97            | 70.90%           | \$ 7.23             |
| 4/15/2009            | \$ 10.00             | -1.96%           | 0.79%          | -2.76%           | 0.82%          | 0.00%             | \$ 2.91            | 70.90%           | \$ 7.09             |
| 4/16/2009            | \$ 9.99              | -0.10%           | 1.46%          | -1.56%           | 1.48%          | 0.00%             | \$ 2.91            | 70.90%           | \$ 7.08             |
| 4/17/2009            | \$ 10.30             | 3.10%            | 0.84%          | 2.26%            | 0.82%          | 0.00%             | \$ 3.00            | 70.90%           | \$ 7.30             |
| 4/20/2009            | \$ 9.92              | -3.69%           | -3.02%         | -0.66%           | -3.05%         | 0.00%             | \$ 2.89            | 70.90%           | \$ 7.03             |
| 4/21/2009            | \$ 9.78              | -1.41%           | 1.24%          | -2.65%           | 1.27%          | 0.00%             | \$ 2.85            | 70.90%           | \$ 6.93             |
| 4/22/2009            | \$ 9.93              | 1.53%            | 1.23%          | 0.31%            | 1.22%          | 0.00%             | \$ 2.89            | 70.90%           | \$ 7.04             |
| 4/23/2009            | \$ 10.00             | 0.70%            | 1.64%          | -0.93%           | 1.65%          | 0.00%             | \$ 2.91            | 70.90%           | \$ 7.09             |
| 4/24/2009            | \$ 10.20             | 2.00%            | 2.28%          | -0.28%           | 2.28%          | 0.00%             | \$ 2.97            | 70.90%           | \$ 7.23             |
| 4/27/2009            | \$ 10.19             | -0.10%           | -1.76%         | 1.66%            | -1.73%         | 0.00%             | \$ 2.96            | 70.90%           | \$ 7.23             |
| 4/28/2009            | \$ 10.50             | 3.04%            | -0.07%         | 3.11%            | -0.07%         | 0.00%             | \$ 3.05            | 70.90%           | \$ 7.45             |
| 4/29/2009            | \$ 10.62             | 1.14%            | 1.32%          | -0.18%           | 1.32%          | 0.00%             | \$ 3.09            | 70.90%           | \$ 7.53             |
| 4/30/2009            | \$ 10.44             | -1.69%           | -0.01%         | -1.69%           | -0.01%         | 0.00%             | \$ 3.04            | 70.90%           | \$ 7.40             |
| 5/1/2009             | \$ 11.32             | 8.43%            | 1.41%          | 7.02%            | 1.32%          | 0.00%             | \$ 3.29            | 70.90%           | \$ 8.03             |
| 5/4/2009             | \$ 11.49             | 1.50%            | 4.41%          | -2.91%           | 4.54%          | 0.00%             | \$ 3.34            | 70.90%           | \$ 8.15             |
| 5/5/2009             | \$ 11.50             | 0.09%            | 0.08%          | 0.00%            | 0.08%          | 0.00%             | \$ 3.35            | 70.90%           | \$ 8.15             |
| 5/6/2009             | \$ 12.80             | 11.30%           | 2.28%          | 9.02%            | 2.09%          | 0.00%             | \$ 3.72            | 70.90%           | \$ 9.08             |
| 5/7/2009             | \$ 12.16             | -5.00%           | -1.47%         | -3.53%           | -1.52%         | 0.00%             | \$ 3.54            | 70.90%           | \$ 8.62             |
| 5/8/2009             | \$ 12.83             | 5.51%            | 3.28%          | 2.23%            | 3.21%          | 0.00%             | \$ 3.73            | 70.90%           | \$ 9.10             |
| 5/11/2009            | \$ 11.96             | -6.78%           | -1.41%         | -5.37%           | -1.49%         | 0.00%             | \$ 3.48            | 70.90%           | \$ 8.48             |
| 5/12/2009            | \$ 11.95             | -0.08%           | -0.04%         | -0.05%           | -0.04%         | 0.00%             | \$ 3.48            | 70.90%           | \$ 8.47             |
| 5/13/2009            | \$ 11.63             | -2.68%           | -3.21%         | 0.54%            | -3.20%         | 0.00%             | \$ 3.38            | 70.90%           | \$ 8.25             |
| 5/14/2009            | \$ 12.27             | 5.50%            | 1.01%          | 4.49%            | 0.97%          | 0.00%             | \$ 3.57            | 70.90%           | \$ 8.70             |
| 5/15/2009            | \$ 12.40             | 1.06%            | -0.23%         | 1.29%            | -0.23%         | 0.00%             | \$ 3.61            | 70.90%           | \$ 8.79             |
| 5/18/2009            | \$ 12.40             | 0.00%            | -0.23%         | 0.23%            | -0.23%         | 0.00%             | \$ 3.61            | 70.90%           | \$ 8.79             |
| 5/19/2009            | \$ 12.66             | 2.10%            | 3.96%          | -1.86%           | 4.03%          | 0.00%             | \$ 3.68            | 70.90%           | \$ 8.98             |
| 5/20/2009            | \$ 13.01             | 2.76%            | 0.94%          | 1.83%            | 0.92%          | 0.00%             | \$ 3.79            | 70.90%           | \$ 9.22             |
| 5/21/2009            | \$ 12.81             | -1.54%           | -1.69%         | 0.15%            | -1.68%         | 0.00%             | \$ 3.73            | 70.90%           | \$ 9.08             |
| 5/22/2009            | \$ 11.30             | -11.79%          | 0.29%          | -12.07%          | 0.33%          | 0.00%             | \$ 3.29            | 70.90%           | \$ 8.01             |
| 5/25/2009            | \$ 11.49             | 1.68%            | 0.69%          | 0.99%            | 0.69%          | 0.00%             | \$ 3.34            | 70.90%           | \$ 8.15             |
| 5/26/2009            | \$ 11.85             | 3.13%            | 1.55%          | 1.58%            | 1.53%          | 0.00%             | \$ 3.45            | 70.90%           | \$ 8.40             |
| 5/27/2009            | \$ 11.65             | -1.69%           | -1.47%         | -0.22%           | -1.47%         | 0.00%             | \$ 3.39            | 70.90%           | \$ 8.26             |
| 5/28/2009            | \$ 12.06             | 3.52%            | 1.93%          | 1.59%            | 1.90%          | 0.00%             | \$ 3.51            | 70.90%           | \$ 8.55             |
| 5/29/2009            | \$ 12.70             | 5.31%            | 0.21%          | 5.10%            | 0.20%          | 0.00%             | \$ 3.70            | 70.90%           | \$ 9.00             |
| 6/1/2009             | \$ 13.40             | 5.51%<br>0.90%   | 2.49%          | 3.02%            | 2.42%          | 0.00%             | \$ 3.90<br>\$ 3.93 | 70.90%           | \$ 9.50             |
| 6/2/2009             | \$ 13.52<br>\$ 13.00 |                  | 0.13%          | 0.76%            | 0.13%          | 0.00%             |                    | 70.90%           | \$ 9.59             |
| 6/3/2009             |                      | -3.85%           | -2.32%         | -1.52%           | -2.36%         | 0.00%             | \$ 3.78            | 70.90%           | \$ 9.22             |
| 6/4/2009<br>6/5/2009 | \$ 13.60<br>\$ 14.86 | 4.62%<br>9.26%   | 1.37%<br>0.23% | 3.24%<br>9.03%   | 1.33%<br>0.21% | 0.00%<br>0.00%    | \$ 3.96<br>\$ 4.32 | 70.90%<br>70.90% | \$ 9.64<br>\$ 10.54 |
| 6/8/2009             | \$ 14.80<br>\$ 14.43 | -2.89%           | -0.40%         | -2.49%           | -0.41%         | 0.00%             | \$ 4.32<br>\$ 4.20 | 70.90%           | \$ 10.34            |
| 6/9/2009             | \$ 14.43             | -2.89%<br>-3.81% | 0.28%          | -2.49%<br>-4.09% | 0.29%          | 0.00%             | \$ 4.20<br>\$ 4.04 | 70.90%           | \$ 10.23            |
| 6/10/2009            | \$ 13.88<br>\$ 13.41 | -3.39%           | 0.28%          | -4.09%<br>-4.07% | 0.29%          | 0.00%             | \$ 4.04<br>\$ 3.90 | 70.90%           | \$ 9.84<br>\$ 9.51  |
| 6/11/2009            | \$ 13.41             | 4.47%            | 0.05%          | 3.52%            | 0.71%          | 0.00%             | \$ 4.08            | 70.90%           | \$ 9.93             |
| 6/12/2009            | \$ 13.80             | -1.50%           | -0.70%         | -0.80%           | -0.70%         | 0.00%             | \$ 4.03            | 70.90%           | \$ 9.78             |
| 6/15/2009            | \$ 13.72             | -0.58%           | -2.31%         | 1.73%            | -2.27%         | 0.00%             | \$ 4.02            | 70.90%           | \$ 9.73             |
| 0/13/2007            | Ψ 13.12              | 0.5070           | 2.31/0         | 1.13/0           | 2.21/0         | 0.0070            | Ψ 3.77             | 10.70/0          | Ψ 7.13              |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                    | [2]                  | [3]             | [4]                 | [5]              | [6]              | [7]               | [8]                | [9]              | [10]                 |
|------------------------|----------------------|-----------------|---------------------|------------------|------------------|-------------------|--------------------|------------------|----------------------|
|                        |                      |                 |                     |                  |                  | Percentage of     |                    |                  |                      |
|                        |                      |                 |                     |                  |                  | Stock Price       |                    |                  | Artificial           |
|                        |                      |                 |                     |                  |                  | Reaction          | True Value -       | Artificial       | Inflation -          |
|                        | TRE CN               | Actual          | Predicted           | Excess           | Constructed      | Attributed to the | Constant           | Inflation/       | Constant             |
| Date                   | Price                | Return          | Return              | Return           | Return           | Alleged Claims    | Percentage         | Price            | Percentage           |
| 6/16/2009              | \$ 14.11             | 2.84%           | -0.92%              | 3.76%            | -0.88%           | 0.00%             | \$ 4.11            | 70.90%           | \$ 10.00             |
| 6/17/2009              | \$ 13.76             | -2.48%          | -1.86%              | -0.62%           | -1.87%           | 0.00%             | \$ 4.00            | 70.90%           | \$ 9.76              |
| 6/18/2009              | \$ 13.36             | -2.91%          | 0.15%               | -3.05%           | 0.15%            | 0.00%             | \$ 3.89            | 70.90%           | \$ 9.47              |
| 6/19/2009              | \$ 13.76             | 2.99%           | 1.17%               | 1.83%            | 1.15%            | 0.00%             | \$ 4.00            | 70.90%           | \$ 9.76              |
| 6/22/2009              | \$ 13.23             | -3.85%          | -3.42%              | -0.43%           | -3.44%           | 0.00%             | \$ 3.85            | 70.90%           | \$ 9.38              |
| 6/23/2009              | \$ 12.92             | -2.34%          | 0.70%               | -3.05%           | 0.73%            | 0.00%             | \$ 3.76            | 70.90%           | \$ 9.16              |
| 6/24/2009              | \$ 13.10             | 1.39%           | 2.22%               | -0.82%           | 2.23%            | 0.00%             | \$ 3.81            | 70.90%           | \$ 9.29              |
| 6/25/2009              | \$ 13.24             | 1.07%           | 1.94%               | -0.87%           | 1.96%            | 0.00%             | \$ 3.85            | 70.90%           | \$ 9.39              |
| 6/26/2009              | \$ 13.14             | -0.76%          | 0.47%               | -1.22%           | 0.47%            | 0.00%             | \$ 3.82            | 70.90%           | \$ 9.32              |
| 6/29/2009              | \$ 12.88             | -1.98%          | 1.02%               | -3.00%           | 1.05%            | 0.00%             | \$ 3.75            | 70.90%           | \$ 9.13              |
| 6/30/2009              | \$ 12.40             | -3.73%          | -0.82%              | -2.91%           | -0.84%           | 0.00%             | \$ 3.61            | 70.90%           | \$ 8.79              |
| 7/1/2009               | \$ 12.40             | 0.00%           | -0.82%              | 0.82%            | -0.81%           | 0.00%             | \$ 3.61            | 70.90%           | \$ 8.79              |
| 7/2/2009               | \$ 12.50             | 0.81%           | -0.82%              | 1.62%            | -0.80%           | 0.00%             | \$ 3.64            | 70.90%           | \$ 8.86              |
| 7/3/2009               | \$ 12.64             | 1.12%           | -0.13%              | 1.25%            | -0.13%           | 0.00%             | \$ 3.68            | 70.90%           | \$ 8.96              |
| 7/6/2009               | \$ 12.17             | -3.72%          | -1.58%              | -2.14%           | -1.61%           | 0.00%             | \$ 3.54            | 70.90%           | \$ 8.63              |
| 7/7/2009               | \$ 12.16             | -0.08%          | -1.33%              | 1.24%            | -1.31%           | 0.00%             | \$ 3.54            | 70.90%           | \$ 8.62              |
| 7/8/2009               | \$ 11.40             | -6.25%          | -1.41%              | -4.84%           | -1.48%           | 0.00%             | \$ 3.32            | 70.90%           | \$ 8.08              |
| 7/9/2009               | \$ 12.10             | 6.14%           | 1.06%               | 5.08%            | 1.01%            | 0.00%             | \$ 3.52            | 70.90%           | \$ 8.58              |
| 7/10/2009              | \$ 12.30             | 1.65%           | -0.21%              | 1.86%            | -0.20%           | 0.00%             | \$ 3.58            | 70.90%           | \$ 8.72              |
| 7/13/2009              | \$ 12.58             | 2.28%           | 1.39%               | 0.89%            | 1.37%            | 0.00%             | \$ 3.66            | 70.90%           | \$ 8.92              |
| 7/14/2009              | \$ 13.25             | 5.33%           | 1.16%               | 4.16%            | 1.12%            | 0.00%             | \$ 3.86            | 70.90%           | \$ 9.39              |
| 7/15/2009              | \$ 13.56             | 2.34%           | 2.64%               | -0.30%           | 2.65%            | 0.00%             | \$ 3.95            | 70.90%           | \$ 9.61              |
| 7/16/2009              | \$ 13.55             | -0.07%          | 1.00%               | -1.08%           | 1.02%            | 0.00%             | \$ 3.94            | 70.90%           | \$ 9.61              |
| 7/17/2009              | \$ 13.75             | 1.48%           | 0.69%               | 0.79%            | 0.68%            | 0.00%             | \$ 4.00            | 70.90%           | \$ 9.75              |
| 7/20/2009              | \$ 13.80             | 0.36%           | 1.98%               | -1.62%           | 2.02%            | 0.00%             | \$ 4.02            | 70.90%           | \$ 9.78              |
| 7/21/2009              | \$ 13.74             | -0.43%          | 0.73%               | -1.16%           | 0.73%            | 0.00%             | \$ 4.00            | 70.90%           | \$ 9.74              |
| 7/22/2009              | \$ 13.73             | -0.07%          | -0.06%              | -0.01%           | -0.06%           | 0.00%             | \$ 3.99            | 70.90%           | \$ 9.74              |
| 7/23/2009              | \$ 13.70             | -0.22%          | 2.31%               | -2.53%           | 2.37%            | 0.00%             | \$ 3.99            | 70.90%           | \$ 9.71              |
| 7/24/2009              | \$ 13.39             | -2.26%          | 0.39%               | -2.65%           | 0.40%            | 0.00%             | \$ 3.90            | 70.90%           | \$ 9.49              |
| 7/27/2009              | \$ 14.01             | 4.63%           | 0.70%               | 3.93%            | 0.67%            | 0.00%             | \$ 4.08            | 70.90%           | \$ 9.93              |
| 7/28/2009              | \$ 13.80             | -1.50%          | -0.71%              | -0.79%           | -0.72%           | 0.00%             | \$ 4.02            | 70.90%           | \$ 9.78              |
| 7/29/2009              | \$ 13.47             | -2.39%          | -0.90%              | -1.49%           | -0.92%           | 0.00%             | \$ 3.92            | 70.90%           | \$ 9.55              |
| 7/30/2009              | \$ 14.05             | 4.31%           | 1.91%               | 2.40%            | 1.86%            | 0.00%             | \$ 4.09            | 70.90%           | \$ 9.96              |
| 7/31/2009              | \$ 14.70             | 4.63%           | 0.99%               | 3.64%            | 0.95%            | 0.00%             | \$ 4.28            | 70.90%           | \$ 10.42             |
| 8/3/2009               | \$ 14.70             | 0.00%           | 0.99%               | -0.99%           | 1.00%            | 0.00%             | \$ 4.28            | 70.90%           | \$ 10.42             |
| 8/4/2009               | \$ 15.26             | 3.81%           | 3.12%               | 0.69%            | 3.10%            | 0.00%             | \$ 4.44            | 70.90%           | \$ 10.82             |
| 8/5/2009               | \$ 15.59<br>\$ 16.01 | 2.16%           | 0.55%               | 1.61%            | 0.54%            | 0.00%             | \$ 4.54            | 70.90%           | \$ 11.05<br>\$ 11.25 |
| 8/6/2009               | \$ 16.01<br>\$ 16.19 | 2.69%           | -1.74%              | 4.43%            | -1.67%<br>0.84%  | 0.00%             | \$ 4.66<br>\$ 4.71 | 70.90%           | \$ 11.35             |
| 8/7/2009               | \$ 16.19             | 1.12%           | 0.84%               | 0.28%            |                  | 0.00%             | \$ 4.71<br>\$ 4.63 | 70.90%           | \$ 11.48<br>\$ 11.29 |
| 8/10/2009              |                      | -1.67%          | -0.87%              | -0.80%           | -0.88%           | 0.00%             |                    | 70.90%           |                      |
| 8/11/2009<br>8/12/2009 | \$ 15.42<br>\$ 15.90 | -3.14%<br>3.11% | -1.11%<br>0.45%     | -2.03%<br>2.66%  | -1.13%<br>0.44%  | 0.00%<br>0.00%    | \$ 4.49<br>\$ 4.63 | 70.90%<br>70.90% | \$ 10.93<br>\$ 11.27 |
| 8/12/2009              | \$ 15.90<br>\$ 16.05 | 0.94%           | 0.45%<br>1.72%      | -0.78%           | 1.74%            | 0.00%             | \$ 4.63<br>\$ 4.67 | 70.90%           | \$ 11.27<br>\$ 11.38 |
| 8/13/2009              | \$ 16.05<br>\$ 16.16 |                 |                     |                  |                  |                   |                    | 70.90%           |                      |
| 8/14/2009              | \$ 15.16             | 0.69%<br>-4.89% | -0.11%<br>-2.78%    | 0.79%<br>-2.11%  | -0.11%<br>-2.84% | 0.00%<br>0.00%    | \$ 4.70<br>\$ 4.47 | 70.90%<br>70.90% | \$ 11.46<br>\$ 10.90 |
| 8/18/2009              | \$ 15.37<br>\$ 15.40 | 0.20%           | 1.37%               | -2.11%<br>-1.18% | 1.39%            | 0.00%             | \$ 4.47<br>\$ 4.48 | 70.90%           | \$ 10.90<br>\$ 10.92 |
| 8/19/2009              | \$ 15.40             | -1.62%          | 0.17%               | -1.18%           | 0.18%            | 0.00%             | \$ 4.48<br>\$ 4.41 | 70.90%           | \$ 10.92<br>\$ 10.74 |
| 8/20/2009              | \$ 13.13             | -2.31%          | 0.17%               | -2.95%           | 0.18%            | 0.00%             | \$ 4.41<br>\$ 4.31 | 70.90%           | \$ 10.74             |
| 0/20/2007              | ψ 17.00              | -2.3170         | 0.0 <del>1</del> 70 | -4.7570          | 0.0070           | 0.0070            | ψ <b>+.</b> J1     | 70.7070          | ψ 10 <b>.+</b> 2     |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                    | [2]                  | [3]             | [4]            | [5]             | [6]            | [7]               | [8]                | [9]              | [10]                 |
|------------------------|----------------------|-----------------|----------------|-----------------|----------------|-------------------|--------------------|------------------|----------------------|
| 1-3                    | L-3                  | [-]             | 1-3            | [-]             | [-1            | Percentage of     | [-]                | [·]              | []                   |
|                        |                      |                 |                |                 |                | Stock Price       |                    |                  | Artificial           |
|                        |                      |                 |                |                 |                | Reaction          | True Value -       | Artificial       | Inflation -          |
|                        | TRE CN               | Actual          | Predicted      | Excess          | Constructed    | Attributed to the | Constant           | Inflation/       | Constant             |
| Date                   | Price                | Return          | Return         | Return          | Return         | Alleged Claims    | Percentage         | Price            | Percentage           |
| 8/21/2009              | \$ 15.25             | 3.04%           | 1.81%          | 1.23%           | 1.79%          | 0.00%             | \$ 4.44            | 70.90%           | \$ 10.81             |
| 8/24/2009              | \$ 15.00             | -1.64%          | 0.14%          | -1.78%          | 0.14%          | 0.00%             | \$ 4.36            | 70.90%           | \$ 10.64             |
| 8/25/2009              | \$ 15.24             | 1.60%           | 0.83%          | 0.77%           | 0.82%          | 0.00%             | \$ 4.43            | 70.90%           | \$ 10.81             |
| 8/26/2009              | \$ 14.85             | -2.56%          | -0.01%         | -2.55%          | -0.01%         | 0.00%             | \$ 4.32            | 70.90%           | \$ 10.53             |
| 8/27/2009              | \$ 15.21             | 2.42%           | 0.29%          | 2.13%           | 0.29%          | 0.00%             | \$ 4.43            | 70.90%           | \$ 10.78             |
| 8/28/2009              | \$ 14.70             | -3.35%          | 0.35%          | -3.70%          | 0.36%          | 0.00%             | \$ 4.28            | 70.90%           | \$ 10.42             |
| 8/31/2009              | \$ 13.60             | -7.48%          | -0.87%         | -6.62%          | -0.93%         | 0.00%             | \$ 3.96            | 70.90%           | \$ 9.64              |
| 9/1/2009               | \$ 13.48             | -0.88%          | -1.59%         | 0.71%           | -1.58%         | 0.00%             | \$ 3.92            | 70.90%           | \$ 9.56              |
| 9/2/2009               | \$ 13.69             | 1.56%           | -0.01%         | 1.57%           | -0.01%         | 0.00%             | \$ 3.98            | 70.90%           | \$ 9.71              |
| 9/3/2009               | \$ 14.15             | 3.36%           | 1.80%          | 1.56%           | 1.77%          | 0.00%             | \$ 4.12            | 70.90%           | \$ 10.03             |
| 9/4/2009               | \$ 14.45             | 2.12%           | 1.13%          | 0.99%           | 1.12%          | 0.00%             | \$ 4.20            | 70.90%           | \$ 10.25             |
| 9/7/2009               | \$ 14.45             | 0.00%           | 1.13%          | -1.13%          | 1.14%          | 0.00%             | \$ 4.20            | 70.90%           | \$ 10.25             |
| 9/8/2009               | \$ 15.55             | 7.61%           | 1.26%          | 6.36%           | 1.18%          | 0.00%             | \$ 4.52            | 70.90%           | \$ 11.03             |
| 9/9/2009               | \$ 16.17             | 3.99%           | -0.29%         | 4.28%           | -0.28%         | 0.00%             | \$ 4.70            | 70.90%           | \$ 11.47             |
| 9/10/2009              | \$ 17.16             | 6.12%           | 1.43%          | 4.69%           | 1.37%          | 0.00%             | \$ 4.99            | 70.90%           | \$ 12.17             |
| 9/11/2009              | \$ 17.38             | 1.28%           | 0.69%          | 0.59%           | 0.69%          | 0.00%             | \$ 5.06            | 70.90%           | \$ 12.32             |
| 9/14/2009              | \$ 17.31             | -0.40%          | 0.88%          | -1.28%          | 0.89%          | 0.00%             | \$ 5.04            | 70.90%           | \$ 12.27             |
| 9/15/2009              | \$ 17.42             | 0.64%           | 1.25%          | -0.61%          | 1.25%          | 0.00%             | \$ 5.07            | 70.90%           | \$ 12.35             |
| 9/16/2009              | \$ 17.35             | -0.40%          | 0.69%          | -1.09%          | 0.70%          | 0.00%             | \$ 5.05            | 70.90%           | \$ 12.30             |
| 9/17/2009              | \$ 17.35             | 0.00%           | -0.16%         | 0.16%           | -0.16%         | 0.00%             | \$ 5.05            | 70.90%           | \$ 12.30             |
| 9/18/2009              | \$ 18.21             | 4.96%           | -0.62%         | 5.58%           | -0.59%         | 0.00%             | \$ 5.30            | 70.90%           | \$ 12.91             |
| 9/21/2009              | \$ 17.90             | -1.70%          | -0.50%         | -1.21%          | -0.50%         | 0.00%             | \$ 5.21            | 70.90%           | \$ 12.69             |
| 9/22/2009              | \$ 18.41             | 2.85%           | 1.48%          | 1.37%           | 1.46%          | 0.00%             | \$ 5.36            | 70.90%           | \$ 13.05             |
| 9/23/2009              | \$ 18.45             | 0.22%           | -0.27%         | 0.48%           | -0.26%         | 0.00%             | \$ 5.37            | 70.90%           | \$ 13.08             |
| 9/24/2009              | \$ 16.86             | -8.62%          | -1.96%         | -6.66%          | -2.10%         | 0.00%             | \$ 4.91            | 70.90%           | \$ 11.95             |
| 9/25/2009              | \$ 16.00             | -5.10%          | -0.41%         | -4.69%          | -0.43%         | 0.00%             | \$ 4.66            | 70.90%           | \$ 11.34             |
| 9/28/2009              | \$ 16.70             | 4.38%           | 1.10%          | 3.28%           | 1.06%          | 0.00%             | \$ 4.86            | 70.90%           | \$ 11.84             |
| 9/29/2009              | \$ 16.85             | 0.90%           | 0.32%          | 0.58%           | 0.32%          | 0.00%             | \$ 4.90            | 70.90%           | \$ 11.95             |
| 9/30/2009              | \$ 16.91             | 0.36%           | 0.18%          | 0.17%           | 0.18%          | 0.00%             | \$ 4.92            | 70.90%           | \$ 11.99             |
| 10/1/2009              | \$ 15.95             | -5.68%          | -2.40%         | -3.28%          | -2.48%         | 0.00%             | \$ 4.64            | 70.90%           | \$ 11.31             |
| 10/2/2009              | \$ 16.49             | 3.39%           | -0.68%         | 4.07%           | -0.65%         | 0.00%             | \$ 4.80            | 70.90%           | \$ 11.69             |
| 10/5/2009              | \$ 16.45<br>\$ 16.25 | -0.24%          | 1.19%          | -1.43%          | 1.20%          | 0.00%             | \$ 4.79<br>\$ 4.76 | 70.90%           | \$ 11.66             |
| 10/6/2009              | \$ 16.35<br>\$ 16.95 | -0.61%          | 1.63%<br>0.49% | -2.23%          | 1.66%          | 0.00%<br>0.00%    | \$ 4.76<br>\$ 4.93 | 70.90%           | \$ 11.59<br>\$ 12.02 |
| 10/7/2009<br>10/8/2009 | \$ 10.93<br>\$ 16.59 | 3.67%<br>-2.12% | 1.72%          | 3.18%<br>-3.84% | 0.48%<br>1.79% | 0.00%             | \$ 4.93<br>\$ 4.83 | 70.90%<br>70.90% | \$ 12.02<br>\$ 11.76 |
| 10/9/2009              | \$ 16.39             | 1.27%           | -0.11%         | 1.38%           | -0.11%         | 0.00%             | \$ 4.89            | 70.90%           | \$ 11.70             |
| 10/9/2009              | \$ 16.80             | 0.00%           | -0.11%         | 0.11%           | -0.11%         | 0.00%             | \$ 4.89<br>\$ 4.89 | 70.90%           | \$ 11.91<br>\$ 11.91 |
| 10/12/2009             | \$ 16.84             | 0.00%           | 0.34%          | -0.10%          | 0.34%          | 0.00%             | \$ 4.90            | 70.90%           | \$ 11.91             |
| 10/14/2009             | \$ 16.92             | 0.48%           | 1.49%          | -1.01%          | 1.50%          | 0.00%             | \$ 4.92            | 70.90%           | \$ 12.00             |
| 10/15/2009             | \$ 16.52<br>\$ 16.64 | -1.65%          | 0.24%          | -1.89%          | 0.24%          | 0.00%             | \$ 4.84            | 70.90%           | \$ 12.00             |
| 10/15/2009             | \$ 16.04             | 1.56%           | -0.25%         | 1.81%           | -0.24%         | 0.00%             | \$ 4.92            | 70.90%           | \$ 11.80             |
| 10/19/2009             | \$ 16.50<br>\$ 16.65 | -1.48%          | 0.73%          | -2.21%          | 0.75%          | 0.00%             | \$ 4.92<br>\$ 4.84 | 70.90%           | \$ 11.98             |
| 10/20/2009             | \$ 16.65             | 0.00%           | -0.06%         | 0.06%           | -0.06%         | 0.00%             | \$ 4.84            | 70.90%           | \$ 11.81             |
| 10/21/2009             | \$ 17.08             | 2.58%           | -0.35%         | 2.93%           | -0.34%         | 0.00%             | \$ 4.97            | 70.90%           | \$ 12.11             |
| 10/22/2009             | \$ 16.60             | -2.81%          | 0.73%          | -3.54%          | 0.75%          | 0.00%             | \$ 4.83            | 70.90%           | \$ 11.77             |
| 10/23/2009             | \$ 16.34             | -1.57%          | -0.86%         | -0.71%          | -0.86%         | 0.00%             | \$ 4.75            | 70.90%           | \$ 11.59             |
| 10/26/2009             | \$ 16.60             | 1.59%           | -1.21%         | 2.80%           | -1.18%         | 0.00%             | \$ 4.83            | 70.90%           | \$ 11.77             |
| 10/27/2009             | \$ 16.11             | -2.95%          | -1.45%         | -1.50%          | -1.47%         | 0.00%             | \$ 4.69            | 70.90%           | \$ 11.42             |
|                        | + - O.1.1            | ,,,,,           |                |                 | 1,0            | 2.0070            | ÷                  | . 3.7 3 70       | · · · =              |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                      | [2]                  | [3]             | [4]             | [5]             | [6]             | [7]               | [8]                | [9]              | [10]                 |
|--------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|-------------------|--------------------|------------------|----------------------|
|                          |                      |                 |                 |                 |                 | Percentage of     |                    |                  |                      |
|                          |                      |                 |                 |                 |                 | Stock Price       |                    |                  | Artificial           |
|                          |                      |                 |                 |                 |                 | Reaction          | True Value -       | Artificial       | Inflation -          |
|                          | TRE CN               | Actual          | Predicted       | Excess          | Constructed     | Attributed to the | Constant           | Inflation/       | Constant             |
| Date                     | Price                | Return          | Return          | Return          | Return          | Alleged Claims    | Percentage         | Price            | Percentage           |
| 10/28/2009               | \$ 15.10             | -6.27%          | -2.32%          | -3.95%          | -2.42%          | 0.00%             | \$ 4.39            | 70.90%           | \$ 10.71             |
| 10/29/2009               | \$ 15.65             | 3.64%           | 2.52%           | 1.13%           | 2.49%           | 0.00%             | \$ 4.55            | 70.90%           | \$ 11.10             |
| 10/30/2009               | \$ 15.23             | -2.68%          | -1.42%          | -1.26%          | -1.44%          | 0.00%             | \$ 4.43            | 70.90%           | \$ 10.80             |
| 11/2/2009                | \$ 16.40             | 7.68%           | 0.17%           | 7.52%           | 0.15%           | 0.00%             | \$ 4.77            | 70.90%           | \$ 11.63             |
| 11/3/2009                | \$ 16.00             | -2.44%          | 1.01%           | -3.45%          | 1.05%           | 0.00%             | \$ 4.66            | 70.90%           | \$ 11.34             |
| 11/4/2009                | \$ 17.52             | 9.50%           | 0.86%           | 8.64%           | 0.79%           | 0.00%             | \$ 5.10            | 70.90%           | \$ 12.42             |
| 11/5/2009                | \$ 17.64             | 0.68%           | 1.04%           | -0.35%          | 1.04%           | 0.00%             | \$ 5.13            | 70.90%           | \$ 12.51             |
| 11/6/2009                | \$ 17.62             | -0.11%          | 0.71%           | -0.83%          | 0.72%           | 0.00%             | \$ 5.13            | 70.90%           | \$ 12.49             |
| 11/9/2009                | \$ 18.39             | 4.37%           | 2.32%           | 2.05%           | 2.27%           | 0.00%             | \$ 5.35            | 70.90%           | \$ 13.04             |
| 11/10/2009               | \$ 17.65             | -4.02%          | -0.35%          | -3.68%          | -0.36%          | 0.00%             | \$ 5.14            | 70.90%           | \$ 12.51             |
| 11/11/2009               | \$ 17.55             | -0.57%          | 0.42%           | -0.99%          | 0.42%           | 0.00%             | \$ 5.11            | 70.90%           | \$ 12.44             |
| 11/12/2009               | \$ 17.71             | 0.91%           | -0.71%          | 1.62%           | -0.70%          | 0.00%             | \$ 5.15            | 70.90%           | \$ 12.56             |
| 11/13/2009               | \$ 18.08             | 2.09%           | 0.86%           | 1.23%           | 0.85%           | 0.00%             | \$ 5.26            | 70.90%           | \$ 12.82             |
| 11/16/2009               | \$ 18.37             | 1.60%           | 1.29%           | 0.32%           | 1.28%           | 0.00%             | \$ 5.34            | 70.90%           | \$ 13.03             |
| 11/17/2009               | \$ 19.56             | 6.48%           | -0.15%          | 6.63%           | -0.14%          | 0.00%             | \$ 5.69            | 70.90%           | \$ 13.87             |
| 11/18/2009               | \$ 18.68             | -4.50%          | 0.47%           | -4.97%          | 0.50%           | 0.00%             | \$ 5.43            | 70.90%           | \$ 13.25             |
| 11/19/2009               | \$ 18.78             | 0.54%           | -0.52%          | 1.06%           | -0.52%          | 0.00%             | \$ 5.46            | 70.90%           | \$ 13.32             |
| 11/20/2009               | \$ 18.64             | -0.75%          | -0.23%          | -0.52%          | -0.23%          | 0.00%             | \$ 5.42            | 70.90%<br>70.90% | \$ 13.22             |
| 11/23/2009               | \$ 18.95             | 1.66%           | 0.94%           | 0.72%           | 0.93%           | 0.00%             | \$ 5.51            |                  | \$ 13.44             |
| 11/24/2009               | \$ 18.60<br>\$ 18.69 | -1.85%          | -0.57%<br>1.00% | -1.28%          | -0.58%<br>1.00% | 0.00%             | \$ 5.41<br>\$ 5.44 | 70.90%           | \$ 13.19<br>\$ 13.25 |
| 11/25/2009<br>11/26/2009 | \$ 18.69<br>\$ 18.60 | 0.48%<br>-0.48% | -1.40%          | -0.51%<br>0.92% | -1.38%          | 0.00%<br>0.00%    | \$ 5.44<br>\$ 5.41 | 70.90%<br>70.90% | \$ 13.23<br>\$ 13.19 |
| 11/27/2009               | \$ 18.55             | -0.48%          | -0.19%          | -0.07%          | -0.20%          | 0.00%             | \$ 5.40            | 70.90%           | \$ 13.19             |
| 11/2//2009               | \$ 18.33             | -0.27%          | 0.50%           | -0.07%          | 0.50%           | 0.00%             | \$ 5.40<br>\$ 5.37 | 70.90%           | \$ 13.13             |
| 12/1/2009                | \$ 19.84             | 7.42%           | 2.25%           | 5.16%           | 2.14%           | 0.00%             | \$ 5.37<br>\$ 5.77 | 70.90%           | \$ 13.10             |
| 12/2/2009                | \$ 19.00             | -4.23%          | 0.90%           | -5.14%          | 0.95%           | 0.00%             | \$ 5.53            | 70.90%           | \$ 13.47             |
| 12/3/2009                | \$ 18.85             | -0.79%          | -0.78%          | -0.01%          | -0.78%          | 0.00%             | \$ 5.48            | 70.90%           | \$ 13.47             |
| 12/4/2009                | \$ 18.71             | -0.74%          | -0.76%          | 0.10%           | -0.76%          | 0.00%             | \$ 5.44            | 70.90%           | \$ 13.27             |
| 12/7/2009                | \$ 18.42             | -1.55%          | 0.10%           | -1.65%          | 0.11%           | 0.00%             | \$ 5.36            | 70.90%           | \$ 13.06             |
| 12/8/2009                | \$ 18.04             | -2.06%          | -0.86%          | -1.21%          | -0.87%          | 0.00%             | \$ 5.25            | 70.90%           | \$ 12.79             |
| 12/9/2009                | \$ 17.70             | -1.88%          | 0.08%           | -1.96%          | 0.08%           | 0.00%             | \$ 5.15            | 70.90%           | \$ 12.55             |
| 12/10/2009               | \$ 16.80             | -5.08%          | 0.71%           | -5.79%          | 0.75%           | 0.00%             | \$ 4.89            | 70.90%           | \$ 11.91             |
| 12/11/2009               | \$ 17.54             | 4.40%           | 0.11%           | 4.30%           | 0.10%           | 0.00%             | \$ 5.10            | 70.90%           | \$ 12.44             |
| 12/14/2009               | \$ 17.65             | 0.63%           | 1.07%           | -0.44%          | 1.07%           | 0.00%             | \$ 5.14            | 70.90%           | \$ 12.51             |
| 12/15/2009               | \$ 17.58             | -0.40%          | -0.15%          | -0.25%          | -0.15%          | 0.00%             | \$ 5.11            | 70.90%           | \$ 12.47             |
| 12/16/2009               | \$ 17.53             | -0.28%          | 0.59%           | -0.87%          | 0.59%           | 0.00%             | \$ 5.10            | 70.90%           | \$ 12.43             |
| 12/17/2009               | \$ 17.52             | -0.06%          | -1.44%          | 1.38%           | -1.42%          | 0.00%             | \$ 5.10            | 70.90%           | \$ 12.42             |
| 12/18/2009               | \$ 17.32             | -1.14%          | -0.20%          | -0.94%          | -0.20%          | 0.00%             | \$ 5.04            | 70.90%           | \$ 12.28             |
| 12/21/2009               | \$ 17.92             | 3.46%           | 0.87%           | 2.60%           | 0.85%           | 0.00%             | \$ 5.21            | 70.90%           | \$ 12.71             |
| 12/22/2009               | \$ 18.75             | 4.63%           | 0.87%           | 3.76%           | 0.84%           | 0.00%             | \$ 5.46            | 70.90%           | \$ 13.29             |
| 12/23/2009               | \$ 19.30             | 2.93%           | 0.52%           | 2.41%           | 0.51%           | 0.00%             | \$ 5.62            | 70.90%           | \$ 13.68             |
| 12/24/2009               | \$ 19.60             | 1.55%           | 0.74%           | 0.81%           | 0.74%           | 0.00%             | \$ 5.70            | 70.90%           | \$ 13.90             |
| 12/28/2009               | \$ 19.60             | 0.00%           | 0.74%           | -0.74%          | 0.75%           | 0.00%             | \$ 5.70            | 70.90%           | \$ 13.90             |
| 12/29/2009               | \$ 19.65             | 0.26%           | 0.02%           | 0.24%           | 0.02%           | 0.00%             | \$ 5.72            | 70.90%           | \$ 13.93             |
| 12/30/2009               | \$ 19.33             | -1.63%          | 0.07%           | -1.70%          | 0.07%           | 0.00%             | \$ 5.62            | 70.90%           | \$ 13.71             |
| 12/31/2009               | \$ 19.38             | 0.26%           | 0.19%           | 0.07%           | 0.19%           | 0.00%             | \$ 5.64            | 70.90%           | \$ 13.74             |
| 1/4/2010                 | \$ 19.65             | 1.39%           | 1.53%           | -0.13%          | 1.53%           | 0.00%             | \$ 5.72            | 70.90%           | \$ 13.93             |
| 1/5/2010                 | \$ 20.24             | 3.00%           | 0.87%           | 2.13%           | 0.85%           | 0.00%             | \$ 5.89            | 70.90%           | \$ 14.35             |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                  | [2]                       | [3]              | [4]                 | [5]              | [6]                   | [7]                              | [8]                    | [9]                 | [10]                   |
|----------------------|---------------------------|------------------|---------------------|------------------|-----------------------|----------------------------------|------------------------|---------------------|------------------------|
|                      |                           |                  |                     |                  |                       | Percentage of                    |                        |                     |                        |
|                      |                           |                  |                     |                  |                       | Stock Price                      |                        |                     | Artificial             |
|                      |                           |                  |                     | _                |                       | Reaction                         | True Value -           | Artificial          | Inflation -            |
| Date                 | TRE CN<br>Price           | Actual<br>Return | Predicted<br>Return | Excess<br>Return | Constructed<br>Return | Attributed to the Alleged Claims | Constant<br>Percentage | Inflation/<br>Price | Constant<br>Percentage |
| 1/6/2010             | \$ 20.55                  | 1.53%            | 0.59%               | 0.94%            | 0.58%                 | 0.00%                            | \$ 5.98                | 70.90%              | \$ 14.57               |
| 1/7/2010             | \$ 20.03                  | -2.53%           | -0.49%              | -2.04%           | -0.50%                | 0.00%                            | \$ 5.83                | 70.90%              | \$ 14.20               |
| 1/8/2010             | \$ 20.23                  | 1.00%            | 0.82%               | 0.18%            | 0.82%                 | 0.00%                            | \$ 5.89                | 70.90%              | \$ 14.20               |
| 1/11/2010            | \$ 20.49                  | 1.29%            | 0.13%               | 1.16%            | 0.12%                 | 0.00%                            | \$ 5.96                | 70.90%              | \$ 14.53               |
| 1/12/2010            | \$ 20.98                  | 2.39%            | -0.81%              | 3.20%            | -0.79%                | 0.00%                            | \$ 6.10                | 70.90%              | \$ 14.88               |
| 1/13/2010            | \$ 20.86                  | -0.57%           | 0.30%               | -0.88%           | 0.31%                 | 0.00%                            | \$ 6.07                | 70.90%              | \$ 14.79               |
| 1/14/2010            | \$ 20.30                  | -2.68%           | -0.19%              | -2.50%           | -0.19%                | 0.00%                            | \$ 5.91                | 70.90%              | \$ 14.39               |
| 1/15/2010            | \$ 19.83                  | -2.32%           | -0.92%              | -1.39%           | -0.94%                | 0.00%                            | \$ 5.77                | 70.90%              | \$ 14.06               |
| 1/18/2010            | \$ 20.00                  | 0.86%            | 0.61%               | 0.24%            | 0.61%                 | 0.00%                            | \$ 5.82                | 70.90%              | \$ 14.18               |
| 1/19/2010            | \$ 19.57                  | -2.15%           | 0.36%               | -2.51%           | 0.37%                 | 0.00%                            | \$ 5.69                | 70.90%              | \$ 13.88               |
| 1/20/2010            | \$ 19.61                  | 0.20%            | -1.04%              | 1.24%            | -1.03%                | 0.00%                            | \$ 5.71                | 70.90%              | \$ 13.90               |
| 1/21/2010            | \$ 19.17                  | -2.24%           | -1.82%              | -0.42%           | -1.83%                | 0.00%                            | \$ 5.58                | 70.90%              | \$ 13.59               |
| 1/22/2010            | \$ 19.15                  | -0.10%           | -1.01%              | 0.91%            | -1.00%                | 0.00%                            | \$ 5.57                | 70.90%              | \$ 13.58               |
| 1/25/2010            | \$ 18.85                  | -1.57%           | 0.15%               | -1.71%           | 0.15%                 | 0.00%                            | \$ 5.48                | 70.90%              | \$ 13.37               |
| 1/26/2010            | \$ 18.70                  | -0.80%           | -0.47%              | -0.32%           | -0.47%                | 0.00%                            | \$ 5.44                | 70.90%              | \$ 13.26               |
| 1/27/2010            | \$ 18.15                  | -2.94%           | -0.30%              | -2.64%           | -0.31%                | 0.00%                            | \$ 5.28                | 70.90%              | \$ 12.87               |
| 1/28/2010            | \$ 18.43                  | 1.54%            | -0.80%              | 2.34%            | -0.78%                | 0.00%                            | \$ 5.36                | 70.90%              | \$ 13.07               |
| 1/29/2010            | \$ 18.57                  | 0.76%            | -0.95%              | 1.71%            | -0.94%                | 0.00%                            | \$ 5.40                | 70.90%              | \$ 13.17               |
| 2/1/2010             | \$ 19.20                  | 3.39%            | 2.02%               | 1.38%            | 1.99%                 | 0.00%                            | \$ 5.59                | 70.90%              | \$ 13.61               |
| 2/2/2010             | \$ 19.99                  | 4.11%            | 1.04%               | 3.07%            | 1.01%                 | 0.00%                            | \$ 5.82                | 70.90%              | \$ 14.17               |
| 2/3/2010             | \$ 19.58                  | -2.05%           | -0.28%              | -1.77%           | -0.28%                | 0.00%                            | \$ 5.70                | 70.90%              | \$ 13.88               |
| 2/4/2010             | \$ 18.65                  | -4.75%           | -2.34%              | -2.41%           | -2.39%                | 0.00%                            | \$ 5.43                | 70.90%              | \$ 13.22               |
| 2/5/2010             | \$ 18.39                  | -1.39%           | 0.00%               | -1.39%           | 0.00%                 | 0.00%                            | \$ 5.35                | 70.90%              | \$ 13.04               |
| 2/8/2010             | \$ 18.40                  | 0.05%            | -0.43%              | 0.49%            | -0.43%                | 0.00%                            | \$ 5.35                | 70.90%              | \$ 13.05               |
| 2/9/2010             | \$ 19.18                  | 4.24%            | 1.34%               | 2.90%            | 1.30%                 | 0.00%                            | \$ 5.58                | 70.90%              | \$ 13.60               |
| 2/10/2010            | \$ 19.29                  | 0.57%            | 0.20%               | 0.37%            | 0.20%                 | 0.00%                            | \$ 5.61                | 70.90%              | \$ 13.68               |
| 2/11/2010            | \$ 19.65                  | 1.87%            | 1.24%               | 0.62%            | 1.24%                 | 0.00%                            | \$ 5.72                | 70.90%              | \$ 13.93               |
| 2/12/2010            | \$ 19.39                  | -1.32%           | 0.21%               | -1.53%           | 0.21%                 | 0.00%                            | \$ 5.64                | 70.90%              | \$ 13.75               |
| 2/15/2010            | \$ 19.39                  | 0.00%            | 0.21%               | -0.21%           | 0.21%                 | 0.00%                            | \$ 5.64                | 70.90%              | \$ 13.75               |
| 2/16/2010            | \$ 19.54                  | 0.77%            | 1.34%               | -0.57%           | 1.35%                 | 0.00%                            | \$ 5.69                | 70.90%              | \$ 13.85               |
| 2/17/2010            | \$ 19.75                  | 1.07%            | 0.47%               | 0.60%            | 0.47%                 | 0.00%                            | \$ 5.75                | 70.90%              | \$ 14.00               |
| 2/18/2010            | \$ 20.27                  | 2.63%            | 0.37%               | 2.26%            | 0.37%                 | 0.00%                            | \$ 5.90                | 70.90%              | \$ 14.37               |
| 2/19/2010            | \$ 19.97                  | -1.48%           | 0.17%               | -1.65%           | 0.18%                 | 0.00%                            | \$ 5.81                | 70.90%              | \$ 14.16               |
| 2/22/2010            | \$ 19.89                  | -0.40%           | -0.01%              | -0.39%           | -0.01%                | 0.00%                            | \$ 5.79                | 70.90%              | \$ 14.10               |
| 2/23/2010            | \$ 19.52                  | -1.86%           | -0.59%              | -1.27%           | -0.60%                | 0.00%                            | \$ 5.68                | 70.90%              | \$ 13.84               |
| 2/24/2010            | \$ 19.75                  | 1.18%            | 0.17%               | 1.01%            | 0.17%                 | 0.00%                            | \$ 5.75                | 70.90%              | \$ 14.00               |
| 2/25/2010            | \$ 19.82                  | 0.35%            | 0.42%               | -0.07%           | 0.42%                 | 0.00%                            | \$ 5.77                | 70.90%              | \$ 14.05               |
| 2/26/2010            | \$ 20.47                  | 3.28%            | 0.22%               | 3.06%            | 0.21%                 | 0.00%                            | \$ 5.96                | 70.90%              | \$ 14.51               |
| 3/1/2010             | \$ 20.60                  | 0.64%            | 1.27%               | -0.63%           | 1.27%                 | 0.00%                            | \$ 5.99                | 70.90%              | \$ 14.61               |
| 3/2/2010             | \$ 20.50                  | -0.49%           | 0.98%               | -1.46%           | 0.99%                 | 0.00%                            | \$ 5.96                | 70.90%              | \$ 14.54               |
| 3/3/2010             | \$ 21.05<br>\$ 21.40      | 2.68%            | 0.58%               | 2.11%            | 0.56%                 | 0.00%<br>0.00%                   | \$ 6.12<br>\$ 6.23     | 70.90%              | \$ 14.93<br>\$ 15.17   |
| 3/4/2010<br>3/5/2010 | \$ 21.40<br>\$ 21.50      | 1.66%            | -0.25%<br>1.43%     | 1.92%<br>-0.54%  | -0.25%<br>1.43%       |                                  | \$ 6.23<br>\$ 6.28     | 70.90%              | \$ 15.17<br>\$ 15.31   |
| 3/5/2010             | \$ 21.59<br>\$ 21.53      | 0.89%            | 1.43%               |                  | 1.43%                 | 0.00%                            | \$ 6.28<br>\$ 6.26     | 70.90%              | \$ 15.31<br>\$ 15.27   |
| 3/8/2010<br>3/9/2010 | \$ 21.53<br>\$ 20.66      | -0.28%<br>-4.04% | 0.19%<br>-0.09%     | -0.47%<br>-3.95% | 0.19%<br>-0.09%       | 0.00%<br>0.00%                   | \$ 6.26<br>\$ 6.01     | 70.90%<br>70.90%    | \$ 15.27<br>\$ 14.65   |
| 3/10/2010            | \$ 20.80                  | -4.04%<br>0.68%  | 0.58%               | -3.93%<br>0.10%  | -0.09%<br>0.57%       | 0.00%                            | \$ 6.01<br>\$ 6.05     | 70.90%              | \$ 14.03<br>\$ 14.75   |
| 3/11/2010            | \$ 20.55                  | -1.20%           | 0.37%               | -1.57%           | 0.37%                 | 0.00%                            | \$ 0.03<br>\$ 5.98     | 70.90%              | \$ 14.73<br>\$ 14.57   |
| 3/12/2010            | \$ 20.33                  | 4.33%            | 0.58%               | 3.75%            | 0.56%                 | 0.00%                            | \$ 5.98<br>\$ 6.24     | 70.90%              | \$ 14.37<br>\$ 15.20   |
| 3/14/4010            | ψ <b>∠1.<del>44</del></b> | 7.5570           | 0.5070              | 3.1370           | 0.5070                | 0.0070                           | φ 0.24                 | 70.3070             | ψ 13.20                |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                    | [2]                   | [3]              | [4]             | [5]              | [6]             | [7]                  | [8]                   | [9]              | [10]                   |
|------------------------|-----------------------|------------------|-----------------|------------------|-----------------|----------------------|-----------------------|------------------|------------------------|
|                        |                       |                  |                 |                  |                 | Percentage of        |                       |                  |                        |
|                        |                       |                  |                 |                  |                 | Stock Price          |                       |                  | Artificial             |
|                        |                       |                  |                 | _                |                 | Reaction             | True Value -          | Artificial       | Inflation -            |
| Data                   | TRE CN                | Actual           | Predicted       | Excess           |                 | Attributed to the    | Constant              | Inflation/       | Constant               |
| Date 3/15/2010         | <b>Price</b> \$ 21.31 | -0.61%           | -0.23%          | -0.37%           | -0.23%          | Alleged Claims 0.00% | Percentage<br>\$ 6.20 | Price 70.90%     | Percentage<br>\$ 15.11 |
|                        | \$ 21.51              |                  | -0.23%<br>0.69% |                  | -0.23%<br>0.71% | 0.00%                | \$ 6.20<br>\$ 6.02    | 70.90%           | \$ 13.11<br>\$ 14.66   |
| 3/16/2010<br>3/17/2010 | \$ 20.08              | -2.96%<br>-2.61% | 0.09%           | -3.64%<br>-3.40% | 0.71%           | 0.00%                | \$ 0.02<br>\$ 5.86    | 70.90%           | \$ 14.00               |
| 3/17/2010              | \$ 20.14              | -2.61%           | -0.29%          | -0.30%           | -0.29%          | 0.00%                | \$ 5.80<br>\$ 5.82    | 70.90%           | \$ 14.20               |
| 3/19/2010              | \$ 19.88              | -0.70%           | -0.23%          | 0.03%            | -0.23%          | 0.00%                | \$ 5.78               | 70.90%           | \$ 14.20               |
| 3/22/2010              | \$ 20.49              | 3.07%            | 0.43%           | 2.64%            | 0.41%           | 0.00%                | \$ 5.76<br>\$ 5.96    | 70.90%           | \$ 14.10               |
| 3/23/2010              | \$ 20.49              | 0.93%            | 0.45%           | 0.47%            | 0.41%           | 0.00%                | \$ 6.02               | 70.90%           | \$ 14.55<br>\$ 14.66   |
| 3/24/2010              | \$ 19.91              | -3.72%           | -0.61%          | -3.11%           | -0.63%          | 0.00%                | \$ 5.79               | 70.90%           | \$ 14.12               |
| 3/25/2010              | \$ 19.63              | -1.41%           | -0.20%          | -1.21%           | -0.20%          | 0.00%                | \$ 5.71               | 70.90%           | \$ 13.92               |
| 3/26/2010              | \$ 19.30              | -1.68%           | 0.52%           | -2.20%           | 0.53%           | 0.00%                | \$ 5.62               | 70.90%           | \$ 13.68               |
| 3/29/2010              | \$ 19.05              | -1.30%           | 0.81%           | -2.11%           | 0.83%           | 0.00%                | \$ 5.54               | 70.90%           | \$ 13.51               |
| 3/30/2010              | \$ 19.56              | 2.68%            | 0.10%           | 2.58%            | 0.09%           | 0.00%                | \$ 5.69               | 70.90%           | \$ 13.87               |
| 3/31/2010              | \$ 19.90              | 1.74%            | 0.12%           | 1.62%            | 0.12%           | 0.00%                | \$ 5.79               | 70.90%           | \$ 14.11               |
| 4/1/2010               | \$ 20.16              | 1.31%            | 1.25%           | 0.06%            | 1.25%           | 0.00%                | \$ 5.87               | 70.90%           | \$ 14.29               |
| 4/5/2010               | \$ 20.20              | 0.20%            | 0.47%           | -0.27%           | 0.47%           | 0.00%                | \$ 5.88               | 70.90%           | \$ 14.32               |
| 4/6/2010               | \$ 20.13              | -0.35%           | 0.04%           | -0.38%           | 0.04%           | 0.00%                | \$ 5.86               | 70.90%           | \$ 14.27               |
| 4/7/2010               | \$ 19.84              | -1.44%           | 0.02%           | -1.46%           | 0.02%           | 0.00%                | \$ 5.77               | 70.90%           | \$ 14.07               |
| 4/8/2010               | \$ 20.05              | 1.06%            | 0.31%           | 0.75%            | 0.31%           | 0.00%                | \$ 5.83               | 70.90%           | \$ 14.22               |
| 4/9/2010               | \$ 20.26              | 1.05%            | 0.86%           | 0.19%            | 0.85%           | 0.00%                | \$ 5.89               | 70.90%           | \$ 14.37               |
| 4/12/2010              | \$ 20.75              | 2.42%            | -0.13%          | 2.55%            | -0.13%          | 0.00%                | \$ 6.04               | 70.90%           | \$ 14.71               |
| 4/13/2010              | \$ 20.59              | -0.77%           | -0.26%          | -0.51%           | -0.26%          | 0.00%                | \$ 5.99               | 70.90%           | \$ 14.60               |
| 4/14/2010              | \$ 20.57              | -0.10%           | 1.05%           | -1.15%           | 1.06%           | 0.00%                | \$ 5.98               | 70.90%           | \$ 14.59               |
| 4/15/2010              | \$ 20.40              | -0.83%           | 0.25%           | -1.08%           | 0.25%           | 0.00%                | \$ 5.94               | 70.90%           | \$ 14.46               |
| 4/16/2010              | \$ 19.80              | -2.94%           | -1.04%          | -1.90%           | -1.06%          | 0.00%                | \$ 5.76               | 70.90%           | \$ 14.04               |
| 4/19/2010              | \$ 19.75              | -0.25%           | -0.06%          | -0.19%           | -0.06%          | 0.00%                | \$ 5.75               | 70.90%           | \$ 14.00               |
| 4/20/2010              | \$ 19.54              | -1.06%           | 0.57%           | -1.63%           | 0.58%           | 0.00%                | \$ 5.69               | 70.90%           | \$ 13.85               |
| 4/21/2010              | \$ 19.70              | 0.82%            | 0.56%           | 0.26%            | 0.56%           | 0.00%                | \$ 5.73               | 70.90%           | \$ 13.97               |
| 4/22/2010              | \$ 19.80              | 0.51%            | 0.18%           | 0.32%            | 0.18%           | 0.00%                | \$ 5.76               | 70.90%           | \$ 14.04               |
| 4/23/2010              | \$ 19.49              | -1.57%           | 0.88%           | -2.45%           | 0.91%           | 0.00%                | \$ 5.67               | 70.90%           | \$ 13.82               |
| 4/26/2010              | \$ 19.40              | -0.46%           | 0.49%           | -0.96%           | 0.50%           | 0.00%                | \$ 5.64               | 70.90%           | \$ 13.76               |
| 4/27/2010              | \$ 18.62              | -4.02%           | -1.97%          | -2.05%           | -2.01%          | 0.00%                | \$ 5.42               | 70.90%           | \$ 13.20               |
| 4/28/2010              | \$ 18.40              | -1.18%           | -0.64%          | -0.54%           | -0.64%          | 0.00%                | \$ 5.35               | 70.90%           | \$ 13.05               |
| 4/29/2010<br>4/30/2010 | \$ 17.86              | -2.93%           | 1.20%<br>0.16%  | -4.14%           | 1.25%           | 0.00%<br>0.00%       | \$ 5.20               | 70.90%<br>70.90% | \$ 12.66               |
| 5/3/2010               | \$ 18.06<br>\$ 18.10  | 1.12%<br>0.22%   | 0.18%           | 0.96%<br>0.04%   | 0.15%<br>0.18%  | 0.00%                | \$ 5.25<br>\$ 5.27    | 70.90%           | \$ 12.81<br>\$ 12.83   |
| 5/4/2010               | \$ 17.85              | -1.38%           | -2.05%          | 0.67%            | -2.04%          | 0.00%                | \$ 5.27               | 70.90%           | \$ 12.65<br>\$ 12.66   |
| 5/5/2010               | \$ 17.83              | 1.79%            | -1.35%          | 3.14%            | -1.31%          | 0.00%                | \$ 5.19               | 70.90%           | \$ 12.88               |
| 5/6/2010               | \$ 17.56              | -3.36%           | -1.28%          | -2.07%           | -1.31%          | 0.00%                | \$ 5.29               | 70.90%           | \$ 12.66               |
| 5/7/2010               | \$ 17.06              | -2.85%           | -1.51%          | -1.34%           | -1.53%          | 0.00%                | \$ 4.96               | 70.90%           | \$ 12.43               |
| 5/10/2010              | \$ 17.81              | 4.40%            | 3.28%           | 1.12%            | 3.24%           | 0.00%                | \$ 5.18               | 70.90%           | \$ 12.63               |
| 5/11/2010              | \$ 17.31              | -2.30%           | -0.09%          | -2.21%           | -0.09%          | 0.00%                | \$ 5.06               | 70.90%           | \$ 12.03               |
| 5/12/2010              | \$ 18.22              | 4.71%            | 1.82%           | 2.89%            | 1.77%           | 0.00%                | \$ 5.30               | 70.90%           | \$ 12.92               |
| 5/13/2010              | \$ 17.85              | -2.03%           | -0.49%          | -1.54%           | -0.49%          | 0.00%                | \$ 5.19               | 70.90%           | \$ 12.66               |
| 5/14/2010              | \$ 17.64              | -1.18%           | -1.19%          | 0.01%            | -1.19%          | 0.00%                | \$ 5.13               | 70.90%           | \$ 12.51               |
| 5/17/2010              | \$ 17.62              | -0.11%           | -1.32%          | 1.20%            | -1.30%          | 0.00%                | \$ 5.13               | 70.90%           | \$ 12.49               |
| 5/18/2010              | \$ 17.63              | 0.06%            | -0.51%          | 0.56%            | -0.50%          | 0.00%                | \$ 5.13               | 70.90%           | \$ 12.50               |
| 5/19/2010              | \$ 16.91              | -4.08%           | -1.03%          | -3.05%           | -1.07%          | 0.00%                | \$ 4.92               | 70.90%           | \$ 11.99               |
| 5/20/2010              | \$ 16.29              | -3.67%           | -2.21%          | -1.46%           | -2.24%          | 0.00%                | \$ 4.74               | 70.90%           | \$ 11.55               |
|                        |                       |                  |                 |                  |                 |                      |                       |                  |                        |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                    | [2]                  | [3]              | [4]                 | [5]              | [6]                   | [7]                              | [8]                    | [9]                 | [10]                   |
|------------------------|----------------------|------------------|---------------------|------------------|-----------------------|----------------------------------|------------------------|---------------------|------------------------|
|                        |                      |                  |                     |                  |                       | Percentage of                    |                        |                     |                        |
|                        |                      |                  |                     |                  |                       | Stock Price                      |                        |                     | Artificial             |
|                        |                      |                  |                     | _                |                       | Reaction                         | True Value -           | Artificial          | Inflation -            |
| Date                   | TRE CN<br>Price      | Actual<br>Return | Predicted<br>Return | Excess<br>Return | Constructed<br>Return | Attributed to the Alleged Claims | Constant<br>Percentage | Inflation/<br>Price | Constant<br>Percentage |
| 5/21/2010              | \$ 16.77             | 2.95%            | 1.13%               | 1.81%            | 1.11%                 | 0.00%                            | \$ 4.88                | 70.90%              | \$ 11.89               |
| 5/24/2010              | \$ 16.77             | 0.00%            | 1.13%               | -1.13%           | 1.11%                 | 0.00%                            | \$ 4.88                | 70.90%              | \$ 11.89               |
| 5/25/2010              | \$ 16.77             | 1.31%            | -0.78%              | 2.10%            | -0.77%                | 0.00%                            | \$ 4.94                | 70.90%              | \$ 12.05               |
| 5/26/2010              | \$ 17.01             | 0.12%            | 0.61%               | -0.49%           | 0.61%                 | 0.00%                            | \$ 4.95                | 70.90%              | \$ 12.06               |
| 5/27/2010              | \$ 17.66             | 3.82%            | 2.65%               | 1.17%            | 2.62%                 | 0.00%                            | \$ 5.14                | 70.90%              | \$ 12.52               |
| 5/28/2010              | \$ 18.04             | 2.15%            | -0.39%              | 2.54%            | -0.38%                | 0.00%                            | \$ 5.25                | 70.90%              | \$ 12.79               |
| 5/31/2010              | \$ 18.19             | 0.83%            | 0.80%               | 0.03%            | 0.80%                 | 0.00%                            | \$ 5.29                | 70.90%              | \$ 12.90               |
| 6/1/2010               | \$ 16.95             | -6.82%           | -1.65%              | -5.16%           | -1.74%                | 0.00%                            | \$ 4.93                | 70.90%              | \$ 12.02               |
| 6/2/2010               | \$ 16.67             | -1.65%           | 1.56%               | -3.21%           | 1.61%                 | 0.00%                            | \$ 4.85                | 70.90%              | \$ 11.82               |
| 6/3/2010               | \$ 16.37             | -1.80%           | 0.38%               | -2.18%           | 0.39%                 | 0.00%                            | \$ 4.76                | 70.90%              | \$ 11.61               |
| 6/4/2010               | \$ 16.34             | -0.18%           | -2.14%              | 1.96%            | -2.10%                | 0.00%                            | \$ 4.75                | 70.90%              | \$ 11.59               |
| 6/7/2010               | \$ 15.99             | -2.14%           | -0.91%              | -1.24%           | -0.92%                | 0.00%                            | \$ 4.65                | 70.90%              | \$ 11.34               |
| 6/8/2010               | \$ 16.45             | 2.88%            | 0.29%               | 2.59%            | 0.28%                 | 0.00%                            | \$ 4.79                | 70.90%              | \$ 11.66               |
| 6/9/2010               | \$ 16.57             | 0.73%            | 0.09%               | 0.64%            | 0.09%                 | 0.00%                            | \$ 4.82                | 70.90%              | \$ 11.75               |
| 6/10/2010              | \$ 16.58             | 0.06%            | 2.14%               | -2.08%           | 2.18%                 | 0.00%                            | \$ 4.82                | 70.90%              | \$ 11.76               |
| 6/11/2010              | \$ 16.85             | 1.63%            | 0.89%               | 0.74%            | 0.89%                 | 0.00%                            | \$ 4.90                | 70.90%              | \$ 11.95               |
| 6/14/2010              | \$ 17.03             | 1.07%            | 0.50%               | 0.57%            | 0.50%                 | 0.00%                            | \$ 4.95                | 70.90%              | \$ 12.08               |
| 6/15/2010              | \$ 17.10             | 0.41%            | 2.01%               | -1.60%           | 2.04%                 | 0.00%                            | \$ 4.98                | 70.90%              | \$ 12.12               |
| 6/16/2010              | \$ 16.99             | -0.64%           | -0.02%              | -0.62%           | -0.02%                | 0.00%                            | \$ 4.94                | 70.90%              | \$ 12.05               |
| 6/17/2010              | \$ 17.06             | 0.41%            | 0.40%               | 0.01%            | 0.40%                 | 0.00%                            | \$ 4.96                | 70.90%              | \$ 12.10               |
| 6/18/2010              | \$ 17.41             | 2.05%            | 0.21%               | 1.84%            | 0.21%                 | 0.00%                            | \$ 5.07                | 70.90%              | \$ 12.34               |
| 6/21/2010              | \$ 17.80             | 2.24%            | 0.73%               | 1.51%            | 0.72%                 | 0.00%                            | \$ 5.18                | 70.90%              | \$ 12.62               |
| 6/22/2010              | \$ 17.34             | -2.58%           | -1.26%              | -1.32%           | -1.28%                | 0.00%                            | \$ 5.05                | 70.90%              | \$ 12.29               |
| 6/23/2010              | \$ 17.54             | 1.15%            | 0.11%               | 1.04%            | 0.11%                 | 0.00%                            | \$ 5.10                | 70.90%              | \$ 12.44               |
| 6/24/2010              | \$ 17.28             | -1.48%           | -1.35%              | -0.13%           | -1.35%                | 0.00%                            | \$ 5.03                | 70.90%              | \$ 12.25               |
| 6/25/2010              | \$ 16.88             | -2.31%           | 0.53%               | -2.84%           | 0.54%                 | 0.00%                            | \$ 4.91                | 70.90%              | \$ 11.97               |
| 6/28/2010              | \$ 16.58             | -1.78%           | -0.73%              | -1.05%           | -0.73%                | 0.00%                            | \$ 4.82                | 70.90%              | \$ 11.76               |
| 6/29/2010              | \$ 15.29             | -7.78%           | -3.01%              | -4.77%           | -3.16%                | 0.00%                            | \$ 4.45                | 70.90%              | \$ 10.84               |
| 6/30/2010              | \$ 15.13             | -1.05%           | 0.05%               | -1.10%           | 0.05%                 | 0.00%                            | \$ 4.40                | 70.90%              | \$ 10.73               |
| 7/1/2010               | \$ 15.13             | 0.00%            | 0.05%               | -0.05%           | 0.05%                 | 0.00%                            | \$ 4.40                | 70.90%              | \$ 10.73               |
| 7/2/2010               | \$ 15.10             | -0.20%           | -0.76%              | 0.56%            | -0.76%                | 0.00%                            | \$ 4.39                | 70.90%              | \$ 10.71               |
| 7/5/2010               | \$ 15.19             | 0.60%            | -0.73%              | 1.32%            | -0.72%                | 0.00%                            | \$ 4.42                | 70.90%              | \$ 10.77               |
| 7/6/2010               | \$ 15.33             | 0.92%            | 1.19%               | -0.27%           | 1.20%                 | 0.00%                            | \$ 4.46                | 70.90%              | \$ 10.87               |
| 7/7/2010               | \$ 15.41             | 0.52%            | 1.53%               | -1.01%           | 1.54%                 | 0.00%                            | \$ 4.48                | 70.90%              | \$ 10.93               |
| 7/8/2010               | \$ 15.75             | 2.21%            | 0.67%               | 1.54%            | 0.66%                 | 0.00%                            | \$ 4.58                | 70.90%              | \$ 11.17               |
| 7/9/2010               | \$ 16.15             | 2.54%            | 1.22%               | 1.32%            | 1.20%                 | 0.00%                            | \$ 4.70                | 70.90%              | \$ 11.45               |
| 7/12/2010              | \$ 15.98             | -1.05%           | -0.01%              | -1.04%           | -0.01%                | 0.00%                            | \$ 4.65                | 70.90%              | \$ 11.33               |
| 7/13/2010              | \$ 16.30             | 2.00%            | 1.29%               | 0.71%            | 1.28%                 | 0.00%                            | \$ 4.74                | 70.90%              | \$ 11.56               |
| 7/14/2010              | \$ 15.90             | -2.45%           | -0.11%              | -2.34%           | -0.11%                | 0.00%                            | \$ 4.63                | 70.90%              | \$ 11.27               |
| 7/15/2010<br>7/16/2010 | \$ 15.84<br>\$ 15.48 | -0.38%<br>-2.27% | 0.65%<br>-1.33%     | -1.03%           | 0.66%                 | 0.00%                            | \$ 4.61<br>\$ 4.50     | 70.90%              | \$ 11.23<br>\$ 10.98   |
| 7/16/2010<br>7/19/2010 | \$ 15.48<br>\$ 15.63 | -2.27%<br>0.97%  | -1.33%<br>0.07%     | -0.94%<br>0.90%  | -1.34%<br>0.07%       | 0.00%<br>0.00%                   | \$ 4.50<br>\$ 4.55     | 70.90%<br>70.90%    | \$ 10.98<br>\$ 11.08   |
| 7/20/2010              | \$ 15.65<br>\$ 16.56 | 5.95%            | 1.27%               | 4.68%            | 1.21%                 | 0.00%                            | \$ 4.33<br>\$ 4.82     | 70.90%              | \$ 11.08<br>\$ 11.74   |
| 7/20/2010              | \$ 16.30             | -1.15%           | -0.32%              | -0.83%           | -0.32%                | 0.00%                            | \$ 4.82<br>\$ 4.76     | 70.90%              | \$ 11.74<br>\$ 11.61   |
| 7/22/2010              | \$ 10.37             | 5.44%            | 1.74%               | 3.70%            | 1.68%                 | 0.00%                            | \$ 5.02                | 70.90%              | \$ 12.24               |
| 7/23/2010              | \$ 17.20             | -2.32%           | 0.78%               | -3.09%           | 0.80%                 | 0.00%                            | \$ 4.91                | 70.90%              | \$ 12.24               |
| 7/26/2010              | \$ 16.98             | 0.71%            | 0.74%               | -0.03%           | 0.75%                 | 0.00%                            | \$ 4.94                | 70.90%              | \$ 12.04               |
| 7/27/2010              | \$ 16.26             | -4.24%           | -0.03%              | -4.21%           | -0.03%                | 0.00%                            | \$ 4.73                | 70.90%              | \$ 11.53               |
| // _ 010               | + -0 <b>.2</b> 0     | ,0               | 2.02/0              | 1,5              | 3.3270                | 2.0070                           | ÷                      | . 3.3 3 70          | + - <b>1.</b> 00       |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]              | [2]             | [3]              | [4]                 | [5]              | [6]                   | [7]                              | [8]                    | [9]                 | [10]                   |
|------------------|-----------------|------------------|---------------------|------------------|-----------------------|----------------------------------|------------------------|---------------------|------------------------|
|                  |                 |                  |                     |                  |                       | Percentage of                    |                        |                     |                        |
|                  |                 |                  |                     |                  |                       | Stock Price                      |                        |                     | Artificial             |
|                  |                 |                  |                     | _                |                       | Reaction                         | True Value -           | Artificial          | Inflation -            |
| Date             | TRE CN<br>Price | Actual<br>Return | Predicted<br>Return | Excess<br>Return | Constructed<br>Return | Attributed to the Alleged Claims | Constant<br>Percentage | Inflation/<br>Price | Constant<br>Percentage |
| 7/28/20          |                 | -1.05%           | -0.31%              | -0.74%           | -0.31%                | 0.00%                            | \$ 4.68                | 70.90%              | \$ 11.41               |
| 7/29/20          |                 | 0.00%            | 0.33%               | -0.33%           | 0.33%                 | 0.00%                            | \$ 4.68                | 70.90%              | \$ 11.41               |
| 7/30/20          |                 | -1.62%           | -0.01%              | -1.61%           | -0.01%                | 0.00%                            | \$ 4.61                | 70.90%              | \$ 11.22               |
| 8/2/20           |                 | 0.00%            | -0.01%              | 0.01%            | -0.01%                | 0.00%                            | \$ 4.61                | 70.90%              | \$ 11.22               |
| 8/3/20           |                 | 3.98%            | 1.32%               | 2.66%            | 1.29%                 | 0.00%                            | \$ 4.79                | 70.90%              | \$ 11.67               |
| 8/4/20           |                 | -1.28%           | 0.52%               | -1.80%           | 0.53%                 | 0.00%                            | \$ 4.73                | 70.90%              | \$ 11.52               |
| 8/5/20           |                 | 2.77%            | -0.16%              | 2.93%            | -0.16%                | 0.00%                            | \$ 4.86                | 70.90%              | \$ 11.84               |
| 8/6/20           |                 | 0.90%            | 0.20%               | 0.70%            | 0.20%                 | 0.00%                            | \$ 4.90                | 70.90%              | \$ 11.95               |
| 8/9/20           |                 | 1.78%            | 0.62%               | 1.16%            | 0.61%                 | 0.00%                            | \$ 4.99                | 70.90%              | \$ 12.16               |
| 8/10/20          | \$ 16.93        | -1.28%           | -0.49%              | -0.79%           | -0.50%                | 0.00%                            | \$ 4.93                | 70.90%              | \$ 12.00               |
| 8/11/20          | \$ 16.65        | -1.65%           | -2.41%              | 0.76%            | -2.40%                | 0.00%                            | \$ 4.84                | 70.90%              | \$ 11.81               |
| 8/12/20          | \$ 17.34        | 4.14%            | -0.23%              | 4.38%            | -0.22%                | 0.00%                            | \$ 5.05                | 70.90%              | \$ 12.29               |
| 8/13/20          | \$ 17.60        | 1.50%            | 0.32%               | 1.18%            | 0.32%                 | 0.00%                            | \$ 5.12                | 70.90%              | \$ 12.48               |
| 8/16/20          | 10 \$ 17.44     | -0.91%           | 0.32%               | -1.23%           | 0.32%                 | 0.00%                            | \$ 5.07                | 70.90%              | \$ 12.37               |
| 8/17/20          | \$ 17.86        | 2.41%            | 1.52%               | 0.89%            | 1.51%                 | 0.00%                            | \$ 5.20                | 70.90%              | \$ 12.66               |
| 8/18/20          |                 | 4.37%            | 0.56%               | 3.81%            | 0.54%                 | 0.00%                            | \$ 5.42                | 70.90%              | \$ 13.22               |
| 8/19/20          |                 | 0.21%            | -0.73%              | 0.95%            | -0.72%                | 0.00%                            | \$ 5.43                | 70.90%              | \$ 13.25               |
| 8/20/20          |                 | -0.86%           | -0.34%              | -0.51%           | -0.34%                | 0.00%                            | \$ 5.39                | 70.90%              | \$ 13.13               |
| 8/23/20          |                 | 0.11%            | -0.12%              | 0.23%            | -0.12%                | 0.00%                            | \$ 5.39                | 70.90%              | \$ 13.15               |
| 8/24/20          |                 | -5.18%           | -1.32%              | -3.86%           | -1.38%                | 0.00%                            | \$ 5.11                | 70.90%              | \$ 12.47               |
| 8/25/20          |                 | -0.74%           | 0.30%               | -1.04%           | 0.30%                 | 0.00%                            | \$ 5.08                | 70.90%              | \$ 12.37               |
| 8/26/20          |                 | 3.09%            | 0.16%               | 2.93%            | 0.16%                 | 0.00%                            | \$ 5.23                | 70.90%              | \$ 12.76               |
| 8/27/20          |                 | 1.39%            | 1.78%               | -0.39%           | 1.79%                 | 0.00%                            | \$ 5.31                | 70.90%              | \$ 12.93               |
| 8/30/20          |                 | -1.37%           | -0.06%              | -1.31%           | -0.06%                | 0.00%                            | \$ 5.23                | 70.90%              | \$ 12.76               |
| 8/31/20          | ·               | 2.11%            | 0.19%               | 1.92%            | 0.19%                 | 0.00%                            | \$ 5.34                | 70.90%              | \$ 13.03               |
| 9/1/20           |                 | 3.59%            | 1.71%               | 1.88%            | 1.68%                 | 0.00%                            | \$ 5.54                | 70.90%              | \$ 13.49               |
| 9/2/20           |                 | -0.16%           | 1.18%               | -1.33%           | 1.19%                 | 0.00%                            | \$ 5.53                | 70.90%              | \$ 13.47               |
| 9/3/20           |                 | 0.11%            | 0.43%               | -0.33%           | 0.44%                 | 0.00%                            | \$ 5.53                | 70.90%              | \$ 13.49               |
| 9/6/20           |                 | 0.00%            | 0.43%               | -0.43%           | 0.44%                 | 0.00%                            | \$ 5.53                | 70.90%              | \$ 13.49               |
| 9/7/20<br>9/8/20 |                 | -1.31%<br>1.23%  | -0.27%<br>-0.09%    | -1.05%<br>1.32%  | -0.27%                | 0.00%                            | \$ 5.46<br>\$ 5.53     | 70.90%<br>70.90%    | \$ 13.31<br>\$ 13.47   |
| 9/8/20           |                 | -3.63%           | 0.19%               | -3.82%           | -0.09%<br>0.20%       | 0.00%<br>0.00%                   | \$ 5.33<br>\$ 5.33     | 70.90%              | \$ 13.47<br>\$ 12.98   |
| 9/10/20          |                 | -0.60%           | 0.19%               | -1.18%           | 0.20%                 | 0.00%                            | \$ 5.30                | 70.90%              | \$ 12.90               |
| 9/10/20          |                 | 1.92%            | 1.10%               | 0.82%            | 1.09%                 | 0.00%                            | \$ 5.40                | 70.90%              | \$ 12.50               |
| 9/13/20          |                 | -0.38%           | 0.46%               | -0.84%           | 0.47%                 | 0.00%                            | \$ 5.38                | 70.90%              | \$ 13.10               |
| 9/15/20          |                 | -3.90%           | -0.06%              | -3.83%           | -0.07%                | 0.00%                            | \$ 5.17                | 70.90%              | \$ 12.59               |
| 9/16/20          |                 | -1.63%           | 0.31%               | -1.94%           | 0.31%                 | 0.00%                            | \$ 5.08                | 70.90%              | \$ 12.39               |
| 9/17/20          |                 | -1.43%           | 0.11%               | -1.54%           | 0.11%                 | 0.00%                            | \$ 5.01                | 70.90%              | \$ 12.21               |
| 9/20/20          |                 | 3.25%            | 0.26%               | 2.99%            | 0.25%                 | 0.00%                            | \$ 5.17                | 70.90%              | \$ 12.61               |
| 9/21/20          |                 | -1.86%           | 0.05%               | -1.90%           | 0.05%                 | 0.00%                            | \$ 5.08                | 70.90%              | \$ 12.37               |
| 9/22/20          |                 | -1.49%           | -0.24%              | -1.25%           | -0.24%                | 0.00%                            | \$ 5.00                | 70.90%              | \$ 12.19               |
| 9/23/20          |                 | -2.15%           | -0.45%              | -1.70%           | -0.46%                | 0.00%                            | \$ 4.89                | 70.90%              | \$ 11.93               |
| 9/24/20          |                 | 1.07%            | 1.32%               | -0.25%           | 1.33%                 | 0.00%                            | \$ 4.95                | 70.90%              | \$ 12.05               |
| 9/27/20          |                 | -0.59%           | 0.15%               | -0.73%           | 0.15%                 | 0.00%                            | \$ 4.92                | 70.90%              | \$ 11.98               |
| 9/28/20          |                 | -0.53%           | 0.76%               | -1.30%           | 0.77%                 | 0.00%                            | \$ 4.89                | 70.90%              | \$ 11.92               |
| 9/29/20          |                 | 4.76%            | 0.79%               | 3.97%            | 0.76%                 | 0.00%                            | \$ 5.12                | 70.90%              | \$ 12.49               |
| 9/30/20          |                 | -2.67%           | 0.33%               | -3.00%           | 0.34%                 | 0.00%                            | \$ 4.99                | 70.90%              | \$ 12.15               |
| 10/1/20          |                 | -0.53%           | 0.37%               | -0.90%           | 0.37%                 | 0.00%                            | \$ 4.96                | 70.90%              | \$ 12.09               |
|                  |                 |                  |                     |                  |                       |                                  |                        |                     |                        |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]                      | [2]                  | [3]              | [4]            | [5]              | [6]            | [7]               | [8]                | [9]              | [10]                 |
|--------------------------|----------------------|------------------|----------------|------------------|----------------|-------------------|--------------------|------------------|----------------------|
|                          |                      |                  |                |                  |                | Percentage of     |                    |                  |                      |
|                          |                      |                  |                |                  |                | Stock Price       |                    |                  | Artificial           |
|                          |                      |                  |                |                  |                | Reaction          | True Value -       | Artificial       | Inflation -          |
|                          | TRE CN               | Actual           | Predicted      | Excess           |                | Attributed to the | Constant           | Inflation/       | Constant             |
| Date                     | Price                | Return           | Return         | Return           | Return         | Alleged Claims    | Percentage         | Price            | Percentage           |
| 10/4/2010                | \$ 17.31             | 1.52%            | -0.64%         | 2.16%            | -0.63%         | 0.00%             | \$ 5.04            | 70.90%           | \$ 12.27             |
| 10/5/2010                | \$ 18.01             | 4.04%            | 1.67%          | 2.38%            | 1.63%          | 0.00%             | \$ 5.24            | 70.90%           | \$ 12.77             |
| 10/6/2010                | \$ 17.72             | -1.61%           | 0.45%          | -2.06%           | 0.46%          | 0.00%             | \$ 5.16            | 70.90%           | \$ 12.56             |
| 10/7/2010                | \$ 17.42             | -1.69%           | -0.43%         | -1.27%           | -0.43%         | 0.00%             | \$ 5.07            | 70.90%           | \$ 12.35             |
| 10/8/2010                | \$ 18.04             | 3.56%            | 0.71%          | 2.85%            | 0.69%          | 0.00%             | \$ 5.25            | 70.90%           | \$ 12.79             |
| 10/11/2010               | \$ 18.04             | 0.00%            | 0.71%          | -0.71%           | 0.72%          | 0.00%             | \$ 5.25            | 70.90%           | \$ 12.79             |
| 10/12/2010               | \$ 18.99             | 5.27%            | 0.29%          | 4.98%            | 0.28%          | 0.00%             | \$ 5.53            | 70.90%           | \$ 13.46             |
| 10/13/2010               | \$ 19.24             | 1.32%            | 1.10%          | 0.22%            | 1.09%          | 0.00%             | \$ 5.60            | 70.90%           | \$ 13.64             |
| 10/14/2010               | \$ 19.53             | 1.51%            | -0.14%         | 1.65%            | -0.14%         | 0.00%             | \$ 5.68            | 70.90%           | \$ 13.85             |
| 10/15/2010               | \$ 19.46             | -0.36%           | -0.10%         | -0.26%           | -0.10%         | 0.00%             | \$ 5.66            | 70.90%           | \$ 13.80             |
| 10/18/2010               | \$ 20.10             | 3.29%            | 0.13%          | 3.15%            | 0.13%          | 0.00%             | \$ 5.85            | 70.90%           | \$ 14.25             |
| 10/19/2010               | \$ 19.76             | -1.69%           | -0.82%         | -0.88%           | -0.82%         | 0.00%             | \$ 5.75            | 70.90%           | \$ 14.01             |
| 10/20/2010               | \$ 19.90             | 0.71%            | 0.93%          | -0.22%           | 0.93%          | 0.00%             | \$ 5.79            | 70.90%           | \$ 14.11             |
| 10/21/2010               | \$ 20.41             | 2.56%            | 0.13%          | 2.43%            | 0.13%          | 0.00%             | \$ 5.94            | 70.90%           | \$ 14.47             |
| 10/22/2010               | \$ 21.17             | 3.72%            | 0.07%          | 3.65%            | 0.07%          | 0.00%             | \$ 6.16            | 70.90%           | \$ 15.01             |
| 10/25/2010               | \$ 21.32<br>\$ 20.51 | 0.71%<br>-3.80%  | 0.82%<br>0.02% | -0.11%           | 0.82%<br>0.02% | 0.00%             | \$ 6.20<br>\$ 5.97 | 70.90%           | \$ 15.12<br>\$ 14.54 |
| 10/26/2010<br>10/27/2010 | \$ 20.31             | -3.80%<br>-1.95% | -0.74%         | -3.82%<br>-1.21% | -0.74%         | 0.00%<br>0.00%    | \$ 5.97<br>\$ 5.85 | 70.90%<br>70.90% | \$ 14.34<br>\$ 14.26 |
| 10/28/2010               | \$ 19.93             | -0.90%           | -0.74%         | -0.84%           | -0.74%         | 0.00%             | \$ 5.80            | 70.90%           | \$ 14.20             |
| 10/29/2010               | \$ 19.93             | 1.15%            | 1.05%          | 0.10%            | 1.05%          | 0.00%             | \$ 5.80<br>\$ 5.87 | 70.90%           | \$ 14.13<br>\$ 14.29 |
| 11/1/2010                | \$ 20.10             | 2.18%            | 0.08%          | 2.10%            | 0.08%          | 0.00%             | \$ 5.87<br>\$ 5.99 | 70.90%           | \$ 14.29<br>\$ 14.61 |
| 11/2/2010                | \$ 20.42             | -0.87%           | 0.03%          | -1.34%           | 0.03%          | 0.00%             | \$ 5.94            | 70.90%           | \$ 14.01             |
| 11/3/2010                | \$ 20.42             | 1.96%            | 0.47%          | 1.72%            | 0.47%          | 0.00%             | \$ 5.94<br>\$ 6.06 | 70.90%           | \$ 14.46<br>\$ 14.76 |
| 11/4/2010                | \$ 20.82             | 1.01%            | 1.67%          | -0.66%           | 1.68%          | 0.00%             | \$ 6.12            | 70.90%           | \$ 14.70<br>\$ 14.91 |
| 11/5/2010                | \$ 21.03             | 1.00%            | 0.23%          | 0.76%            | 0.23%          | 0.00%             | \$ 6.18            | 70.90%           | \$ 15.06             |
| 11/8/2010                | \$ 22.39             | 5.41%            | 0.63%          | 4.78%            | 0.60%          | 0.00%             | \$ 6.51            | 70.90%           | \$ 15.88             |
| 11/9/2010                | \$ 21.24             | -5.14%           | -0.61%         | -4.52%           | -0.64%         | 0.00%             | \$ 6.18            | 70.90%           | \$ 15.06             |
| 11/10/2010               | \$ 21.83             | 2.78%            | 0.11%          | 2.66%            | 0.11%          | 0.00%             | \$ 6.35            | 70.90%           | \$ 15.48             |
| 11/11/2010               | \$ 22.59             | 3.48%            | -0.10%         | 3.58%            | -0.10%         | 0.00%             | \$ 6.57            | 70.90%           | \$ 16.02             |
| 11/12/2010               | \$ 21.55             | -4.60%           | -1.49%         | -3.11%           | -1.54%         | 0.00%             | \$ 6.27            | 70.90%           | \$ 15.28             |
| 11/15/2010               | \$ 21.67             | 0.56%            | 0.08%          | 0.48%            | 0.08%          | 0.00%             | \$ 6.30            | 70.90%           | \$ 15.37             |
| 11/16/2010               | \$ 21.92             | 1.15%            | -1.46%         | 2.61%            | -1.42%         | 0.00%             | \$ 6.38            | 70.90%           | \$ 15.54             |
| 11/17/2010               | \$ 21.50             | -1.92%           | 0.40%          | -2.32%           | 0.41%          | 0.00%             | \$ 6.26            | 70.90%           | \$ 15.24             |
| 11/18/2010               | \$ 22.26             | 3.53%            | 1.79%          | 1.75%            | 1.76%          | 0.00%             | \$ 6.48            | 70.90%           | \$ 15.78             |
| 11/19/2010               | \$ 22.46             | 0.90%            | 0.48%          | 0.42%            | 0.48%          | 0.00%             | \$ 6.53            | 70.90%           | \$ 15.93             |
| 11/22/2010               | \$ 22.55             | 0.40%            | -0.23%         | 0.63%            | -0.22%         | 0.00%             | \$ 6.56            | 70.90%           | \$ 15.99             |
| 11/23/2010               | \$ 22.34             | -0.93%           | -1.38%         | 0.45%            | -1.37%         | 0.00%             | \$ 6.50            | 70.90%           | \$ 15.84             |
| 11/24/2010               | \$ 22.51             | 0.76%            | 1.10%          | -0.34%           | 1.10%          | 0.00%             | \$ 6.55            | 70.90%           | \$ 15.96             |
| 11/25/2010               | \$ 22.50             | -0.04%           | 0.45%          | -0.49%           | 0.45%          | 0.00%             | \$ 6.55            | 70.90%           | \$ 15.95             |
| 11/26/2010               | \$ 22.42             | -0.36%           | -0.61%         | 0.26%            | -0.61%         | 0.00%             | \$ 6.52            | 70.90%           | \$ 15.90             |
| 11/29/2010               | \$ 22.12             | -1.34%           | -0.02%         | -1.32%           | -0.02%         | 0.00%             | \$ 6.44            | 70.90%           | \$ 15.68             |
| 11/30/2010               | \$ 22.24             | 0.54%            | -0.09%         | 0.64%            | -0.09%         | 0.00%             | \$ 6.47            | 70.90%           | \$ 15.77             |
| 12/1/2010                | \$ 22.65             | 1.84%            | 1.78%          | 0.06%            | 1.78%          | 0.00%             | \$ 6.59            | 70.90%           | \$ 16.06             |
| 12/2/2010                | \$ 23.69             | 4.59%            | 0.89%          | 3.70%            | 0.86%          | 0.00%             | \$ 6.89            | 70.90%           | \$ 16.80             |
| 12/3/2010                | \$ 23.32             | -1.56%           | 0.60%          | -2.16%           | 0.61%          | 0.00%             | \$ 6.78            | 70.90%           | \$ 16.54             |
| 12/6/2010                | \$ 23.46             | 0.60%            | 0.33%          | 0.27%            | 0.33%          | 0.00%             | \$ 6.83            | 70.90%           | \$ 16.63             |
| 12/7/2010                | \$ 23.40             | -0.26%           | -0.06%         | -0.20%           | -0.06%         | 0.00%             | \$ 6.81            | 70.90%           | \$ 16.59             |
| 12/8/2010                | \$ 23.39             | -0.04%           | -0.56%         | 0.51%            | -0.55%         | 0.00%             | \$ 6.81            | 70.90%           | \$ 16.58             |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]        | [2]      | [3]    | [4]       | [5]    | [6]         | [7]               | [8]          | [9]        | [10]        |
|------------|----------|--------|-----------|--------|-------------|-------------------|--------------|------------|-------------|
|            |          |        |           |        |             | Percentage of     |              |            |             |
|            |          |        |           |        |             | Stock Price       |              |            | Artificial  |
|            |          |        |           |        |             | Reaction          | True Value - | Artificial | Inflation - |
|            | TRE CN   | Actual | Predicted | Excess | Constructed | Attributed to the | Constant     | Inflation/ | Constant    |
| Date       | Price    | Return | Return    | Return | Return      | Alleged Claims    | Percentage   | Price      | Percentage  |
| 12/9/2010  | \$ 23.46 | 0.30%  | 0.04%     | 0.25%  | 0.04%       | 0.00%             | \$ 6.83      | 70.90%     | \$ 16.63    |
| 12/10/2010 | \$ 23.58 | 0.51%  | 0.46%     | 0.05%  | 0.46%       | 0.00%             | \$ 6.86      | 70.90%     | \$ 16.72    |
| 12/13/2010 | \$ 24.02 | 1.87%  | 0.67%     | 1.20%  | 0.66%       | 0.00%             | \$ 6.99      | 70.90%     | \$ 17.03    |
| 12/14/2010 | \$ 24.43 | 1.71%  | 0.08%     | 1.63%  | 0.08%       | 0.00%             | \$ 7.11      | 70.90%     | \$ 17.32    |
| 12/15/2010 | \$ 23.88 | -2.25% | -0.47%    | -1.78% | -0.48%      | 0.00%             | \$ 6.95      | 70.90%     | \$ 16.93    |
| 12/16/2010 | \$ 23.83 | -0.21% | -0.38%    | 0.17%  | -0.37%      | 0.00%             | \$ 6.93      | 70.90%     | \$ 16.90    |
| 12/17/2010 | \$ 23.61 | -0.92% | 0.11%     | -1.03% | 0.11%       | 0.00%             | \$ 6.87      | 70.90%     | \$ 16.74    |
| 12/20/2010 | \$ 23.32 | -1.23% | -0.05%    | -1.18% | -0.05%      | 0.00%             | \$ 6.78      | 70.90%     | \$ 16.54    |
| 12/21/2010 | \$ 23.65 | 1.42%  | 1.52%     | -0.10% | 1.52%       | 0.00%             | \$ 6.88      | 70.90%     | \$ 16.77    |
| 12/22/2010 | \$ 23.42 | -0.97% | 0.36%     | -1.33% | 0.36%       | 0.00%             | \$ 6.81      | 70.90%     | \$ 16.61    |
| 12/23/2010 | \$ 23.29 | -0.56% | -0.02%    | -0.54% | -0.02%      | 0.00%             | \$ 6.78      | 70.90%     | \$ 16.51    |
| 12/24/2010 | \$ 23.10 | -0.82% | 0.14%     | -0.96% | 0.14%       | 0.00%             | \$ 6.72      | 70.90%     | \$ 16.38    |
| 12/27/2010 | \$ 23.10 | 0.00%  | 0.14%     | -0.14% | 0.14%       | 0.00%             | \$ 6.72      | 70.90%     | \$ 16.38    |
| 12/28/2010 | \$ 23.10 | 0.00%  | 0.14%     | -0.14% | 0.14%       | 0.00%             | \$ 6.72      | 70.90%     | \$ 16.38    |
| 12/29/2010 | \$ 23.29 | 0.82%  | 0.74%     | 0.09%  | 0.74%       | 0.00%             | \$ 6.78      | 70.90%     | \$ 16.51    |
| 12/30/2010 | \$ 23.26 | -0.13% | 0.04%     | -0.17% | 0.04%       | 0.00%             | \$ 6.77      | 70.90%     | \$ 16.49    |
| 12/31/2010 | \$ 23.29 | 0.13%  | 0.21%     | -0.08% | 0.21%       | 0.00%             | \$ 6.78      | 70.90%     | \$ 16.51    |
| 1/3/2011   | \$ 23.29 | 0.00%  | 0.21%     | -0.21% | 0.21%       | 0.00%             | \$ 6.78      | 70.90%     | \$ 16.51    |
| 1/4/2011   | \$ 23.50 | 0.90%  | 0.38%     | 0.52%  | 0.38%       | 0.00%             | \$ 6.84      | 70.90%     | \$ 16.66    |
| 1/5/2011   | \$ 23.65 | 0.64%  | 0.15%     | 0.49%  | 0.15%       | 0.00%             | \$ 6.88      | 70.90%     | \$ 16.77    |
| 1/6/2011   | \$ 23.32 | -1.40% | -0.66%    | -0.74% | -0.66%      | 0.00%             | \$ 6.78      | 70.90%     | \$ 16.54    |
| 1/7/2011   | \$ 23.00 | -1.37% | -0.15%    | -1.22% | -0.15%      | 0.00%             | \$ 6.69      | 70.90%     | \$ 16.31    |
| 1/10/2011  | \$ 22.44 | -2.43% | -0.30%    | -2.13% | -0.31%      | 0.00%             | \$ 6.53      | 70.90%     | \$ 15.91    |
| 1/11/2011  | \$ 22.58 | 0.62%  | 1.17%     | -0.54% | 1.17%       | 0.00%             | \$ 6.57      | 70.90%     | \$ 16.01    |
| 1/12/2011  | \$ 22.86 | 1.24%  | 1.07%     | 0.17%  | 1.06%       | 0.00%             | \$ 6.65      | 70.90%     | \$ 16.21    |
| 1/13/2011  | \$ 22.89 | 0.13%  | 0.10%     | 0.03%  | 0.10%       | 0.00%             | \$ 6.66      | 70.90%     | \$ 16.23    |
| 1/14/2011  | \$ 22.62 | -1.18% | 0.47%     | -1.65% | 0.48%       | 0.00%             | \$ 6.58      | 70.90%     | \$ 16.04    |
| 1/17/2011  | \$ 22.64 | 0.09%  | -0.22%    | 0.31%  | -0.22%      | 0.00%             | \$ 6.59      | 70.90%     | \$ 16.05    |
| 1/18/2011  | \$ 22.37 | -1.19% | 0.88%     | -2.07% | 0.90%       | 0.00%             | \$ 6.51      | 70.90%     | \$ 15.86    |
| 1/19/2011  | \$ 22.00 | -1.65% | -0.58%    | -1.07% | -0.59%      | 0.00%             | \$ 6.40      | 70.90%     | \$ 15.60    |
| 1/20/2011  | \$ 21.50 | -2.27% | -0.83%    | -1.44% | -0.84%      | 0.00%             | \$ 6.26      | 70.90%     | \$ 15.24    |
| 1/21/2011  | \$ 21.10 | -1.86% | 0.20%     | -2.06% | 0.20%       | 0.00%             | \$ 6.14      | 70.90%     | \$ 14.96    |
| 1/24/2011  | \$ 21.48 | 1.80%  | 0.85%     | 0.95%  | 0.85%       | 0.00%             | \$ 6.25      | 70.90%     | \$ 15.23    |
| 1/25/2011  | \$ 21.08 | -1.86% | -0.03%    | -1.83% | -0.03%      | 0.00%             | \$ 6.13      | 70.90%     | \$ 14.95    |
| 1/26/2011  | \$ 21.49 | 1.94%  | 1.24%     | 0.70%  | 1.23%       | 0.00%             | \$ 6.25      | 70.90%     | \$ 15.24    |
| 1/27/2011  | \$ 21.84 | 1.63%  | -0.06%    | 1.69%  | -0.06%      | 0.00%             | \$ 6.35      | 70.90%     | \$ 15.49    |
| 1/28/2011  | \$ 21.80 | -0.18% | -0.28%    | 0.10%  | -0.28%      | 0.00%             | \$ 6.34      | 70.90%     | \$ 15.46    |
| 1/31/2011  | \$ 21.78 | -0.09% | 0.77%     | -0.87% | 0.78%       | 0.00%             | \$ 6.34      | 70.90%     | \$ 15.44    |
| 2/1/2011   | \$ 22.59 | 3.72%  | 1.46%     | 2.26%  | 1.43%       | 0.00%             | \$ 6.57      | 70.90%     | \$ 16.02    |
| 2/2/2011   | \$ 22.85 | 1.15%  | -0.33%    | 1.48%  | -0.32%      | 0.00%             | \$ 6.65      | 70.90%     | \$ 16.20    |
| 2/3/2011   | \$ 22.74 | -0.48% | 0.53%     | -1.01% | 0.53%       | 0.00%             | \$ 6.62      | 70.90%     | \$ 16.12    |
| 2/4/2011   | \$ 23.41 | 2.95%  | -0.04%    | 2.99%  | -0.04%      | 0.00%             | \$ 6.81      | 70.90%     | \$ 16.60    |
| 2/7/2011   | \$ 24.20 | 3.37%  | 0.32%     | 3.05%  | 0.32%       | 0.00%             | \$ 7.04      | 70.90%     | \$ 17.16    |
| 2/8/2011   | \$ 24.10 | -0.41% | 0.37%     | -0.78% | 0.37%       | 0.00%             | \$ 7.01      | 70.90%     | \$ 17.09    |
| 2/9/2011   | \$ 23.03 | -4.44% | -0.54%    | -3.90% | -0.56%      | 0.00%             | \$ 6.70      | 70.90%     | \$ 16.33    |
| 2/10/2011  | \$ 22.59 | -1.91% | 0.02%     | -1.93% | 0.02%       | 0.00%             | \$ 6.57      | 70.90%     | \$ 16.02    |
| 2/11/2011  | \$ 22.85 | 1.15%  | 0.20%     | 0.95%  | 0.19%       | 0.00%             | \$ 6.65      | 70.90%     | \$ 16.20    |
| 2/14/2011  | \$ 22.76 | -0.39% | 1.05%     | -1.44% | 1.07%       | 0.00%             | \$ 6.62      | 70.90%     | \$ 16.14    |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [ | 1]               | [2]                  | [3]            | [4]            | [5]             | [6]            | [7]               | [8]                | [9]              | [10]                 |
|---|------------------|----------------------|----------------|----------------|-----------------|----------------|-------------------|--------------------|------------------|----------------------|
|   |                  |                      |                |                |                 |                | Percentage of     |                    |                  |                      |
|   |                  |                      |                |                |                 |                | Stock Price       |                    |                  | Artificial           |
|   |                  |                      |                |                |                 |                | Reaction          | True Value -       | Artificial       | Inflation -          |
|   |                  | TRE CN               | Actual         | Predicted      | Excess          | Constructed    | Attributed to the | Constant           | Inflation/       | Constant             |
|   | ate              | Price                | Return         | Return         | Return          | Return         | Alleged Claims    | Percentage         | Price            | Percentage           |
|   | 5/2011           | \$ 22.72             | -0.18%         | 0.08%          | -0.26%          | 0.08%          | 0.00%             | \$ 6.61            | 70.90%           | \$ 16.11             |
|   | 5/2011           | \$ 22.56             | -0.70%         | 0.79%          | -1.49%          | 0.80%          | 0.00%             | \$ 6.56            | 70.90%           | \$ 16.00             |
|   | 7/2011           | \$ 22.57             | 0.04%          | 0.51%          | -0.47%          | 0.52%          | 0.00%             | \$ 6.57            | 70.90%           | \$ 16.00             |
|   | 3/2011           | \$ 22.23             | -1.51%         | -0.06%         | -1.45%          | -0.06%         | 0.00%             | \$ 6.47            | 70.90%           | \$ 15.76             |
|   | 1/2011           | \$ 22.23             | 0.00%          | -0.06%         | 0.06%           | -0.06%         | 0.00%             | \$ 6.47            | 70.90%           | \$ 15.76             |
|   | 2/2011           | \$ 21.26             | -4.36%         | -1.32%         | -3.04%          | -1.36%         | 0.00%             | \$ 6.19            | 70.90%           | \$ 15.07             |
|   | 3/2011           | \$ 21.28             | 0.09%          | -0.33%         | 0.42%           | -0.32%         | 0.00%             | \$ 6.19            | 70.90%           | \$ 15.09             |
|   | 4/2011           | \$ 21.15             | -0.61%         | -0.44%         | -0.17%          | -0.44%         | 0.00%             | \$ 6.15            | 70.90%           | \$ 15.00             |
|   | 5/2011           | \$ 21.51             | 1.70%          | 1.32%          | 0.38%           | 1.31%          | 0.00%             | \$ 6.26            | 70.90%           | \$ 15.25             |
|   | 3/2011           | \$ 21.71             | 0.93%          | 0.67%          | 0.26%           | 0.67%          | 0.00%             | \$ 6.32            | 70.90%           | \$ 15.39             |
|   | 1/2011           | \$ 22.31             | 2.76%          | -0.22%         | 2.99%           | -0.22%         | 0.00%             | \$ 6.49            | 70.90%           | \$ 15.82             |
|   | 2/2011           | \$ 22.00             | -1.39%         | 0.19%          | -1.57%          | 0.19%          | 0.00%             | \$ 6.40            | 70.90%           | \$ 15.60             |
|   | 3/2011           | \$ 22.29             | 1.32%          | 0.92%          | 0.40%           | 0.92%          | 0.00%             | \$ 6.49            | 70.90%           | \$ 15.80             |
|   | 4/2011           | \$ 21.73             | -2.51%         | 0.22%          | -2.73%          | 0.22%          | 0.00%             | \$ 6.32            | 70.90%           | \$ 15.41             |
|   | 7/2011           | \$ 21.40             | -1.52%         | -0.77%         | -0.75%          | -0.78%         | 0.00%             | \$ 6.23            | 70.90%           | \$ 15.17             |
|   | 3/2011           | \$ 21.25             | -0.70%         | -0.18%         | -0.52%          | -0.18%         | 0.00%             | \$ 6.18            | 70.90%           | \$ 15.07             |
|   | 9/2011           | \$ 21.05             | -0.94%         | -0.44%         | -0.50%          | -0.44%         | 0.00%             | \$ 6.12            | 70.90%           | \$ 14.93             |
|   | 0/2011           | \$ 20.49             | -2.66%         | -1.80%         | -0.86%          | -1.82%         | 0.00%             | \$ 5.96            | 70.90%           | \$ 14.53             |
|   | 1/2011           | \$ 20.78             | 1.42%          | 0.33%          | 1.09%           | 0.32%          | 0.00%             | \$ 6.05            | 70.90%           | \$ 14.73             |
|   | 4/2011           | \$ 21.32             | 2.60%          | -0.28%         | 2.88%           | -0.27%         | 0.00%             | \$ 6.20            | 70.90%           | \$ 15.12             |
|   | 5/2011           | \$ 21.77             | 2.11%          | -0.90%         | 3.01%           | -0.87%         | 0.00%             | \$ 6.33            | 70.90%           | \$ 15.44             |
|   | 5/2011           | \$ 21.67             | -0.46%         | -0.24%         | -0.22%          | -0.24%         | 0.00%             | \$ 6.30            | 70.90%           | \$ 15.37             |
|   | 7/2011           | \$ 23.21             | 7.11%          | 1.40%          | 5.70%           | 1.33%          | 0.00%             | \$ 6.75            | 70.90%           | \$ 16.46             |
|   | 3/2011           | \$ 23.28             | 0.30%          | 1.03%          | -0.73%          | 1.04%          | 0.00%             | \$ 6.77            | 70.90%           | \$ 16.51             |
|   | 1/2011           | \$ 22.84             | -1.89%         | 1.52%          | -3.41%          | 1.57%          | 0.00%             | \$ 6.65            | 70.90%           | \$ 16.19             |
|   | 2/2011           | \$ 22.75             | -0.39%         | 0.30%          | -0.70%          | 0.31%          | 0.00%             | \$ 6.62            | 70.90%           | \$ 16.13             |
|   | 3/2011           | \$ 22.77<br>\$ 22.95 | 0.09%<br>0.79% | 0.54%<br>0.16% | -0.45%<br>0.63% | 0.54%          | 0.00%             | \$ 6.62            | 70.90%<br>70.90% | \$ 16.15<br>\$ 16.27 |
|   | 4/2011<br>5/2011 | \$ 22.93             | 1.31%          | 0.16%          | 1.05%           | 0.16%<br>0.26% | 0.00%             | \$ 6.68<br>\$ 6.76 | 70.90%           | \$ 16.27<br>\$ 16.49 |
|   | 3/2011           | \$ 23.23             | 1.16%          | -0.60%         | 1.05%           | -0.59%         | 0.00%             | \$ 6.76<br>\$ 6.84 |                  | \$ 16.49<br>\$ 16.68 |
|   | 9/2011           | \$ 23.32<br>\$ 24.17 | 2.76%          | 0.39%          | 2.37%           | 0.38%          | 0.00%<br>0.00%    | \$ 0.84<br>\$ 7.03 | 70.90%<br>70.90% | \$ 10.08<br>\$ 17.14 |
|   | 0/2011           | \$ 24.17             | 3.48%          | 1.10%          | 2.37%           | 1.08%          | 0.00%             | \$ 7.03<br>\$ 7.28 | 70.90%           | \$ 17.14             |
|   | 1/2011           | \$ 25.30             | 1.16%          | 0.55%          | 0.61%           | 0.55%          | 0.00%             | \$ 7.26<br>\$ 7.36 | 70.90%           | \$ 17.73<br>\$ 17.94 |
|   | 1/2011           | \$ 23.30             | -1.23%         | 0.55%          | -1.91%          | 0.55%          | 0.00%             | \$ 7.30<br>\$ 7.27 | 70.90%           | \$ 17.94<br>\$ 17.72 |
|   | 4/2011           | \$ 24.99             | 0.04%          | 0.61%          | -0.57%          | 0.70%          | 0.00%             | \$ 7.27            | 70.90%           | \$ 17.72             |
|   | 5/2011           | \$ 24.75             | -1.00%         | 0.42%          | -1.42%          | 0.42%          | 0.00%             | \$ 7.27            | 70.90%           | \$ 17.75             |
|   | 5/2011           | \$ 24.73             | -0.20%         | -0.11%         | -0.09%          | -0.11%         | 0.00%             | \$ 7.20<br>\$ 7.19 | 70.90%           | \$ 17.51             |
|   | 7/2011           | \$ 23.97             | -2.96%         | -0.52%         | -2.44%          | -0.53%         | 0.00%             | \$ 6.97            | 70.90%           | \$ 17.00             |
|   | 3/2011           | \$ 23.99             | 0.08%          | 0.59%          | -0.51%          | 0.59%          | 0.00%             | \$ 6.98            | 70.90%           | \$ 17.00             |
|   | 1/2011           | \$ 24.04             | 0.21%          | -1.28%         | 1.49%           | -1.26%         | 0.00%             | \$ 6.99            | 70.90%           | \$ 17.05             |
|   | 2/2011           | \$ 23.91             | -0.54%         | -1.23%         | 0.69%           | -1.23%         | 0.00%             | \$ 6.96            | 70.90%           | \$ 16.95             |
|   | 3/2011           | \$ 24.04             | 0.54%          | 0.40%          | 0.15%           | 0.40%          | 0.00%             | \$ 6.99            | 70.90%           | \$ 17.05             |
|   | 4/2011           | \$ 24.30             | 1.08%          | 0.18%          | 0.90%           | 0.18%          | 0.00%             | \$ 7.07            | 70.90%           | \$ 17.23             |
|   | 5/2011           | \$ 23.84             | -1.89%         | 0.16%          | -2.06%          | 0.17%          | 0.00%             | \$ 6.94            | 70.90%           | \$ 16.90             |
|   | 3/2011           | \$ 23.46             | -1.59%         | -1.00%         | -0.60%          | -1.00%         | 0.00%             | \$ 6.83            | 70.90%           | \$ 16.63             |
|   | 9/2011           | \$ 24.21             | 3.20%          | 0.55%          | 2.64%           | 0.54%          | 0.00%             | \$ 7.04            | 70.90%           | \$ 17.17             |
|   | 0/2011           | \$ 24.50             | 1.20%          | 1.28%          | -0.08%          | 1.28%          | 0.00%             | \$ 7.13            | 70.90%           | \$ 17.37             |
|   | 1/2011           | \$ 24.28             | -0.90%         | 0.72%          | -1.62%          | 0.73%          | 0.00%             | \$ 7.06            | 70.90%           | \$ 17.22             |
|   |                  |                      |                |                |                 |                |                   |                    |                  |                      |

Exhibit A-2 Sino-Forest Common Stock Daily True Value and Artificial Inflation from March 19, 2007 to June 3, 2011 (C\$)

| [1]       | [2]      | [3]     | [4]       | [5]     | [6]         | [7]                                      | [8]          | [9]        | [10]                      |
|-----------|----------|---------|-----------|---------|-------------|------------------------------------------|--------------|------------|---------------------------|
|           |          |         |           |         |             | Percentage of<br>Stock Price<br>Reaction | True Value - | Artificial | Artificial<br>Inflation - |
|           | TRE CN   | Actual  | Predicted | Excess  | Constructed | Attributed to the                        | Constant     | Inflation/ | Constant                  |
| Date      | Price    | Return  | Return    | Return  | Return      | Alleged Claims                           | Percentage   | Price      | Percentage                |
| 4/25/2011 | \$ 23.94 | -1.40%  | -0.31%    | -1.09%  | -0.32%      | 0.00%                                    | \$ 6.97      | 70.90%     | \$ 16.97                  |
| 4/26/2011 | \$ 24.00 | 0.25%   | 0.38%     | -0.13%  | 0.38%       | 0.00%                                    | \$ 6.98      | 70.90%     | \$ 17.02                  |
| 4/27/2011 | \$ 23.79 | -0.88%  | 0.08%     | -0.96%  | 0.08%       | 0.00%                                    | \$ 6.92      | 70.90%     | \$ 16.87                  |
| 4/28/2011 | \$ 23.91 | 0.50%   | -0.02%    | 0.52%   | -0.02%      | 0.00%                                    | \$ 6.96      | 70.90%     | \$ 16.95                  |
| 4/29/2011 | \$ 23.51 | -1.67%  | 0.34%     | -2.01%  | 0.35%       | 0.00%                                    | \$ 6.84      | 70.90%     | \$ 16.67                  |
| 5/2/2011  | \$ 23.21 | -1.28%  | 0.19%     | -1.47%  | 0.20%       | 0.00%                                    | \$ 6.75      | 70.90%     | \$ 16.46                  |
| 5/3/2011  | \$ 22.28 | -4.01%  | -1.40%    | -2.60%  | -1.44%      | 0.00%                                    | \$ 6.48      | 70.90%     | \$ 15.80                  |
| 5/4/2011  | \$ 21.58 | -3.14%  | -0.69%    | -2.45%  | -0.71%      | 0.00%                                    | \$ 6.28      | 70.90%     | \$ 15.30                  |
| 5/5/2011  | \$ 20.88 | -3.24%  | -0.86%    | -2.38%  | -0.88%      | 0.00%                                    | \$ 6.08      | 70.90%     | \$ 14.80                  |
| 5/6/2011  | \$ 21.11 | 1.10%   | 0.77%     | 0.33%   | 0.76%       | 0.00%                                    | \$ 6.14      | 70.90%     | \$ 14.97                  |
| 5/9/2011  | \$ 21.75 | 3.03%   | 0.70%     | 2.34%   | 0.68%       | 0.00%                                    | \$ 6.33      | 70.90%     | \$ 15.42                  |
| 5/10/2011 | \$ 21.49 | -1.20%  | 0.35%     | -1.55%  | 0.36%       | 0.00%                                    | \$ 6.25      | 70.90%     | \$ 15.24                  |
| 5/11/2011 | \$ 21.47 | -0.09%  | -1.31%    | 1.22%   | -1.29%      | 0.00%                                    | \$ 6.25      | 70.90%     | \$ 15.22                  |
| 5/12/2011 | \$ 20.50 | -4.52%  | -0.16%    | -4.35%  | -0.17%      | 0.00%                                    | \$ 5.96      | 70.90%     | \$ 14.54                  |
| 5/13/2011 | \$ 19.20 | -6.34%  | -0.29%    | -6.05%  | -0.31%      | 0.00%                                    | \$ 5.59      | 70.90%     | \$ 13.61                  |
| 5/16/2011 | \$ 20.27 | 5.57%   | -0.06%    | 5.63%   | -0.05%      | 0.00%                                    | \$ 5.90      | 70.90%     | \$ 14.37                  |
| 5/17/2011 | \$ 20.83 | 2.76%   | 0.14%     | 2.62%   | 0.14%       | 0.00%                                    | \$ 6.06      | 70.90%     | \$ 14.77                  |
| 5/18/2011 | \$ 20.80 | -0.14%  | 1.06%     | -1.21%  | 1.08%       | 0.00%                                    | \$ 6.05      | 70.90%     | \$ 14.75                  |
| 5/19/2011 | \$ 21.25 | 2.16%   | 0.22%     | 1.94%   | 0.21%       | 0.00%                                    | \$ 6.18      | 70.90%     | \$ 15.07                  |
| 5/20/2011 | \$ 20.33 | -4.33%  | 0.01%     | -4.34%  | 0.01%       | 0.00%                                    | \$ 5.92      | 70.90%     | \$ 14.41                  |
| 5/23/2011 | \$ 20.33 | 0.00%   | 0.01%     | -0.01%  | 0.01%       | 0.00%                                    | \$ 5.92      | 70.90%     | \$ 14.41                  |
| 5/24/2011 | \$ 18.88 | -7.13%  | -0.91%    | -6.22%  | -0.97%      | 0.00%                                    | \$ 5.49      | 70.90%     | \$ 13.39                  |
| 5/25/2011 | \$ 18.64 | -1.27%  | 0.91%     | -2.18%  | 0.93%       | 0.00%                                    | \$ 5.42      | 70.90%     | \$ 13.22                  |
| 5/26/2011 | \$ 18.14 | -2.68%  | 0.38%     | -3.06%  | 0.39%       | 0.00%                                    | \$ 5.28      | 70.90%     | \$ 12.86                  |
| 5/27/2011 | \$ 18.39 | 1.38%   | 0.45%     | 0.93%   | 0.45%       | 0.00%                                    | \$ 5.35      | 70.90%     | \$ 13.04                  |
| 5/30/2011 | \$ 18.87 | 2.61%   | 0.22%     | 2.39%   | 0.22%       | 0.00%                                    | \$ 5.49      | 70.90%     | \$ 13.38                  |
| 5/31/2011 | \$ 19.27 | 2.12%   | 0.51%     | 1.61%   | 0.50%       | 0.00%                                    | \$ 5.61      | 70.90%     | \$ 13.66                  |
| 6/1/2011  | \$ 18.21 | -5.50%  | -1.69%    | -3.81%  | -1.76%      | 0.00%                                    | \$ 5.30      | 70.90%     | \$ 12.91                  |
| 6/2/2011  | \$ 14.46 | -20.59% | 0.10%     | -20.69% | 0.12%       | 100.00%                                  | \$ 5.30      | 63.32%     | \$ 9.16                   |
| 6/3/2011  | \$ 5.23  | -63.83% | -0.52%    | -63.32% | -1.41%      | 100.00%                                  | \$ 5.23      | 0.00%      | \$ 0.00                   |

### **Notes:**

- [1] Days when Sino-Forest common stock traded in either Canada, U.S. or Germany. Source: Bloomberg.
- [2] Reported closing price in Canada (Bloomberg ticker: TRE CN). On days when the markets in Canada were closed, the closing price equals the prior day closing price. Source: Bloomberg.
- [3] Daily return on Sino-Forest common stock. See Exhibit A-1.
- [4] Daily predicted return on Sino-Forest common stock. See Exhibit A-1.
- [5] Daily excess return on Sino-Forest common stock. See Exhibit A-1.
- [6] Equals (1 + [3])/(1 + [5]) 1.
- [7] Equals 100% on the assumed corrective disclosure event window dates of June 2, 2011 and June 3, 2011.
- [8] Equals [2] on June 3, 2011; then working backwards equals: { next day's [8] } x { [next day's [7] / (1+ next day's [6])] + [(1 - next day's [7]) / (1+ next day's [3])] }.
- [9] Equals [10] / [2].
- [10] Equals [2] [8].

This is Exhibit "A-3"

to the Affidavit of Frank C. Torchio

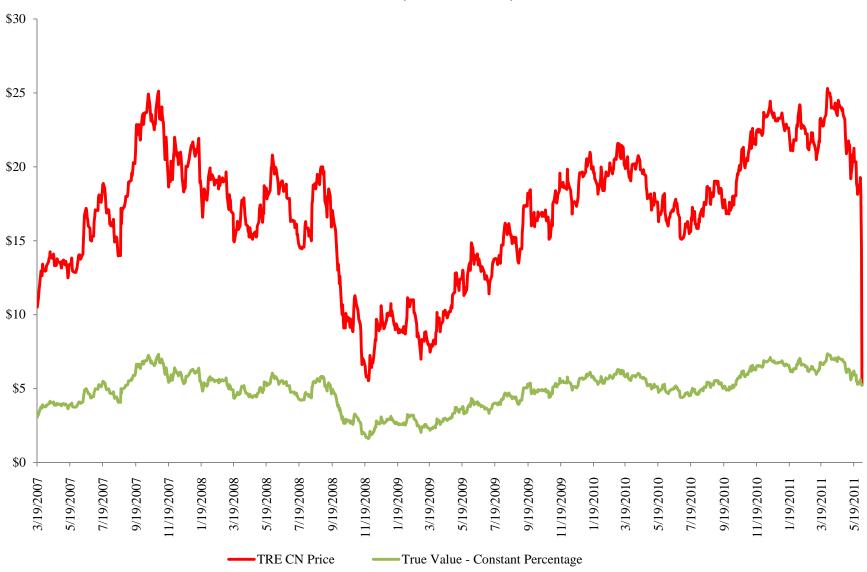
Sworn Before Me,

this Ith day of January, 2013

A Notary Public

DEREK B. LAVARNWAY
Notary Public, State of New York
Qualified in Wyoming County
No. 01LA6207948
Commission Expires June 22, 2013

Exhibit A-3 Sino-Forest Common Stock Daily Closing Price and True Value (C\$) from March 19, 2007 to June 3, 2011



See Exhibit A-2 for closing prices and true value.

Court File No.: CV-12-9667-00CL

# ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

## AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

## ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

Plaintiffs

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

Defendants

Proceeding under the Class Proceedings Act, 1992

AFFIDAVIT OF SERGE KALLOGHLIAN

- I, **SERGE KALLOGHLIAN**, of the City of Toronto, in the Province of Ontario, SWEAR:
- 1. I am an associate with the law firm of Siskinds LLP, who, along with Koskie Minsky LLP (together, "Class Counsel"), are counsel to the plaintiffs (the "Representative Plaintiffs") in the above-captioned class proceeding.
- 2. Class Counsel have retained Paliare Roland Rosenberg Rothstein LLP for purposes of the above-captioned proceeding under the *Companies' Creditors Arrangement Act* (the "Insolvency Proceeding") to act for the Ad Hoc Committee of Purchasers of the Applicant's Securities (together with the Representative Plaintiffs, the "Ontario Plaintiffs").
- 3. Where my knowledge is based upon information and belief, I have so indicated, and believe the same to be true.
- 4. Pursuant to the Order of the Honourable Mr. Justice Morawetz, dated December 21, 2012 (the "Notice Order"), attached to this affidavit as **Exhibit "A"**, on a motion brought by the Ad Hoc Committee of Purchasers of Applicant's Securities, Class Counsel was required to provide notice of the hearing to approve the Ernst & Young Settlement and the Ernst & Young Release, as those terms are defined in the Plan of Compromise and Reorganization of Sino-Forest Dated December 10, 2012, in the following manner:
  - (a) A copy of the notice, substantially in the form of notice attached as Schedule A to the Notice Order, was to be provided to all individuals or entities that had provided their contact information to Class Counsel or Siskinds Desmeules sencel, counsel to the plaintiffs in the Quebec class action proceedings ("Desmeules") in connection with this action, and to any person that requests a copy of the notice;
  - (b) Within 5 business days of the Notice Order, copies of the notice, in English and French, were to be posted by Class Counsel on their websites;

- (c) Within 5 business days of the Notice Order, copies of the notice, in English and French, were to be posted by Sino-Forest in a prominent location on the main page of the Sino-Forest website;
- (d) Within 5 business days of the Notice Order, copies of the notice were to be sent to the addresses on the June 2, 2011 Shareholder List and to the current Service Lists in Court File Nos. CV-12-9667-00CL (the Insolvency Proceeding) and CV-11-431153-00CP (the Ontario Class Action) by electronic mail;
- (e) Within 5 business days of the Notice Order, copies of the notice were to be sent to all 196 Canadian brokers who are known to Class Counsel, with a cover letter directing those brokers to provide a copy of the notice, either by mail or electronically, to those of their clients who are or have been beneficial owners of Sino-Forest securities. Brokers were to be requested to send a statement to Class Counsel or its designee indicating that such mailing or electronic communication was completed as directed;
- (f) Within 5 business days of the Notice Order, a press release was to be disseminated which incorporated the notice;
- (g) Copies of the notice were to be provided by hyper-link from the following Twitter accounts:
  - (i) @kmlawllp; and
  - (ii) @SiskindsLLP;
- (h) Within 5 business days of the Notice Order, the notice was to be published in the following print publications:
  - (i) The Globe and Mail, in English, in one weekday publication;
  - (ii) Wall Street Journal, in English, in one weekday publication;
  - (iii) National Post, in English, in one weekday publication;
  - (iv) La Presse, in French, in one weekday publication; and

- (v) Le Soleil, in French, in one weekday publication;
- I am advised by Garth Myers of Koskie Minsky LLP that, in accordance with paragraph 2(a) above, on December 21, 2012, English and French versions of the notice (the "Notice"), attached to this affidavit as **Exhibit "B"** and **Exhibit "C"**, respectively, along with English and French versions of the Notice of Objection, attached to this affidavit as **Exhibit "D"** and **Exhibit "E"**, respectively, were sent to all individuals that had provided their contact information to Class Counsel in connection with these proceedings.
- 6. The Notice listed the address of the website of the court-appointed monitor of the Applicant, Sino-Forest Corporation, FTI Consulting Inc. (the "Monitor" or FTI") in two instances: once on the first page, and once again on the second page. In the second instance, the Monitor's website address was incorrectly listed as www.cfcanada.fticonsulting.com/sfc instead of http://cfcanada.fticonsulting.com/sfc/. I therefore created a revised notice (the "Revised Notice"), which corrected the typo in the second instance of the Monitor's website address. English and French versions of the Revised Notice are attached and marked as **Exhibit "F"** and **Exhibit "G"**.
- 7. I am advised by Garth Myers that on December 27, 2012, English and French versions of the Revised Notice and Notice of Objection were sent to all persons that had provided their contact information to Class Counsel in connection with this action as of December 21, 2012.
- 8. I am advised by Nicole Young, a clerk at Siskinds, that on December 21, 2012, English and French versions of the Notice and Notice of Objection were sent to all persons that had provided their contact information to Desmeules in connection with those proceedings, with the exception of one individual. I am advised by Simon Hebert of Desmeules that on December 28,

- 2012, the Revised Notice was sent to the same list of persons. On January 3, 2012, the Revised Notice was mailed to the one individual that had not yet received the Notice or Revised Notice.
- 9. Since the initial mailings on December 21, 2012, Class Counsel have received additional inquiries from persons regarding these proceedings. Class Counsel have sent the Revised Notice to all such persons that did not receive the Revised Notice as they are contacted, and intend to continue to do so up to the objection deadline of January 18, 2013.
- 10. In total, as of the date of this affidavit, the Revised Notice has been sent to approximately 1200 persons, both individuals and entities, that have provided their contact information to Class Counsel or Desmeules in connection with these proceedings.
- 11. In accordance with paragraph 2(g), above, hyper-links to the English and French versions of the Notice and Notice of Objection were posted on the @SiskindsLLP Twitter account on December 21, 2012. I am advised by Garth Myers that hyper-links to the English and French versions of the Notice and Notice of Objection were posted on the @kmllp Twitter account on December 21, 2012. The hyper-links on the @SiskindsLLP Twitter account were re-routed to the English and French versions of the Revised Notice and Notice of Objection on December 26, 2012, and I am advised by Garth Myers that the hyper-links on the @kmlawllp Twitter account were re-routed to the English and French versions of the Revised Notice and Notice of Objection on December 27, 2012.
- 12. For the purposes of the steps set out in paragraph 2(b), (c), (d), (e), (f), and (h), above, the Notice Order required that these items be completed within five (5) business days of the date of the Notice Order, which was December 21, 2012. As December 25, 26, and January 1 were

statutory holidays, the deadline for the notice to be disseminated in accordance with these paragraphs was January 2, 2012.

- 13. In accordance with paragraph 2(b), above, English and French versions of the Notice and Notice of Objection were posted by Class Counsel on their websites on December 21, 2012. English and French versions of the Revised Notice were posted on the Siskinds LLP website on December 26, 2012. I am advised by Garth Myers that English and French versions of the Revised Notice were posted on the Koskie Minsky LLP website on December 27, 2012.
- 14. I am advised by Amanda McLachlan, an associate at Bennett Jones LLP, that in accordance with paragraph 2(c), above, English and French versions of the Notice and Notice of Objection were posted by Sino-Forest in a prominent location on the main page of the Sino-Forest website on December 21, 2012. I am further advised by Amanda McLachlan that on December 27, 2012, English and French versions of the Revised Notice were posted on the Sino-Forest website.
- 15. In accordance with paragraph 2(d), above, I am advised by Garth Myers that on December 21, 2012, he sent English and French versions of Notice and Notice of Objection to the Service Lists in Court File Nos. CV-12-9667-00CL (the Insolvency Proceeding) and CV-11-431153-00CP (the Ontario Class Action) by electronic mail. I circulated English and French versions of the Revised Notice and Notice of Objection to the addresses on these two Service Lists by a single electronic mailing on December 27, 2012. Attached to this affidavit as **Exhibits** "H", "I", and "J" are copies of the emails sent to the Service Lists attaching the Notice, Notice of Objection and the Revised Notice.

- 16. In furtherance of the Notice Order, Class Counsel retained the services of NPT Ricepoint to assist with the items in paragraphs 2(d) (e), (f) and (h), above. I am advised by Kurt Elgie of NPT Ricepoint and I believe that the following steps were taken:
  - (d) The Revised Notice and Notice of Objection were mailed to the 3,013 deliverable addresses on the June 2, 2011 Shareholder List on December 28, 2012;
  - (e) The Revised Notice and Notice of Objection were mailed to all 196 Canadian brokers who are known to Class Counsel with a cover letter directing those brokers to provide a copy of the Revised Notice, either by mail or electronically, to those of their clients who are or have been beneficial owners of Sino-Forest securities, on December 28, 2012;
  - (f) Press releases were disseminated incorporating the Revised Notice, in English and French, on December 28, 2012; and
  - (h) The Revised Notice was published in all five (5) newspapers in accordance with the Order on December 28, 2012.
- 17. A copy of the report of NPT Ricepoint confirming publication of the Revised Notice in accordance with paragraph 2(d), (e), (f) and (h), above is attached to this affidavit as **Exhibit** "K".
- 18. NPT Ricepoint also provided electronic tear sheets that confirmed that the Revised Notice was published in the designated newspapers on the required dates. Attached as **Exhibits** "L" through "P" are copies of the tear sheets from the five newspapers.
- 19. Attached and marked as **Exhibits "Q"** and **"R"** are copies of the English and French versions of the Revised Noticed which were disseminated as press releases via Marketwire.

- 20. The Notice Order did not require any items to be posted on the Monitor's website. However, the Notice and Revised Notice stated that the Notice of Objection could be found on the Monitor's website as well as the Siskinds and Koskie Minsky websites. I am advised by Jodi Porepa, a managing director in FTI, of the following: English and French versions of the Notice and Notice of Objection were posted on the Monitor's website on December 24, 2012. English and French versions of the Revised Notice were posted on the Monitor's website on December 26, 2012. On either December 26 or 29, 2012, the Revised Notices were mistakenly substituted for the Notices of Objection. All documents were correctly posted on January 2, 2013. As a result, there was a period of approximately 5 to 8 days when the Notices of Objection were not posted on the Monitor's website.
- I make this affidavit in support of the motion for settlement approval and for no other or improper purpose.

**SWORN** before me at the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

A Commissioner, etc.

USINC # 62311 B

s. sajjad Nematollahi

Serge Kalloghlian

This is Exhibit "A" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

A Commissioner, etc.

Court File No.: CV-12-9667-00CL

## ONTARIO SUPERIOR COURT OF JUSTICE

#### COMMERCIAL LIST

| THE HONOURABLE MR. | ) | FRILAY | , THE ZI" DAY    |
|--------------------|---|--------|------------------|
| JUSTICE MORAWETZ   | ) | 0      | F DECEMBER, 2012 |

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985; C. 1936, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPRISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

## ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

**Plaintiffs** 

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of America Securities LLC)

Defendants

### Proceeding under the Class Proceedings Act, 1992

#### ORDER

Securities, including the plaintiffs in the action commenced against Sino-Forest Corporation ("Sino-Forest") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Plaintiffs" and the "Ontario Class Action", respectively) for an order i) approving the form of notice to class members, and everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young LLP, Ernst & Young Global Limited or any of its member firms and any person or entity affiliated or connected thereto ("Ernst & Young"), in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest, of the hearing to approve the Ernst & Young Settlement (as defined in the Plan of Compromise and Reorganization of Sino-Forest dated December 3, 2012 as approved by the Order of the Honourable Justice Morawetz dated December 10, 2012 (the "Plan")) between the Ontario Plaintiffs and the defendant Ernst & Young ("Notice"); and ii) approving the plan of distribution of the Notice ("Notice Plan"), was heard on December 20, 2012, in Toronto, Ontario.

WHEREAS the Ontario Plaintiffs and Ernst & Young have agreed to the Ernst & Young
Settlement in order to resolve all Ernst & Young Claims, including all claims asserted or that
could be asserted against Ernst & Young in the above-captioned class proceeding;

AND ON BEING ADVISED that the defendant Sino-Forest has delivered to counsel for the plaintiffs a list of holders of Sino-Forest's securities as of June 2, 2011 (the "June 2, 2011 Shareholder List");

AND ON READING the materials filed, and on hearing submissions of counsel for the Ontario Plaintiffs and Ernst & Young, and upon hearing from counsel to the Monitor of Sino-Forest, FTI Consulting Inc.,

- THIS COURT ORDERS that the time for service and filing of this notice of motion and motion record is validated and abridged and any further service thereof is dispensed with.
- 2. THIS COURT ORDERS that the Notice substantially in the form attached as Schedule "A" be and hereby is approved and shall be published, subject to the right of the plaintiffs and Ernst & Young to make minor non-material amendments to such form, by mutual agreement, as may be necessary or desirable.
- 3. THIS COURT ORDERS that notice shall be provided as follows:
  - a. Siskinds LLP and Koskie Minsky LLP (together, "Class Counsel") shall provide or cause to be provided a copy of the Notice directly, either electronically or by mail, to all individuals or entities who have contacted Siskinds LLP and Koskie Minsky LLP (together, "Class Counsel") or Siskinds Desmeules sencrl ("Desmeules") regarding this action, and to any person or entity who requests a copy of the Notice, provided that such person or entity has furnished his, her or its contact information to Class Counsel or Desmeules;
  - Within 5 business days of this Order, copies of the Notice, in English and French, will be posted by Class Counsel on their websites;
  - c. Within 5 business days of this Order, a copy of the Notice, in English and French, will be posted by Sino-Forest in a prominent location on the main page of the Sino-Forest website;

- d. Within 5 business days of this Order, Class Counsel will send or will cause to be sent copies of the Notice to the addresses on the June 2, 2011 Shareholder List and to the current Service Lists in Court File Nos. CV-12-9667-00CL (the CCAA Proceeding) and CV-11-431153-00CP (the Ontario Class Action) by electronic mail;
- e. Within 5 business days of this Order, Class Counsel will send or cause to be sent copies of the Notice to all 196 Canadian brokers who are known to Class Counsel, with a cover letter directing those brokers to provide a copy of the Notice, either by mail or electronically, to those of their clients who are or have been beneficial owners of Sino-Forest securities. Brokers will be requested to send a statement to Class Counsel or its designee indicating that such mailing or electronic communication was completed as directed;
- f. Within 5 business days of this Order, Class Counsel will issue and cause to be disseminated a press release which incorporates the Notice;
- g. Class Counsel will provide hyper-links to the Notice from the following Twitter accounts:
  - @kmlawllp; and
  - @SiskindsLLP;
- h. Within 5 business days of this Order, Class Counsel will cause copies of the Notice to be published in the following print publications:
  - i. The Globe and Mail, in English, in one weekday publication;
  - ii. Wall Street Journal, in English, in one weekday publication;

- iii. National Post, in English, in one weekday publication
- iv. La Presse, in French, in one weekday publication; and
- v. Le Soleil, in French, in one weekday publication.
- 4. THIS COURT ORDERS that any persons objecting to the Settlement Agreement (as defined in the Notice), other than the persons who have filed a Notice of Appearance in the CCAA proceedings (the "Core Parties"), shall:
  - a. deliver a Notice of Objection substantially in the form attached hereto as Schedule "B" ("Notice of Objection") to be received by the Monitor by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, by mail, courier or email transmission, to the coordinates indicated on the Notice of Objection; and,
  - b. comply with the litigation timetable attached hereto as Schedule "C",

and forthwith upon receipt of a Notice of Objection, the Monitor shall provide a copy of same to each of the Applicant, the Ad Hoc Committee of Noteholders, the Ad Hoc Committee of Purchasers of the Applicant's Securities and Ernst & Young LLP, and shall deliver a report to this court attaching all such notices.

5. THIS COURT REQUESTS, pursuant to the Companies' Creditors Arrangement Act (Canada), together with such other statutes, regulations and protocols as may apply, and as a matter of comity, that all courts, regulatory and administrative bodies, and other tribunals, in all provinces and territories of Canada, in the United States of America, and in all other nations or states, recognize this order and act in aid of and in a manner complementary to this order and this court in carrying out the terms of this order.

Date: December 21, 2012

ENTERED AT / INSCRIT A TOPOTHOURABLE Justice Morawetz

LE / DANS LE REGISTRE NO .:

DEC 2 1 2012

SCHEDULE "A": NOTICE

(ATTACHED)

## SINO-FOREST CORPORATION

#### NOTICE OF PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP

**TO:** Everyone, including non-Canadians, who acquired Sino-Forest Corporation ("Sino-Forest") securities (including shares and/or notes) in the primary or secondary market in any jurisdiction between March 31, 2006 and August 26, 2011 (the "E&Y Settlement Class") and to everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young LLP, Ernst & Young Global Limited or any of its member firms and any person or entity affiliated or connected thereto ("Ernst & Young"), in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest.

## Background of Sino-Forest Class Action and CCAA Proceeding

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") by certain plaintiffs (the "Plaintiffs") against Sino-Forest, its senior officers and directors, its underwriters, a consulting company, and its auditors, including Ernst & Young. In January 2012, a proposed class action was commenced against Sino-Forest and other defendants in the Southern District of New York (the "US Action"). 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"), within which proceeding the Ontario Superior Court ordered a stay of proceedings against the company and other parties, including Ernst & Young (the "CCAA Proceeding"). Orders and other materials relevant to the *CCAA* Proceeding can be found at the *CCAA* Monitor's website at <a href="http://cfcanada.fticonsulting.com/sfc/">http://cfcanada.fticonsulting.com/sfc/</a> (the "Monitor's Website").

On December 10, 2012, a Plan of Arrangement was approved by the court in the CCAA Proceeding. As part of this Plan of Arrangement, the court approved a framework by which the Plaintiffs may enter into settlement agreements with any of the third-party defendants to the Proceedings. The Plan expressly contemplates the Ernst & Young Settlement (as defined in the Plan), approval of which is now sought.

## Who Acts For the E&Y Settlement Class

Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, sencrl ("Class Counsel") represent the E&Y Settlement Class in the Proceedings. 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 directly pay any fees and expenses to Class Counsel. However, if this action succeeds or there is a monetary settlement, Class Counsel will seek to have their fees and expenses paid from any money obtained for the class or paid separately by the defendants.

## Proposed Settlement with Ernst & Young

The Plaintiffs have entered into a proposed settlement with Ernst & Young (the "Settlement Agreement"). If the settlement is approved, it will be final and binding and there will be no ability to pursue a claim (if any) against Ernst & Young through an opt-out process under class proceedings or similar legislation. The proposed settlement would settle, extinguish and bar all claims, globally, against Ernst & Young in relation to Sino-Forest including the allegations in the Proceedings. Ernst & Young does not admit to any wrongdoing or liability. The terms of the proposed settlement do not involve the resolution of any claims against Sino-Forest or any of the other defendants. For an update on CCAA orders affecting Sino-Forest, please see the CCAA Monitor's website: www.cfcanada.fticonsulting.com/sfc. A complete copy of the Settlement Agreement and other information about these proceedings is available at: <a href="https://www.kmlaw.ca/sinoforestclassaction">www.kmlaw.ca/sinoforestclassaction</a> and <a href="https://www.classaction.ca">www.classaction.ca</a> (the "Class Action Website").

The proposed settlement, if approved and its conditions fulfilled, provides that Ernst & Young will pay CAD\$117,000,000.00 to a Settlement Trust to be administered in accordance with orders of the court. It is the intention of Class Counsel to seek the court's approval of a plan of allocation that distributes the settlement funds, net of counsel fees and other administrative costs and expenses, to members of the E&Y Settlement Class.

In return, the action will be dismissed against Ernst & Young, and there will be an order forever barring claims against it in relation to Sino-Forest including any allegations relating to the Proceedings, including claims (if any) that could be advanced through an opt-out process under class proceedings or similar legislation. In considering whether or how they are affected by the proposed settlement, members of the E&Y Settlement Class and anyone else with claims against Ernst & Young in relation to Sino-Forest should consider the effect of the orders made and steps taken in the Sino-Forest CCAA Proceedings. More information on the Sino-Forest CCAA Proceedings can be found on the Monitor's Website.

The settlement agreement with Ernst & Young is subject to court approval, as discussed below.

# Hearings to Approve Settlement on February 4, 2013 in Toronto, Ontario and Subsequent Hearings in Ontario, Quebec and the United States.

On February 4, 2013 at 10:00 a.m. (Eastern Time), there will be a settlement approval hearing before the Ontario Superior Court of Justice. The hearing will be heard at the Canada Life Building, 330 University Avenue, 8th Floor, Toronto, Ontario. The exact courtroom number will be available on a notice board on the 8th Floor.

If the settlement approval motion which is being heard by the Ontario Superior Court of Justice on February 4, 2013 (the "Settlement Approval Motion") is granted, then there will be a further hearing at a later date before the Ontario Superior Court of Justice (the "Ontario Allocation/Fee Motion") at which Class Counsel will seek that Court's approval of (1) the plan for allocating the net Ernst & Young settlement fund among the members of the E&Y Settlement Class; and (2) the fees and expense reimbursement requests of Class Counsel.

In addition, if the Settlement Approval Motion is granted, then there may be additional hearings at later dates in the Quebec Superior Court (the "Quebec Motion") and in the United States Bankruptcy Court for the Southern District of New York (the "US Motion") at which recognition and implementation of the Settlement Approval Motion and the Ernst & Young Settlement may be sought.

If the Settlement Approval Motion is granted, then a further notice will be disseminated to members of the E&Y Settlement Class advising them of the time and place of the Ontario Allocation/Fee Motion and any Quebec Motion and/or US Motion.

Members of the E&Y Settlement Class, and everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young, in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest, may attend at the hearing of the Settlement Approval Motion and ask to make submissions regarding the proposed settlement with Ernst & Young.

Persons intending to object to the Ernst & Young Settlement Agreement are required to: (a) deliver a Notice of Objection, substantially in the form that can be found on the Monitor's Website and the Class Action Website, and, if this Notice is received by mail, enclosed with this Notice (the "Notice of Objection"), to the Monitor, by regular mail, courier or email transmission, to the coordinates indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013; and (b) comply with the litigation timetable set forth below. Copies of the Notices of Objection sent of the Monitor will be filed with the court.

## **Litigation Timetable**

By order of the Ontario Superior Court of Justice, persons intending to participate in the Settlement Approval Motion must comply with the following timetable:

- 1. Motion materials are to be delivered no later than January 11, 2013.
- 2. Responding motion materials are to be delivered by January 18, 2013.
- Cross-examinations on affidavits (if any) are to be conducted on January 24 and 25, 2013.
- 4. Written Submissions are to be exchanged on January 30, 2013.

## Further Information

If you would like additional information or to object to the Ernst & Young Settlement Agreement, 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

## 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, 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

## 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 Class Counsel.

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

## **SCHEDULE "B"**

## NOTICE OF OBJECTION

## TO: FTI CONSULTING CANADA INC.

acting in its capacity as Monitor of Sino-Forest Corporation TD Waterhouse Tower 79 Wellington Street West Suite 2010, P.O. Box 104 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

## RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the "ERNST & YOUNG SETTLEMENT")

| Ι,                           | (please check all boxes that apply):                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              | (insert name)                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                              | am a current shareholder of Sino -Forest Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                              | am a former shareholder of Sino -Forest Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                              | am a current noteholder of Sino -Forest Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                              | am a former noteholder of Sino -Forest Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                              | other (please explain)                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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|                              | 21 47.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| "Ord<br>and o<br>Mon<br>5:00 | nowledge that pursuant to the order of Mr. Justice Morawetz dated December 20, 2012 (the ler"), persons wishing to object to the Ernst & Young Settlement are required to complete deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as itor of Sino-Forest Corporation, by mail, courier or email to be received by no later than p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable nded as Schedule C to the Order. |
| I here                       | eby give notice that I object to the Ernst & Young Settlement, for the following reasons:                                                                                                                                                                                                                                                                                                                                                                                                  |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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|         | Settlement, and I understand that | hearing of the motion to approve the Ernst & Young<br>my objection will be filed with the court prior to the<br>in February 4, 2013, at 330 University Ave., 8th Floor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|         |                                   | by counsel, and to make submissions at the hearing of Young Settlement at 10:00 a.m. on February 4, 2013 foronto, Ontario.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| MY A    | ADDRESS FOR SERVICE IS:           | MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Name    | e:                                | Name:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| Fax:    |                                   | Fax:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| Date:   |                                   | Signature:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## SCHEDULE "C"

## LITIGATION TIMETABLE

- 1. Motion materials are to be delivered no later that January 11, 2013.
- 2. Responding motion materials are to be delivered by January 18, 2013.
- Cross-examinations on affidavits (if any) are to be conducted on January 24 and 25, 2013,
- 4. Factums are to be exchanged on January 30, 2013
- 5. Motion to be heard on February 4, 2013.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

# ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

## **ORDER**

Paliare Roland Rosenberg Rothstein LLP 155 Wellington Street West, 35<sup>th</sup> Floor Toronto, ON M5V 3H1 Ken Rosenberg / Massimo Starnino Tel: 416.646.4300 / Fax: 416.646.4301

Koskie Minsky LLP 20 Queen Street West, Suite 900 Toronto, ON M5H 3R3 Kirk Baert / Jonathan Bida Tel: 416.977.8353 / Fax: 416.977.3316

Siskinds LLP 680 Waterloo Street London, ON N6A 3V8 A. Dimitri Lascaris / Charles M. Wright Tel: 519.672.2121 / Fax: 519.672.6065

Lawyers for the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Representative Plaintiffs in the Ontario Class Action

820694\_1.DOC

This is Exhibit "B" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

A Commissioner, etc.

#### SINO-FOREST CORPORATION

### NOTICE OF PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP

**TO:** Everyone, including non-Canadians, who acquired Sino-Forest Corporation ("Sino-Forest") securities (including shares and/or notes) in the primary or secondary market in any jurisdiction between March 31, 2006 and August 26, 2011 (the "E&Y Settlement Class") and to everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young LLP, Ernst & Young Global Limited or any of its member firms and any person or entity affiliated or connected thereto ("Ernst & Young"), in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest.

## Background of Sino-Forest Class Action and CCAA Proceeding

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") by certain plaintiffs (the "Plaintiffs") against Sino-Forest, its senior officers and directors, its underwriters, a consulting company, and its auditors, including Ernst & Young. In January 2012, a proposed class action was commenced against Sino-Forest and other defendants in the Southern District of New York (the "US Action"). 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"), within which proceeding the Ontario Superior Court ordered a stay of proceedings against the company and other parties, including Ernst & Young (the "CCAA Proceeding"). Orders and other materials relevant to the *CCAA* Proceeding can be found at the *CCAA* Monitor's website at <a href="http://cfcanada.fticonsulting.com/sfc/">http://cfcanada.fticonsulting.com/sfc/</a> (the "Monitor's Website").

On December 10, 2012, a Plan of Arrangement was approved by the court in the CCAA Proceeding. As part of this Plan of Arrangement, the court approved a framework by which the Plaintiffs may enter into settlement agreements with any of the third-party defendants to the Proceedings. The Plan expressly contemplates the Ernst & Young Settlement (as defined in the Plan), approval of which is now sought.

## Who Acts For the E&Y Settlement Class

Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, sencrl ("Class Counsel") represent the E&Y Settlement Class in the Proceedings. 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 directly pay any fees and expenses to Class Counsel. However, if this action succeeds or there is a monetary settlement, Class Counsel will seek to have their fees and expenses paid from any money obtained for the class or paid separately by the defendants.

## Proposed Settlement with Ernst & Young

The Plaintiffs have entered into a proposed settlement with Ernst & Young (the "Settlement Agreement"). If the settlement is approved, it will be final and binding and there will be no ability to pursue a claim (if any) against Ernst & Young through an opt-out process under class proceedings or similar legislation. The proposed settlement would settle, extinguish and bar all claims, globally, against Ernst & Young in relation to Sino-Forest including the allegations in the Proceedings. Ernst & Young does not admit to any wrongdoing or liability. The terms of the proposed settlement do not involve the resolution of any claims against Sino-Forest or any of the other defendants. For an update on CCAA orders affecting Sino-Forest, please see the CCAA Monitor's website: www.cfcanada.fticonsulting.com/sfc. A complete copy of the Settlement Agreement and other information about these proceedings is available at: <a href="https://www.kmlaw.ca/sinoforestclassaction">www.kmlaw.ca/sinoforestclassaction</a> and <a href="https://www.classaction.ca">www.classaction.ca</a> (the "Class Action Websites").

The proposed settlement, if approved and its conditions fulfilled, provides that Ernst & Young will pay CAD\$117,000,000.00 to a Settlement Trust to be administered in accordance with orders of the court. It is the intention of Class Counsel to seek the court's approval of a plan of allocation that distributes the settlement funds, net of counsel fees and other administrative costs and expenses, to members of the E&Y Settlement Class.

In return, the action will be dismissed against Ernst & Young, and there will be an order forever barring claims against it in relation to Sino-Forest including any allegations relating to the Proceedings, including claims (if any) that could be advanced through an opt-out process under class proceedings or similar legislation. In considering whether or how they are affected by the proposed settlement, members of the E&Y Settlement Class and anyone else with claims against Ernst & Young in relation to Sino-Forest should consider the effect of the orders made and steps taken in the Sino-Forest CCAA Proceedings. More information on the Sino-Forest CCAA Proceedings can be found on the Monitor's Website.

The settlement agreement with Ernst & Young is subject to court approval, as discussed below.

# Hearings to Approve Settlement on February 4, 2013 in Toronto, Ontario and Subsequent Hearings in Ontario, Quebec and the United States.

On February 4, 2013 at 10:00 a.m. (Eastern Time), there will be a settlement approval hearing before the Ontario Superior Court of Justice. The hearing will be heard at the Canada Life Building, 330 University Avenue, 8th Floor, Toronto, Ontario. The exact courtroom number will be available on a notice board on the 8th Floor.

If the settlement approval motion which is being heard by the Ontario Superior Court of Justice on February 4, 2013 (the "Settlement Approval Motion") is granted, then there will be a further hearing at a later date before the Ontario Superior Court of Justice (the "Ontario Allocation/Fee Motion") at which Class Counsel will seek that Court's approval of (1) the plan for allocating the net Ernst & Young settlement fund among the members of the E&Y Settlement Class; and (2) the fees and expense reimbursement requests of Class Counsel.

In addition, if the Settlement Approval Motion is granted, then there may be additional hearings at later dates in the Quebec Superior Court (the "Quebec Motion") and in the United States Bankruptcy Court for the Southern District of New York (the "US Motion") at which recognition and implementation of the Settlement Approval Motion and the Ernst & Young Settlement may be sought.

If the Settlement Approval Motion is granted, then a further notice will be disseminated to members of the E&Y Settlement Class advising them of the time and place of the Ontario Allocation/Fee Motion and any Quebec Motion and/or US Motion.

Members of the E&Y Settlement Class, and everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young, in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest, may attend at the hearing of the Settlement Approval Motion and ask to make submissions regarding the proposed settlement with Ernst & Young.

Persons intending to object to the Ernst & Young Settlement Agreement are required to: (a) deliver a Notice of Objection, substantially in the form that can be found on the Monitor's Website and the Class Action Websites, and, if this Notice is received by mail, enclosed with this Notice (the "Notice of Objection"), to the Monitor, by regular mail, courier or email transmission, to the coordinates indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013; and (b) comply with the litigation timetable set forth below. Copies of the Notices of Objection sent to the Monitor will be filed with the court.

## **Litigation Timetable**

By order of the Ontario Superior Court of Justice, persons intending to participate in the Settlement Approval Motion must comply with the following timetable:

- 1. Motion materials are to be delivered no later than January 11, 2013.
- 2. Responding motion materials are to be delivered by January 18, 2013.
- 3. Cross-examinations on affidavits (if any) are to be conducted on January 24 and 25, 2013.
- 4. Written Submissions are to be exchanged on January 30, 2013.

## **Further Information**

If you would like additional information or to object to the Ernst & Young Settlement Agreement, 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 (within North America)
Tel: 416.595.2158 (outside North America)
Email: sinoforestclassaction@kmlaw.ca

#### Siskinds LLP

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

Re: Sino-Forest Class Action

<u>Tel:</u> 1.800.461.6166 x 2380 (within North America) <u>Tel:</u> 519.672.2251 x 2380 (outside North America)

Email: 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

## 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 Class Counsel.

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

This is Exhibit "C" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

A Commissioner, etc.

#### SINO-FOREST CORPORATION

## AVIS DE RÈGLEMENT PROPOSÉ AVEC ERNST & YOUNG LLP

À l'attention de: Quiconque, y compris les non canadiens, ayant acquis des valeurs (notamment des actions et/ou des titres) de Sino-Forest Corporation (« Sino-Forest ») sur les marchés primaires ou secondaires, dans quelconque juridiction, entre le 31 mars 2006 et le 26 août 2011 (le « groupe du règlement E&Y ») et quiconque, y compris les non canadiens, qui a, avait, aurait pu avoir ou pourrait avoir une réclamation de quelque nature, contre Ernst & Young LLP, Ernst & Young Global Limited ou toute autre entreprise adhérente ainsi que toute personne ou entité affiliée ou liée, ci-après dénommés (« Ernst & Young »), en rapport à Sino-Forest, les audits faits par Ernst & Young sur les états financiers de Sino-Forest et tout autre travail effectué par Ernst & Young en rapport à Sino-Forest.

## Contexte du recours collectif Sino-Forest et de la procédure LACC

En juin et juillet 2011, des recours collectifs ont été intentés auprès de la Cour supérieure de justice de l'Ontario (« la procédure ontarienne ») et de la Cour supérieure du Québec (« la procédure québécoise ») (ensemble « les procédures ») par certains plaignants (« les demandeurs à l'action ») contre Sino-Forest, ses dirigeants et administrateurs, ses souscripteurs, une société de consulting et ses commissionnaires aux comptes, notamment Ernst & Young. En janvier 2012, un recours collectif proposé a été intenté contre Sino-Forest et d'autres parties défenderesses dans le district sud de New York (« le recours américain »). Les recours alléguaient que les documents publics de Sino-Forest contenaient des déclarations fausses et trompeuses quant à ses actifs, ses affaires et ses transactions.

Depuis ce temps, le différend a été vigoureusement contesté. Le 30 mars 2012, Sino-Forest a obtenu la protection de ses créanciers en vertu de la Loi sur les arrangements avec les créanciers des compagnies (la « LACC ») dans le cadre de laquelle la Cour supérieure de l'Ontario a ordonné un sursis d'instance contre la compagnies et d'autres parties, notamment Ernst & Young (la « procédure LACC »). Les ordonnances et autres documents pertinents relatifs à la procédure LACC peuvent être trouvés le site Web contrôleur LACC sur http://cfcanada.fticonsulting.com/sfc/ (le « site Web du contrôleur »).

Le 10 décembre 2012, un plan d'arrangement a été approuvé par la Cour dans la procédure LACC. Au titre de ce dernier, la Cour a approuvé un cadre par lequel les demandeurs à l'action peuvent conclure des ententes de règlement avec chacune des parties tierces défenderesses à la procédure. Le Plan prévoit expressément le règlement Ernst & Young (tel que défini dans le plan) dont l'approbation est maintenant recherchée.

#### Qui agit pour le groupe du règlement E&Y

Les cabinets Koskie Minsky LLP, Siskinds LLP, et Siskinds Desmeules, sencrl ("les avocats du groupe ») représentent le groupe du règlement E&Y dans la procédure. Si vous souhaitez être représenté par un autre avocat, vous pouvez en engager un qui apparaîtra en Cour pour vous à vos propres frais.

Vous n'aurez pas à payer directement les honoraires et frais d'avocats du groupe. Toutefois, si ce recours aboutit positivement ou qu'il existe un règlement monétaire, les avocats du groupes

demanderont à ce que leurs honoraires et frais soient payés sur toute somme obtenue pour le groupe ou versés séparément par les parties défenderesses.

### Règlement proposé avec Ernst & Young

Les demandeurs à l'action ont conclu une proposition de règlement avec Ernst & Young (« l'entente de règlement »). Si le règlement est approuvé, il sera définitif et exécutoire et il n'y aura pas de possibilité de poursuivre une cause d'action (le cas échéant) contre Ernst & Young par le biais d'un processus de retrait, en vertu d'un recours collectif ou d'une procédure similaire. Le règlement proposé réglerait, éteindrait et rendrait irrecevable l'ensemble des réclamations, globalement, contre Ernst & Young en rapport avec Sino-Forest et notamment les allégations dans la procédure. Ernst & Young ne reconnaît aucun manquement ou aucune responsabilité. Les termes du règlement proposé n'impliquent pas la résolution de quelconques réclamations contre Sino-Forest ou l'une des autres parties défenderesses. Pour une mise à jour sur les ordonnances LACC touchant Sino-Forest, veuillez consulter le site Web du contrôleur www.cfcanada.fticonsulting.com/sfc. Une copie intégrale de l'entente de règlement et d'autres informations sur ce recours (uniquement en anglais) sont disponibles sur www.kmlaw.ca/sinoforestclassaction et sur http://www.classaction.ca (le « site Web du recours collectif »)

Le règlement proposé, s'il est approuvé et si ses conditions sont remplies, prévoit qu'Ernst & Young versera 117,000,000.00 \$ CAD dans une fiducie de règlement qui sera gérée conformément aux ordonnances de Cour. Il est dans l'intention des avocats du groupe, de demander auprès de la Cour l'approbation du plan de répartition distribuant les fonds du règlement, déductions faites des honoraires d'avocats et autres frais administratifs, aux membres de groupe du règlement E&Y.

En retour, le recours contre Ernst & Young sera rejeté et il y aura une ordonnance rendant à jamais irrecevable toute réclamation en rapport à Sino-Forest y compris toute allégation se rapportant à la procédure notamment des réclamations (le cas échéant) qui pourraient être avancées par le biais d'un processus de retrait, en vertu d'un recours collectif ou d'une procédure similaire. Pour déterminer si ou comment ils sont touchés par le règlement proposé, les membres de groupe du règlement E&Y, ainsi que quiconque possède des réclamations contre Ernst & Young en relation avec Sino-Forest, devraient considérer l'effet des ordonnances rendues et des mesures prises dans la procédure LACC Sino-Forest. De plus amples informations sur la procédure LACC Sino-Forest se trouvent sur le site Web du contrôleur.

L'entente de règlement avec Ernst & Young est assujettie à l'approbation de la Cour, tel qu'indiqué ci-dessous.

# Audience d'approbation du règlement le 4 février 2013 à Toronto, Ontario et audiences ultérieures en Ontario, au Québec et aux États-Unis.

Le 4 février 2013, à 10h00 HNE (10:00 a.m. Eastern Time), se déroulera une audience en approbation devant la Cour supérieure de justice de l'Ontario. L'audience se tiendra dans l'immeuble Canada Life au 330 University Avenue, 8<sup>ième</sup> étage, Toronto, Ontario. Le numéro exact de la salle d'audience sera disponible sur le panneau d'affichage au 8<sup>ième</sup> étage.

Si la requête en approbation du règlement, qui sera entendue par la Cour supérieure de justice de l'Ontario le 4 février 2013 (« la requête en approbation du règlement »), est octroyée, il y aura alors une audience supplémentaire à une date ultérieure et devant la Cour supérieure de justice de l'Ontario (« requête en répartition/honoraires de l'Ontario ») durant laquelle les avocats du groupe demanderont l'approbation de la Cour sur (1) le plan de répartition des fonds net du règlement Ernst & Young parmi les membres du groupe du règlement E&Y; et (2) les droits, frais et honoraires demandés par les avocats du groupe.

En outre, si la requête en approbation du règlement est accordée, il pourra y avoir des audiences supplémentaires à des dates ultérieures devant la Cour supérieure du Québec (« la requête au Québec ») et devant la Cour des faillites du district sud de New York (« la requête aux États-Unis ») au cours desquelles des requêtes en reconnaissance et mise en œuvre de la requête en approbation du règlement Ernst &Young pourraient être demandées.

Si la requête en approbation du règlement est accordée, alors des avis supplémentaires seront diffusés aux membres du groupe du règlement E&Y les informant de l'heure et du lieu de la requête en répartition/honoraires de l'Ontario et de toute requête au Québec et/ou aux États-Unis.

Les membres du groupe du règlement E&Y et quiconque, y compris les non canadiens, qui a, avait, aurait pu avoir, ou pourrait avoir une réclamation de quelque nature contre Ernst & Young LLP en rapport à Sino-Forest, les audits fais par Ernst & Young sur les états financiers de Sino-Forest et toute autre travail effectué par Ernst & Young en rapport à Sino-Forest, peuvent assister à l'audience de la requête en approbation du règlement et demander à présenter des arguments eu égard au règlement proposé avec Ernst & Young.

Il est nécessaire que les personnes ayant l'intention de s'opposer à l'entente de règlement Ernst & Young: (a) transmettent un avis d'opposition essentiellement sous la forme que l'on retrouve sur le site Web du contrôleur et le site Web de recours collectif et, si cet avis est reçu par courrier, joint au présent avis (« l'avis d'opposition »), auprès du contrôleur, par courrier, service de messagerie ou transmission courriel, aux coordonnées indiquées sur l'avis d'opposition, de sorte que ce dernier soit reçu au plus tard à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013; et (b) respectent le calendrier de procédure présenté ci-dessous. Des copies des avis d'opposition envoyées au contrôleur seront déposées auprès de la Cour.

## Calendrier de procédure

Par ordonnance de la Cour supérieure de justice de l'Ontario, les personnes souhaitant participer à la requête en approbation de l'entente de règlement doivent respecter le calendrier suivant :

- Les documents relatifs à la requête doivent être transmis au plus tard le 11 janvier 2013.
- Les documents en réponse et relatifs à la requête doivent être transmis au plus tard le 18 janvier 2013.
- Les contre-interrogatoires sur affidavits (le cas échéant) doivent être conduis les 24 et 25 janvier 2013.

4. Les argumentations écrites doivent avoir été échangées au 30 janvier 2013.

### Informations supplémentaires

Si vous souhaitez obtenir des informations complémentaires ou vous opposer à l'entente de règlement Ernst & Young, veuillez contacter Koskie Minsky LLP, Siskinds LLP, ou Siskinds Desmeules LLP aux coordonnées suivantes :

### Koskie Minsky LLP

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

Objet: Recours collectif Sino-Forest

Tel: 1.866.474.1739 (dans l'Amérique du nord)
Tel: 416.595.2158 (hors de l'Amérique du nord)
Courriel: sinoforestclassaction@kmlaw.ca

#### Siskinds LLP

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

Objet: Recours collectif Sino-Forest

Tel: 1.800.461.6166 x 2380 (dans l'Amérique du nord)
Tel: 519.672.2251 x 2380 (hors de l'Amérique du nord)

Courriel: nicole.young@siskinds.com

#### Siskinds Desmeules, sencrl

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

Objet: Recours collectif Sino-Forest

Tel: 418.694.2009

Courriel: simon.hebert@siskindsdesmeules.com

#### Interprétation

S'il existe un conflit entre les dispositions du présent avis et l'entente de règlement, les termes de l'entente de règlement prévaudront.

Veuillez ne pas transmettre vos questions en rapport à cet avis auprès de la Cour. Toute question doit être transmise auprès des avocats du groupe.

LA DISTRIBUTION DE CET AVIS A ÉTÉ AUTORISÉE PAR LA COUR SUPÉRIEURE DE JUSTICE DE L'ONTARIO

This is Exhibit "D" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

A Commissioner, etc.

#### NOTICE OF OBJECTION

## TO: FTI CONSULTING CANADA INC. acting in its capacity as Monitor of Sino-Forest Corporation TD Waterhouse Tower 79 Wellington Street West Suite 2010, P.O. Box 104 Toronto, Ontario M5K 1G8 Attention: Jodi Porepa Email: Jodi.porepa@fticonsulting.com RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the "ERNST & YOUNG SETTLEMENT") (please check all boxes that apply): (insert name) am a current shareholder of Sino -Forest Corporation am a former shareholder of Sino -Forest Corporation am a current noteholder of Sino -Forest Corporation am a former noteholder of Sino -Forest Corporation other (please explain) I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the "Order"), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order. I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

| -     |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |        |
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|       | Settlement, and I understand that my | earing of the motion to approve the Ernst & y objection will be filed with the court prior on February 4, 2013, at 330 University Av                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | to the |
|       |                                      | y counsel, and to make submissions at the heat oung Settlement at 10:00 a.m. on February 4 onto, Ontario.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |        |
| MY A  | ADDRESS FOR SERVICE IS:              | MY LAWYER'S ADDRESS SERVICE IS (if applicable):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | FOR    |
| Name  | <b>:</b> :                           | Name:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |
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| Addre | ess:                                 | Address:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |
| Tel.: |                                      | Tel.:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |
| Fax:  |                                      | Fax:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |
| Email | 1:                                   | Email:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |        |
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| Date: |                                      | Signature:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |        |

This is Exhibit "E" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

A Commissioner, etc.

## AVIS D'OPPOSITION

## ATT: FTI CONSULTING CANADA INC.

agissant en sa qualité de contrôleur de Sino-Forest Corporation TD Waterhouse Tower 79 Wellington Street West Suite 2010, P.O. Box 104 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

| Je,                                          | (Veuillez cocher chaque case s'appliquant):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | (Inscrivez votre nom)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                              | suis actuellement détenteur d'action(s) de Sino -Forest Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                              | suis un ancien détenteur d'action(s) de Sino -Forest Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                              | suis actuellement détenteur de titre(s) de Sino -Forest Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                              | suis un ancien détenteur de titre(s) de Sino -Forest Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                              | autre(s) (veuillez expliquer)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (« l'or<br>de ren<br>sa qu<br>courri<br>2013 | connais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 201 redonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenue replir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant e alité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie o el afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvie et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance a présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisonntes: |

|              | JE N'AI PAS l'intention de comparaître à l'audience de la requête en approbation du règlement Ernst & Young et je comprends que mon opposition sera déposées auprès de la Cour avant l'audience de la requête, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8 <sup>ième</sup> étage, Toronto, Ontario. |                                                                               |  |  |  |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--|--|--|
|              | J'Al l'intention de comparaître en personne ou par le biais d'un avocat, et de soumettr des arguments lors de l'audience de la requête en approbation du règlement Ernst d'young, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8 étage Toronto, Ontario.                                               |                                                                               |  |  |  |
| MON<br>SIGN  | ADRESSE AUX FINS DE<br>DIFICATION EST :                                                                                                                                                                                                                                                                                        | L'ADRESSE DE MON AVOCAT AUX<br>FINS DE SIGNIFICATION EST (le cas<br>échéant): |  |  |  |
| Nom:         |                                                                                                                                                                                                                                                                                                                                | Nom:                                                                          |  |  |  |
|              |                                                                                                                                                                                                                                                                                                                                |                                                                               |  |  |  |
|              |                                                                                                                                                                                                                                                                                                                                |                                                                               |  |  |  |
| Adresse:     |                                                                                                                                                                                                                                                                                                                                | Adresse:                                                                      |  |  |  |
| Tél.:        |                                                                                                                                                                                                                                                                                                                                | Tél.:                                                                         |  |  |  |
| Télécopieur: |                                                                                                                                                                                                                                                                                                                                | Télécopieur:                                                                  |  |  |  |
| Courriel:    |                                                                                                                                                                                                                                                                                                                                | Courriel:                                                                     |  |  |  |
|              |                                                                                                                                                                                                                                                                                                                                |                                                                               |  |  |  |
| Date:        | Si                                                                                                                                                                                                                                                                                                                             | gnature:                                                                      |  |  |  |

This is Exhibit "F" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

# SINO-FOREST CORPORATION

# NOTICE OF PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP

TO: Everyone, including non-Canadians, who acquired Sino-Forest Corporation ("Sino-Forest") securities (including shares and/or notes) in the primary or secondary market in any jurisdiction between March 31, 2006 and August 26, 2011 (the "E&Y Settlement Class") and to everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young LLP, Ernst & Young Global Limited or any of its member firms and any person or entity affiliated or connected thereto ("Ernst & Young"), in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest.

# **Background of Sino-Forest Class Action and CCAA Proceeding**

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") by certain plaintiffs (the "Plaintiffs") against Sino-Forest, its senior officers and directors, its underwriters, a consulting company, and its auditors, including Ernst & Young. In January 2012, a proposed class action was commenced against Sino-Forest and other defendants in the Southern District of New York (the "US Action"). 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"), within which proceeding the Ontario Superior Court ordered a stay of proceedings against the company and other parties, including Ernst & Young (the "CCAA Proceeding"). Orders and other materials relevant to the *CCAA* Proceeding can be found at the *CCAA* Monitor's website at <a href="http://cfcanada.fticonsulting.com/sfc/">http://cfcanada.fticonsulting.com/sfc/</a> (the "Monitor's Website").

On December 10, 2012, a Plan of Arrangement was approved by the court in the CCAA Proceeding. As part of this Plan of Arrangement, the court approved a framework by which the Plaintiffs may enter into settlement agreements with any of the third-party defendants to the Proceedings. The Plan expressly contemplates the Ernst & Young Settlement (as defined in the Plan), approval of which is now sought.

# Who Acts For the E&Y Settlement Class

Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, sencrl ("Class Counsel") represent the E&Y Settlement Class in the Proceedings. 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 directly pay any fees and expenses to Class Counsel. However, if this action succeeds or there is a monetary settlement, Class Counsel will seek to have their fees and expenses paid from any money obtained for the class or paid separately by the defendants.

# Proposed Settlement with Ernst & Young

The Plaintiffs have entered into a proposed settlement with Ernst & Young (the "Settlement Agreement"). If the settlement is approved, it will be final and binding and there will be no ability to pursue a claim (if any) against Ernst & Young through an opt-out process under class proceedings or similar legislation. The proposed settlement would settle, extinguish and bar all claims, globally, against Ernst & Young in relation to Sino-Forest including the allegations in the Proceedings. Ernst & Young does not admit to any wrongdoing or liability. The terms of the proposed settlement do not involve the resolution of any claims against Sino-Forest or any of the other defendants. For an update on CCAA orders affecting Sino-Forest, please see the CCAA Monitor's website: http://cfcanada.fticonsulting.com/sfc/. A complete copy of the Settlement Agreement and other information about these proceedings is available at: <a href="www.kmlaw.ca/sinoforestclassaction">www.kmlaw.ca/sinoforestclassaction</a> and <a href="www.classaction.ca">www.classaction.ca</a> (the "Class Action Websites").

The proposed settlement, if approved and its conditions fulfilled, provides that Ernst & Young will pay CAD\$117,000,000.00 to a Settlement Trust to be administered in accordance with orders of the court. It is the intention of Class Counsel to seek the court's approval of a plan of allocation that distributes the settlement funds, net of counsel fees and other administrative costs and expenses, to members of the E&Y Settlement Class.

In return, the action will be dismissed against Ernst & Young, and there will be an order forever barring claims against it in relation to Sino-Forest including any allegations relating to the Proceedings, including claims (if any) that could be advanced through an opt-out process under class proceedings or similar legislation. In considering whether or how they are affected by the proposed settlement, members of the E&Y Settlement Class and anyone else with claims against Ernst & Young in relation to Sino-Forest should consider the effect of the orders made and steps taken in the Sino-Forest CCAA Proceedings. More information on the Sino-Forest CCAA Proceedings can be found on the Monitor's Website.

The settlement agreement with Ernst & Young is subject to court approval, as discussed below.

# Hearings to Approve Settlement on February 4, 2013 in Toronto, Ontario and Subsequent Hearings in Ontario, Quebec and the United States.

On February 4, 2013 at 10:00 a.m. (Eastern Time), there will be a settlement approval hearing before the Ontario Superior Court of Justice. The hearing will be heard at the Canada Life Building, 330 University Avenue, 8th Floor, Toronto, Ontario. The exact courtroom number will be available on a notice board on the 8th Floor.

If the settlement approval motion which is being heard by the Ontario Superior Court of Justice on February 4, 2013 (the "Settlement Approval Motion") is granted, then there will be a further hearing at a later date before the Ontario Superior Court of Justice (the "Ontario Allocation/Fee Motion") at which Class Counsel will seek that Court's approval of (1) the plan for allocating the net Ernst & Young settlement fund among the members of the E&Y Settlement Class; and (2) the fees and expense reimbursement requests of Class Counsel.

In addition, if the Settlement Approval Motion is granted, then there may be additional hearings at later dates in the Quebec Superior Court (the "Quebec Motion") and in the United States Bankruptcy Court for the Southern District of New York (the "US Motion") at which recognition and implementation of the Settlement Approval Motion and the Ernst & Young Settlement may be sought.

If the Settlement Approval Motion is granted, then a further notice will be disseminated to members of the E&Y Settlement Class advising them of the time and place of the Ontario Allocation/Fee Motion and any Quebec Motion and/or US Motion.

Members of the E&Y Settlement Class, and everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young, in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest, may attend at the hearing of the Settlement Approval Motion and ask to make submissions regarding the proposed settlement with Ernst & Young.

Persons intending to object to the Ernst & Young Settlement Agreement are required to: (a) deliver a Notice of Objection, substantially in the form that can be found on the Monitor's Website and the Class Action Websites, and, if this Notice is received by mail, enclosed with this Notice (the "Notice of Objection"), to the Monitor, by regular mail, courier or email transmission, to the coordinates indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013; and (b) comply with the litigation timetable set forth below. Copies of the Notices of Objection sent to the Monitor will be filed with the court.

# **Litigation Timetable**

By order of the Ontario Superior Court of Justice, persons intending to participate in the Settlement Approval Motion must comply with the following timetable:

- 1. Motion materials are to be delivered no later than January 11, 2013.
- 2. Responding motion materials are to be delivered by January 18, 2013.
- Cross-examinations on affidavits (if any) are to be conducted on January 24 and 25, 2013.
- 4. Written Submissions are to be exchanged on January 30, 2013.

# **Further Information**

If you would like additional information or to object to the Ernst & Young Settlement Agreement, 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 (within North America)
Tel: 416.595.2158 (outside North America)
Email: sinoforestclassaction@kmlaw.ca

# Siskinds LLP

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

Re: Sino-Forest Class Action

<u>Tel:</u> 1.800.461.6166 x 2380 (within North America) Tel: 519.672.2251 x 2380 (outside North America)

Email: 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

# 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 Class Counsel.

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

This is Exhibit "G" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

## SINO-FOREST CORPORATION

# AVIS DE RÈGLEMENT PROPOSÉ AVEC ERNST & YOUNG LLP

À l'attention de: Quiconque, y compris les non canadiens, ayant acquis des valeurs (notamment des actions et/ou des titres) de Sino-Forest Corporation (« Sino-Forest ») sur les marchés primaires ou secondaires, dans quelconque juridiction, entre le 31 mars 2006 et le 26 août 2011 (le « groupe du règlement E&Y ») et quiconque, y compris les non canadiens, qui a, avait, aurait pu avoir ou pourrait avoir une réclamation de quelque nature, contre Ernst & Young LLP, Ernst & Young Global Limited ou toute autre entreprise adhérente ainsi que toute personne ou entité affiliée ou liée, ci-après dénommés (« Ernst & Young »), en rapport à Sino-Forest, les audits faits par Ernst & Young sur les états financiers de Sino-Forest et tout autre travail effectué par Ernst & Young en rapport à Sino-Forest.

# Contexte du recours collectif Sino-Forest et de la procédure LACC

En juin et juillet 2011, des recours collectifs ont été intentés auprès de la Cour supérieure de justice de l'Ontario (« la procédure ontarienne ») et de la Cour supérieure du Québec (« la procédure québécoise ») (ensemble « les procédures ») par certains plaignants (« les demandeurs à l'action ») contre Sino-Forest, ses dirigeants et administrateurs, ses souscripteurs, une société de consulting et ses commissionnaires aux comptes, notamment Ernst & Young. En janvier 2012, un recours collectif proposé a été intenté contre Sino-Forest et d'autres parties défenderesses dans le district sud de New York (« le recours américain »). Les recours alléguaient que les documents publics de Sino-Forest contenaient des déclarations fausses et trompeuses quant à ses actifs, ses affaires et ses transactions.

Depuis ce temps, le différend a été vigoureusement contesté. Le 30 mars 2012, Sino-Forest a obtenu la protection de ses créanciers en vertu de la Loi sur les arrangements avec les créanciers des compagnies (la « LACC ») dans le cadre de laquelle la Cour supérieure de l'Ontario a ordonné un sursis d'instance contre la compagnies et d'autres parties, notamment Ernst & Young (la « procédure LACC »). Les ordonnances et autres documents pertinents relatifs à la procédure trouvés peuvent être sur le site Web du contrôleur LACC http://cfcanada.fticonsulting.com/sfc/ (le « site Web du contrôleur »).

Le 10 décembre 2012, un plan d'arrangement a été approuvé par la Cour dans la procédure LACC. Au titre de ce dernier, la Cour a approuvé un cadre par lequel les demandeurs à l'action peuvent conclure des ententes de règlement avec chacune des parties tierces défenderesses à la procédure. Le Plan prévoit expressément le règlement Ernst & Young (tel que défini dans le plan) dont l'approbation est maintenant recherchée.

## Qui agit pour le groupe du règlement E&Y

Les cabinets Koskie Minsky LLP, Siskinds LLP, et Siskinds Desmeules, sencrl ("les avocats du groupe ») représentent le groupe du règlement E&Y dans la procédure. Si vous souhaitez être représenté par un autre avocat, vous pouvez en engager un qui apparaîtra en Cour pour vous à vos propres frais.

Vous n'aurez pas à payer directement les honoraires et frais d'avocats du groupe. Toutefois, si ce recours aboutit positivement ou qu'il existe un règlement monétaire, les avocats du groupes

demanderont à ce que leurs honoraires et frais soient payés sur toute somme obtenue pour le groupe ou versés séparément par les parties défenderesses.

# Règlement proposé avec Ernst & Young

Les demandeurs à l'action ont conclu une proposition de règlement avec Ernst & Young (« l'entente de règlement »). Si le règlement est approuvé, il sera définitif et exécutoire et il n'y aura pas de possibilité de poursuivre une cause d'action (le cas échéant) contre Ernst & Young par le biais d'un processus de retrait, en vertu d'un recours collectif ou d'une procédure similaire. Le règlement proposé réglerait, éteindrait et rendrait irrecevable l'ensemble des réclamations, globalement, contre Ernst & Young en rapport avec Sino-Forest et notamment les allégations dans la procédure. Ernst & Young ne reconnaît aucun manquement ou aucune responsabilité. Les termes du règlement proposé n'impliquent pas la résolution de quelconques réclamations contre Sino-Forest ou l'une des autres parties défenderesses. Pour une mise à jour sur les ordonnances LACC touchant Sino-Forest, veuillez consulter le site Web du contrôleur http://cfcanada.fticonsulting.com/sfc/. Une copie intégrale de l'entente de règlement et d'autres informations sur ce recours (uniquement en anglais) sont disponibles sur www.kmlaw.ca/sinoforestclassaction et sur http://www.classaction.ca (le « site Web du recours collectif »)

Le règlement proposé, s'il est approuvé et si ses conditions sont remplies, prévoit qu'Ernst & Young versera 117,000,000.00 \$ CAD dans une fiducie de règlement qui sera gérée conformément aux ordonnances de Cour. Il est dans l'intention des avocats du groupe, de demander auprès de la Cour l'approbation du plan de répartition distribuant les fonds du règlement, déductions faites des honoraires d'avocats et autres frais administratifs, aux membres de groupe du règlement E&Y.

En retour, le recours contre Ernst & Young sera rejeté et il y aura une ordonnance rendant à jamais irrecevable toute réclamation en rapport à Sino-Forest y compris toute allégation se rapportant à la procédure notamment des réclamations (le cas échéant) qui pourraient être avancées par le biais d'un processus de retrait, en vertu d'un recours collectif ou d'une procédure similaire. Pour déterminer si ou comment ils sont touchés par le règlement proposé, les membres de groupe du règlement E&Y, ainsi que quiconque possède des réclamations contre Ernst & Young en relation avec Sino-Forest, devraient considérer l'effet des ordonnances rendues et des mesures prises dans la procédure LACC Sino-Forest. De plus amples informations sur la procédure LACC Sino-Forest se trouvent sur le site Web du contrôleur.

L'entente de règlement avec Ernst & Young est assujettie à l'approbation de la Cour, tel qu'indiqué ci-dessous.

# Audience d'approbation du règlement le 4 février 2013 à Toronto, Ontario et audiences ultérieures en Ontario, au Québec et aux États-Unis.

Le 4 février 2013, à 10h00 HNE (10:00 a.m. Eastern Time), se déroulera une audience en approbation devant la Cour supérieure de justice de l'Ontario. L'audience se tiendra dans l'immeuble Canada Life au 330 University Avenue, 8<sup>ième</sup> étage, Toronto, Ontario. Le numéro exact de la salle d'audience sera disponible sur le panneau d'affichage au 8<sup>ième</sup> étage.

Si la requête en approbation du règlement, qui sera entendue par la Cour supérieure de justice de l'Ontario le 4 février 2013 (« la requête en approbation du règlement »), est octroyée, il y aura alors une audience supplémentaire à une date ultérieure et devant la Cour supérieure de justice de l'Ontario (« requête en répartition/honoraires de l'Ontario ») durant laquelle les avocats du groupe demanderont l'approbation de la Cour sur (1) le plan de répartition des fonds net du règlement Ernst & Young parmi les membres du groupe du règlement E&Y; et (2) les droits, frais et honoraires demandés par les avocats du groupe.

En outre, si la requête en approbation du règlement est accordée, il pourra y avoir des audiences supplémentaires à des dates ultérieures devant la Cour supérieure du Québec (« la requête au Québec ») et devant la Cour des faillites du district sud de New York (« la requête aux États-Unis ») au cours desquelles des requêtes en reconnaissance et mise en œuvre de la requête en approbation du règlement Ernst & Young pourraient être demandées.

Si la requête en approbation du règlement est accordée, alors des avis supplémentaires seront diffusés aux membres du groupe du règlement E&Y les informant de l'heure et du lieu de la requête en répartition/honoraires de l'Ontario et de toute requête au Québec et/ou aux États-Unis.

Les membres du groupe du règlement E&Y et quiconque, y compris les non canadiens, qui a, avait, aurait pu avoir, ou pourrait avoir une réclamation de quelque nature contre Ernst & Young LLP en rapport à Sino-Forest, les audits fais par Ernst & Young sur les états financiers de Sino-Forest et toute autre travail effectué par Ernst & Young en rapport à Sino-Forest, peuvent assister à l'audience de la requête en approbation du règlement et demander à présenter des arguments eu égard au règlement proposé avec Ernst & Young.

Il est nécessaire que les personnes ayant l'intention de s'opposer à l'entente de règlement Ernst & Young: (a) transmettent un avis d'opposition essentiellement sous la forme que l'on retrouve sur le site Web du contrôleur et le site Web de recours collectif et, si cet avis est reçu par courrier, joint au présent avis (« l'avis d'opposition »), auprès du contrôleur, par courrier, service de messagerie ou transmission courriel, aux coordonnées indiquées sur l'avis d'opposition, de sorte que ce dernier soit reçu au plus tard à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013; et (b) respectent le calendrier de procédure présenté ci-dessous. Des copies des avis d'opposition envoyées au contrôleur seront déposées auprès de la Cour.

# Calendrier de procédure

Par ordonnance de la Cour supérieure de justice de l'Ontario, les personnes souhaitant participer à la requête en approbation de l'entente de règlement doivent respecter le calendrier suivant :

- 1. Les documents relatifs à la requête doivent être transmis au plus tard le 11 janvier 2013.
- Les documents en réponse et relatifs à la requête doivent être transmis au plus tard le 18 janvier 2013.
- Les contre-interrogatoires sur affidavits (le cas échéant) doivent être conduis les 24 et 25 janvier 2013.

4. Les argumentations écrites doivent avoir été échangées au 30 janvier 2013.

# Informations supplémentaires

Si vous souhaitez obtenir des informations complémentaires ou vous opposer à l'entente de règlement Ernst & Young, veuillez contacter Koskie Minsky LLP, Siskinds LLP, ou Siskinds Desmeules LLP aux coordonnées suivantes :

# Koskie Minsky LLP

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

Objet: Recours collectif Sino-Forest

Tel: 1.866.474.1739 (dans l'Amérique du nord)
Tel: 416.595.2158 (hors de l'Amérique du nord)
Courriel: sinoforestclassaction@kmlaw.ca

### Siskinds LLP

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

Objet: Recours collectif Sino-Forest

Tel: 1.800.461.6166 x 2380 (dans l'Amérique du nord)
Tel: 519.672.2251 x 2380 (hors de l'Amérique du nord)

Courriel: nicole.young@siskinds.com

## Siskinds Desmeules, sencrl

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

Objet: Recours collectif Sino-Forest

Tel: 418.694.2009

Courriel: simon.hebert@siskindsdesmeules.com

# Interprétation

S'il existe un conflit entre les dispositions du présent avis et l'entente de règlement, les termes de l'entente de règlement prévaudront.

Veuillez ne pas transmettre vos questions en rapport à cet avis auprès de la Cour. Toute question doit être transmise auprès des avocats du groupe.

LA DISTRIBUTION DE CET AVIS A ÉTÉ AUTORISÉE PAR LA COUR SUPÉRIEURE DE JUSTICE DE L'ONTARIO

This is Exhibit "H" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

# Serge Kalloghlian

From: Sent: To: Garth Myers [gmyers@kmlaw.ca] Friday, December 21, 2012 3:52 PM

Jason.McMurtrie@gowlings.com; kdekker@agmlawvers.com; mbooth@agmlawvers.com; pgreene@agmlawyers.com; ajowett@applebyglobal.com; awillins@applebyglobal.com; esimpson@applebyglobal.com; david.gadsden@bakermckenzie.com; john.pirie@bakermckenzie.com; belld@bennettjones.com; bellj@bennettjones.com; zychk@bennettjones.com; sahnir@bennettjones.com; ZweigS@bennettjones.com; staleyr@bennettjones.com; Harvey@chaitons.com; marymargaret.fox@clydeco.ca; paul.emerson@clydeco.ca; mkaplan@cohenmilstein.com; rspeirs@cohenmilstein.com; stoll@cohenmilstein.com; sramirez@cohenmilstein.com; jdoris@dwpv.com; jswartz@dwpv.com; bbarnes@davis.ca; bdarlington@davis.ca; sfriedman@davis.ca; mcolloff@emmetmarvin.com; Mike.P.Dean@ca.ey.com; coneill@fasken.com; sbrotman@fasken.com; jane.dietrich@fmc-law.com; neil.rabinovitch@fmc-law.com; greg.watson@fticonsulting.com; Jodi.porepa@fticonsulting.com; bzarnett@goodmans.ca; boneill@goodmans.ca; cdescours@goodmans.ca; rchadwick@goodmans.ca; clifton.prophet@gowlings.com; derrick.tay@gowlings.com; Jennifer.stam@gowlings.com; jo@kimorr.ca; mbm@kimorr.ca; mcs@kimorr.ca; wjk@kimorr.ca; Ava.Kim@gowlings.com; Edward.Xu@hk.kwm.com; Helena.huang@kingandwood.com; tata.sun@kingandwood.com; Garth Myers; Jonathan Bida; Jonathan Ptak; Kirk M. Baert; bernard.gravel@lrmm.com; bruno.floriani@lrmm.com; james.heaney@lawdeb.com; lfuerst@litigate.com; pgriffin@litigate.com; posborne@litigate.com; sroy@litigate.com; hyung.ahn@linklaters.com; Jon.Gray@linklaters.com; Melvin.Sng@linklaters.com; Samantha.Kim@Linklaters.com; atardif@mccarthy.ca; clegendre@mccarthy.ca; mpoplaw@mccarthy.ca; tmerchant@merchantlaw.com; ecole@millerthomson.com; jmarin@millerthomson.com; hcraig@osc.gov.on.ca; esellers@osler.com; ggrove@osler.com; llowenstein@osler.com; Ken.Rosenberg@paliareroland.com; GLuftspring@rickettsharris.com; ssasso@rickettsharris.com; A. Dimitri Lascaris; Charles M. Wright; george.bragg@bnymellon.com; grace.lau@bnymellon.com; tin.chung@bnymellon.com; david.m.kerr@bnymellon.com; Marelize.Coetzee@bnymellon.com; curtis.tuggle@thompsonhine.com; irving.apar@thompsonhine.com; yesenia.batista@thompsonhine.com; jgrout@tgf.ca; kplunkett@tgf.ca; agray@torys.com; dbish@torys.com; jfabello@torys.com; epleet@wdblaw.ca; pwardle@wdblaw.ca; sbieber@wdblaw.ca; Max.Starnino@paliareroland.com; lindsay.scott@paliareroland.com; Serge Kalloghlian; Daniel Bach; Garth Myers; Jonathan Schachter

Subject: Attachments: SINO-FOREST CORPORATION CLASS ACTION UPDATE English.pdf; French.pdf

(ce message est disponible en français plus bas)

# Sino-Forest Corporation Class Action Update

Further to the endorsement of Justice Morawetz dated December 21, 2012, please find attached a copy of the court approved notice.

<<English.pdf>> Yours Truly,

### KOSKIE MINSKY LLP

### SISKINDS LLP

If you no longer wish to receive our email messages, please email us at sinoforestclassaction@kmlaw.ca

This e-mail message is privileged, confidential and subject to copyright. Any unauthorized use or disclosure is prohibited.

# Mise à jour sur le recours collectif Sino-Forest Corporation

Suite à l'approbation du juge Morawetz datée du 21 décembre 2012, veuillez trouver ci-joint, une copie de l'avis approuvé par la Cour.

<<French.pdf>>

Cordialement,

# KOSKIE MINSKY LLP

# SISKINDS LLP

Si vous ne souhaitez plus recevoir nos courriels, veuillez nous écrire à sinoforestclassaction@kmlaw.ca

Le contenu du présent courriel est privilégié, confidentiel et soumis à des droits d'auteur. Il est interdit de l'utiliser ou de le divulguer sans autorisation

This is Exhibit "I" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

# Serge Kalloghlian

From: Garth Myers [gmyers@kmlaw.ca]
Sent: Friday, December 21, 2012 4:04 PM

To: eizengam@bennettjones.com; staleyr@bennettjones.com; pgriffin@litigate.com;

posborne@litigate.com; sroy@litigate.com; ecole@millerthomson.com; mmackey@millerthomson.com; sblock@torys.com; jfabello@torys.com; llowenstein@osler.com; LFric@osler.com; pgreene@agmlawyers.com; KDekker@agmlawyers.com; david.gadsden@bakermckenzie.com;

john.pirie@bakermckenzie.com; mbooth@agmlawyers.com; pwardle@wdblaw.ca;

sbieber@wdblaw.ca

Cc: Jonathan Ptak; Jonathan Bida; Kirk M. Baert; A. Dimitri Lascaris; Charles M. Wright

Subject: SINO-FOREST CORPORATION CLASS ACTION UPDATE

Attachments: English.pdf; French.pdf

(ce message est disponible en français plus bas)

# Sino-Forest Corporation Class Action Update

Further to the endorsement of Justice Morawetz dated December 21, 2012, please find attached a copy of the court approved notice.

<<English.pdf>> Yours Truly,

## KOSKIE MINSKY LLP

## SISKINDS LLP

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## Mise à jour sur le recours collectif Sino-Forest Corporation

Suite à l'approbation du juge Morawetz datée du 21 décembre 2012, veuillez trouver ci-joint, une copie de l'avis approuvé par la Cour.

<<French.pdf>>

Cordialement,

## KOSKIE MINSKY LLP

### SISKINDS LLP

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This is Exhibit "J" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

# Serge Kalloghlian

From: Serge Kalloghlian

Sent: Thursday, December 27, 2012 12:06 PM

To: 'Garth Myers'; 'Jason.McMurtrie@gowlings.com'; 'kdekker@agmlawyers.com';

'mbooth@agmlawyers.com'; 'pgreene@agmlawyers.com'; 'ajowett@applebyglobal.com';

'awillins@applebyglobal.com'; 'esimpson@applebyglobal.com';

'david.gadsden@bakermckenzie.com'; 'john.pirie@bakermckenzie.com';

'belld@bennettjones.com'; 'bellj@bennettjones.com'; 'zychk@bennettjones.com'; 'sahnir@bennettjones.com'; 'ZweigS@bennettjones.com'; 'staleyr@bennettjones.com'; 'Harvey@chaitons.com'; 'marymargaret.fox@clydeco.ca'; 'paul.emerson@clydeco.ca'; 'mkaplan@cohenmilstein.com'; 'rspeirs@cohenmilstein.com'; 'stoll@cohenmilstein.com'; 'sramirez@cohenmilstein.com'; 'jdoris@dwpv.com'; 'jswartz@dwpv.com'; 'bbarnes@davis.ca';

'bdarlington@davis.ca'; 'sfriedman@davis.ca'; 'mcolloff@emmetmarvin.com'; 'Mike.P.Dean@ca.ey.com'; 'coneill@fasken.com'; 'sbrotman@fasken.com';

'jane.dietrich@fmc-law.com'; 'neil.rabinovitch@fmc-law.com';

'greg.watson@fticonsulting.com'; 'Jodi.porepa@fticonsulting.com'; 'bzarnett@goodmans.ca';

'boneill@goodmans.ca'; 'cdescours@goodmans.ca'; 'rchadwick@goodmans.ca';

'clifton.prophet@gowlings.com'; 'derrick.tay@gowlings.com'; 'Jennifer.stam@gowlings.com';

'jo@kimorr.ca'; 'mbm@kimorr.ca'; 'mcs@kimorr.ca'; 'wjk@kimorr.ca';

'Ava.Kim@gowlings.com'; 'Edward.Xu@hk.kwm.com'; 'Helena.huang@kingandwood.com';

'tata.sun@kingandwood.com'; 'Jonathan Bida'; 'Jonathan Ptak'; 'Kirk M. Baert'; 'bernard.gravel@lrmm.com'; 'bruno.floriani@lrmm.com'; 'james.heaney@lawdeb.com'; 'lfuerst@litigate.com'; 'pgriffin@litigate.com'; 'posborne@litigate.com'; 'sroy@litigate.com';

'hyung.ahn@linklaters.com'; 'Jon.Gray@linklaters.com'; 'Melvin.Sng@linklaters.com'; 'Samantha.Kim@Linklaters.com'; 'atardif@mccarthy.ca'; 'clegendre@mccarthy.ca'; 'mpoplaw@mccarthy.ca'; 'tmerchant@merchantlaw.com'; 'ecole@millerthomson.com';

'jmarin@millerthomson.com'; 'hcraig@osc.gov.on.ca'; 'esellers@osler.com';

'ggrove@osler.com'; 'llowenstein@osler.com'; 'Ken.Rosenberg@paliareroland.com';

'GLuftspring@rickettsharris.com'; 'ssasso@rickettsharris.com'; A. Dimitri Lascaris; Charles M.

Wright; 'george.bragg@bnymellon.com'; 'grace.lau@bnymellon.com';

'tin.chung@bnymellon.com'; 'david.m.kerr@bnymellon.com';

'Marelize.Coetzee@bnymellon.com'; 'curtis.tuggle@thompsonhine.com';

'irving.apar@thompsonhine.com'; 'yesenia.batista@thompsonhine.com'; 'jgrout@tgf.ca';

'kplunkett@tgf.ca'; 'agray@torys.com'; 'dbish@torys.com'; 'jfabello@torys.com';

'epleet@wdblaw.ca'; 'pwardle@wdblaw.ca'; 'sbieber@wdblaw.ca';

'Max.Starnino@paliareroland.com'; 'lindsay.scott@paliareroland.com'; Daniel Bach; 'Jonathan

Schachter'; 'Mike Eizenga'; 'hoakene@bennettjones.com'; 'Megan Mackey';

'clockwood@osler.com'; 'sblock@torys.com'

Subject: RE: SINO-FOREST CORPORATION CLASS ACTION UPDATE

Attachments: English.pdf; French.pdf

# Sino-Forest Corporation Class Action Update

Please note that the version of the Notice previously sent incorrectly listed the website address of the Monitor in one instance as <a href="www.cfcanada.fticonsulting.com/sfc">www.cfcanada.fticonsulting.com/sfc</a>. The correct address of the Monitor's website is <a href="http://cfcanada.fticonsulting.com/sfc">http://cfcanada.fticonsulting.com/sfc</a>. A revised Notice is attached.

## Mise à jour sur le recours collectif Sino-Forest Corporation

Veuillez noter que la version de l'avis qui vous a été envoyée précédemment a dans un cas fourni un site Web incorrecte pour le contrôleur (<a href="http://www.cfcanada.fticonsulting.com/sfc/">http://www.cfcanada.fticonsulting.com/sfc/</a>). Le site Web correcte du contrôleur est <a href="http://cfcanada.fticonsulting.com/sfc/">http://cfcanada.fticonsulting.com/sfc/</a>. Un avis corrigé est attaché ci-joint.

This is Exhibit "K" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.



# **Notice Report**

Administration: Sino Forest Corporation Class Action (EY Settlement)

Date of Notice Plan: December 28, 2012

Prepared For:

Serge Kalloghlian - Siskinds LLP

(via email)

Prepared By: Kurt Elgie

Contact: Phone: 519-432-3405 x 341

Email: kelgie@nptricepoint.com

### SCOPE OF WORK

NPT RicePoint Class Action Services Inc. ("NPT RicePoint") was appointed to provide direct mailing to Sino-Forest shareholders on record as of June 2, 2011 (Registered Shareholder List) and NPT RicePoint's list of known brokers/nominees. NPT RicePoint was also appointed to publish press releases and notice in the following newspapers:

- The Globe and Mail
- National Post
- La Presse
- Le Soleil
- Wall Street Journal National Edition

## STEPS TAKEN

On Friday, December 28, 2012, the Approval Hearings Notice, Notice of Objection, Shareholder Statement (shareholders only), and Cover Letter (brokers/nominees only) were mailed to the deliverable addresses in the Registered Shareholder List and NPT RicePoint's list of brokers/nominees as follows:

- 169 Shareholder Packages Quebec
- 2803 Shareholder Packages Rest of Canada
- 25 Shareholder Packages United States
- 16 Shareholder Packages International

Total of 3013 Shareholder Packages

- 28 Broker/Nominee Packages Quebec
- 168 Broker/Nominee Packages Rest of Canada

Total of 196 Broker/Nominee Packages

On Friday, December 28, 2012, the Approval Hearings Notice was added to the Marketwire Press Release Service.

On Friday, December 28, 2012, the Approval Hearings Notice was published in the following newspapers:

- The Globe and Mail
- National Post
- La Presse
- Le Soleil
- Wall Street Journal National Edition

\*Please see tear sheets attached

This is Exhibit "L" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

# THE WALL STREET JOURNAL

DOWIGNES

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Chinese fisherman in Jilin province hauf in their catch, which will help meet their country's demand for the dietary staple. O HON DARY RILLIES

# China's taste for fish spurs global growls

China's growing hunger for sea-food is testing relations with oth-er countries and worrying foreign officials and scientists over the potential damage its massive fleet could do to global fishing

neet count on or goton instring stocks. In the latest example, Argentina said on Wednesday that if had captured two Chinese fishing two selections of the week that it said selections to the week that it said sold that the selection of the selec

and tish.

Argentina authorities said the
Chinese ships were intercepted
off Patagonia, two nautical miles
inside Argentina's 200-mile

inside Agentima 3 coo-mine exclusive economic zone, on Monday, China's Torcign Ministry and it was trying to verily the fast of the control o

S8-billion currently.
Reijing has big plans for expanding its fishing armada to expanding its fishing armada to feed that high a made to feed that high a made to feed that high a made to read that high a made to read that high a made to read that high a made to the state of the

anization. China has signed international

China has signed international agreements that allow it to fish in global waters, and some fishing experts have praised Berjing for beefing up its statistics on fishing in some areas and for raising more fish in domestic farms. Still, a European Commission report this year said China reported only about 340,000 tonnes of its 2010-2011 catch from the high seas compared with an estimated actual haad of more than 41 million tonnes. Africa — where local governments often have few resources to police upaque bilateral water-access agreements to make sure vessels pay for what they catch — accounts for more than two-thirds of China's long-haul harvest, the report said.

Shane Romig in Iluanos Aires con-

Shane Romig in Iluenos Aires con-tributed to this article.

### LEGALS

### SINO-FOREST CORPORATION NOTICE OF PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP

TO: Everyone, including non-Canadians, who adjusted Simo-Parent Conjectation ("files-Parent") association (notes producing makes audition notes) in the premary or extending makes in any production between March 31, 2006 and August 20, 2011 (the "EAF Settlement Class") and to everyone including one Canadians, who has, also could have lad or may have a claim of any kind against first at Varough IZ. First at Everyon (both or any of the member first and any produce or mity affiliated or connected therein Charita & Yaxon (2). The first is Simo-Pairent, firms & Young's audited file-Pairent's macade latternations and any other work performed by Time & Young's audited file-Pairent's macade latternations and any other work performed by Time & Young's audited file-Pairent's macade latternations and any other work performed by Time & Young's audited file-Pairent's macade latternations and any other work performed by Time & Young's audited file-Pairent's macade latternations and any other work performed performed the angular file-Pairent file of the Pairent file

Background of Sino-Forest Class Action and CCAA Proceeding

Who Arts For the EBY Settlement Class

was not a recinit but settlement blank.

Kookali Marille LIP, Skinder LLP, and Shalinds Desneuks, senori ("Class Council") represent the EAY Settlement Class in the Apposedings. If you want to be represented by another lawyer, you may the not to appose in roant for you all your own represe.

You will not have to develop pay any ties and exponents to Class Courned, However, if this action outcomes or there is a moretary settlement, Class Council will been to have been and exponent past form any money obtained for the class or post payament by the defendant.

Progoved Settlement with Ernst & Young

Proposed, Settlement with Ernst & Young The Present Settlement Agreement", if the settlement a sperioved, it will be feel and finding and there will be no ability to private a chiese (if any) agents Ernst & Young through an opening process under clear processing or various implication. The proposed enterment would settle, extrepoid and part of allowing, placely, agreement Gerns & Young the relations (Selective Agreement Settlement Selective Agreement Settlement Settlem

The proposed settlement, if approved and its conditions hallbed, provides that Errot & Young will pay CALESTI7.000.000.00 to a bettermen Tryot to be a settlement with order with orders of the coset. It is the attention of Class Counsel to seek the count's approval of a plan of abbustless and settlements bodd, and of counsel feet and other azomistication exical part of personal to the conditions and other azomistications costs and expenses, in committee of the Technicans Class of

But state Cuts the cellsheed shock, on it counted less and other administrative cuts) and expenses, to members of this EAV Settlement Class. In extent, the souther will be distincted expenses from a continue to the continue of the settlement class and expenses and administrative to the following continue of any) that could be administrative properties an exploration retaining to the Proceedings, including claims of any) that could be administrated an optional process. Settlement, monthly legislation, in considering whether or how they are administrated by the supposed settlement, monthly not only the continue of the EAV Expenses of the continue to the continue of the EAV Expenses and suppose other with claims against Ernis A. Young in relation to Ston-Front stroods consider the effect of the orders must and view taken into Eliministration of the EAV Expenses and the Eliministration of the EAV Expenses and Eliministration of the EAV

On February 4, 2013 at 10502 pm, (Eastern Time), their will be a settlement approved leaving before the Omiziro Supprint Gourt all Jostess. The hierary will be justed at the Causald Life Bridding, 330 University Avenue, 5th Floor, Toronto, Orizono, The exact courtroom number will be available on a notice bound in the SER Floor.

on a hotion board on the Stit Rico.

If the sufficient approval motion which is being heald by the Ontario Superior Court of Justice on February 4, 2013 (the "Settlement Approval Motion") is granted, from their settle healthing or a later date before the Cretain Disperior Court of Justice (the "Continue Allocalism") as planted, from their settle healthing or a later date before the Cretain Disperior Court of Justice (the "Children Allocalism") as which Class Courted a provide of (1) the glast for allocating the est Earth of Young settlement health area deeper the manners of the EAS Settlement Approval Motion is granted, these them may be additional learning at later dates in the Guerte Superior court in Children Courte (the Courte Settlement Approval Motion or granted, these them may be additional learning at later dates in the Guerte Settlement Court in the Intellect Settlement Approval Motion and the torion 5 Young Settlement may be adopted. If the Settlement Courte 
respond systematic with Error E Young.

Presens intending to object to the Centa & Young bettlement Agreement are required to: (a) deliver a Notice of Objection, unbrantisely in from that can be tound on the Monitor's Welship and the Class Action Websites, and, if this flotter is received by mail, resolved with the Missile; (b)th "Billice of Objection", but the Monitor by Present mail covier or would heavenished, to the coordinates indicated on the Notice of Objection. In that it is received by one later than \$5.00 p.m. (Eastpr. Time) on Jensety 15, 2013: and (b) comply with the Mispation finetal and truth below. Copiers of the Notices of Objection and the Monitor will be filled with the count. set full below. Copies of the Notices of Dejection sent to me monors who are not a full full betterment Approval Modes must comply with the following the Order of the Order's Superior Court of Justice, persons intending to purpopale in the Betterment Approval Modes must comply with the following territoria.

1. Modes materials are to be delivered to later than January 11, 2013.

2. Responding modes instends are to be delivered by January 18, 2013.

3. Cross-examinations on affecting 18 any just to be conducted on January 24 and 25, 2013.

4. Witten Submissions are to be exchanged on January 30, 2013.

Further Intercation
If you would like additional information or to object to the Emot A. Young Sediment Agreement, please contact Kosker Minsky LLP, Diskinds LLP,
or Sakinds Demoks LLP at the addresses below:

Siskinds LLP 980 Waterfoo Street, P.O. Box 2520 Landon, ON N6A 3V8 Re: Smo-Forest Class Action

March 2013 March 29 March 29 March 31 March 5 March 22

Tel: 1.800.461.6166 x 2380 (within North America) Tel: 519,672,2751 x 2380 (outside North America)

Fmult pisole rounp@siskinds.com

Koskis Minsky LLP 20 Gwent St. West, Suite 900, Box 52, Toronto, ON, MSH 3R3 Re: Sino-Forest Class Action

Re: Sino-Forest Class Action Tel: 1.865.474.1739 (within North America) Tel: 416.595.2158 (outside North America)

Email: sinotorestolassaction@kmlaw.ca

Slakinds Desmendes, sepcel

SWAIRLE DESCRIPTION, SECON GUIDEC City, Guithec, GTR 4AZ Ris: Sign-Formal Chica Action Tel: 418,694,2009

nuk simon, bebertiffs

Please do not direct inquiries about this notice to the Court. All inquiries should be directed to Class Coursel

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

## DIVIDEND RECORD DATE NOTICE

On behalf of the Issuer, notice is given of the following dividend record dates

|                                                                                                          |        |              | TRU           |
|----------------------------------------------------------------------------------------------------------|--------|--------------|---------------|
| Issuer                                                                                                   | Class  | January 2013 | February 2013 |
| AvenEx Energy Corp.                                                                                      | Common | January 31   | February 28   |
| Black Diamond Group Limited                                                                              | Common | January 31   | February 28   |
| Crescent Point Energy Corp. Energhis Corporation Pengrowth Energy Corporation Total Energy Services Inc. | Common | January 31   | February 28   |
|                                                                                                          | Common | January 4    | February 5    |
|                                                                                                          | Common | January 22   | February 25   |

### LEGALS

### IN THE MATTER OF THE BANKRUPTCY OF QPONZ INC.

APONZ INC.

Notice is hereby given that the barkruptry of GPonz Inc., with the bard office located at 125 Nashdeine Road. Unit 1, Toronto, Ontario, occurred on the 188th day Obecember, 2012, and that the First Meeting of Ceditors will be held on the 8th day of January, 2013 at 10:00am at the office of Farber Financial Group, 150 York Street, Sutte 1000, Toronto, Orlano.

DATED at Toronto this 18th day of December, 2012

A. FARBER & PARTNERS INC. 150 York Street, Suite 1600 Toronto, ON MSH 355 Telephone No. (416) 497-0150 Facsmile No. (416) 496-3839 www.farberfinancial.com

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TAX LOSSES AVAILABLE seven figures and up Contact our Tax Lawyer in Confidence taxinit inlives@gmail.com.

TO SUBSCRIBE CALL 1-866-36 GLOBE THE GLOBE AND MAIL ¥



This is Exhibit "M" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

# Legal Notices

| VIA U.S. Poetal                                                                                                                                                 | B'by Hard Endroy or                                                                                                     | I to hand                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Service Well                                                                                                                                                    | Descripts Ned                                                                                                           | College                                                                                                         |
| Song & Labor, CSP Charts<br>from long Sonie<br>(In Spirite House Shikaran, CSS<br>(IN Shikar MS, Sun SSS)<br>(In Shikar MS, Sun SSS)<br>(In Shikar MS, Sun SSS) | Inner to heart IP Game<br>Processed Or to<br>100 to be about 15 feet 1.0<br>(5) that beauty 15 feet<br>has bet, 47 (20) | Over Mater Bellingty Car<br>Section Section Flow No.<br>One Seeing Seen<br>Services<br>Services III (2006-0428) |

# ATTENTION:

# **FEDERAL FORFEITURE** NOTICES

Federal forfeiture notices previously published in this space may now be found at www.forfeiture.gov



Department Of Justice Federal Bureau Of Investigation

# THE WALL STREET JOURNAL

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P2JW363000-0-C00000-1----XA

This is Exhibit "N" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013.

financialpust.com FP3



The Harper government has noted the importance of mineral investment in this region and the importance of that to unlock benefits for the local communities. We certainly see that we're very aligned in our strategy with that. - Sally Fox, spokeswoman for MMG Minerals

# China's Arctic proposal

# Izok Corridor project near caribou calving ground

By BOR WERER

nother massive Chineseowned resource project is
before Prime Minister Steplien Harper's cabinet.

Some time in the new year, four
federed ministers are to decide how to
conduct an environmental review for
the Took Corridor proposal. It could
fring many bilinions of dolines into the
Arctic but would also use development
of open-pit mines, roads, ports and
other facilities in the curtur of calving
grounds for the fragile Bahinst caristace," and Sally Prox, a spokenwoman
for proponent MMG Minerals, a utsidary of the Chinese state-owned
Minnetals Resources Ltd.
It would be hard to exaggerate
the proposal's scope. Centred at Jos.
Lake, about 260 kilometres southeast of Kogluktuk, the project would
attenth throughout a vast swalth of
western Nonavut.

Isok Lake would have five scopaate underground and open-pit mines
producing lead, zinc and copper.
Another site at High Lake, 300 kilometers to the northeast, would have
another three mines.

MMC also wants a processing
plant that could handle 6,000 tonnes
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plant that could handle 6,000 tonnes
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and the project is allowed to promor plant that could handle 6,000 tonnes of ore a day, tank farms for 35 million intres of clesse, two permanent camps botalling 1,000 beds, airstrips and a 300-kilometre all-weather road with 70 bridges that would street from 1 misk Lake to Grays Eay on the central Arctic coast. MMG plans a port there that could accommodate ships of up to 50,000 tonnes that would make 16 tonud trips a year – both east and west – through the Northwest Passage.

120k Lake would be drained, the water dammed and diverted to a nearby lake. Three smaller lakes at High Lake would be substantially filled in. The result would be a properly of the country of

Mis. Fox said MMG is aware of the centrality of caribou to residents in the area. They're absolutely easemtial to the local limit." MMG has designed the road to make it as easy as possible for caribou to cross, she said, and the company is conducting field studies on how to further reduce the project's potential impact.

Ms. Fox said MMG is also aware of other potential stumbling blocks, such as Canadian sensitivity to major resource projects being owned by foreign governments. She said Minmet has left its Australian subsidiary alone to operate as it sees fit, despite the fact half of MMG board is from Minmet.

MMG dosens't expect the Harper.

One of those is MMG's own Century mine, which produces 500,000 tonnes of zinc annually. \*Between tonnes of zinc annually. "Between the same time Ottawa approved the the Izok Corridor project in Canada and our other project in Australia, Offshore Oil Co. and Progress

MMG esti-

Offshore Oil Co. and Progress
Energy Resources Corp. by
Malaysia's Petronas.
"We're not acquiring and
operating assets that are produng;" she said. "We're in there as a
ong-term investor in a project that
as been seen as quite marginal
others.

"The Harper
government has
noted the imnoted the imgovernment has noted the importance of min this region and the importance of that importance of that to unlock bene-fits for the local communities. We certainly see that we're very aligned in our strategy with that."

The Canadian Press.

other governments in hearings.

Ms. Fox said MMG is aware of the

man or sixtus board is from Manmet. MMG doesn't expect the Harper government's recent policy changes on investment by state-owned en-terprises to affect laok. The prime

mister announced those changes at

A 350-kilometre all-weather road is being designed to be easy for earibou to cross



MMG Minerals' proposed Izok Corridor project includes the Izok Lake and High Lake deposits in The deposits are west of Bathurst Inlet, south of Coronation Gulf and north of the Northwest Territo

# SINO-FOREST CORPORATION NOTICE OF PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP

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background of Sino-Egrest Class Action and CCAA Proceeding

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AND AND ALL DESCRIPTION ASSESSMENT OF THE PROCESS O

Proposed Settlement with Ernel & Young

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The betilenase agreement with Ernol & Young is subject to court approval, as discussed fellow.

Treatings, N. Approve, Teleforment on, Traving is senting to court approved. As discussed below.

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Sin Rise.

If the settlement approval motion which is being haved by the District Superior Court of Justice on February 4, 2011 (the "Settlement Approval Motion") is given than there will be a further floating of a later date before the Charles Superior Court of Justice (the "District AllocationSet Motion") is given because of an include a proposal of (1) the safe is elaborating for its first of Everage patient on final among the members of the 12's brittlement Class, and (2) the safe steemer emborations recognised in Class Counted.

In addition, if the Edithment Approval Motion is grained, that there may be additional forcing a later date in the Counted Sequence Count (the "District Sequence Counted") in addition, if the Edithment Class and in the Hostiff Edition Securities (and in the Hostiff Edition Securities Counted") in the Securities of the Sequence Counter (the "District Se

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Make it we become and it is because the control of costes, persons nanching to participate in the Settlement Appared Majora must comply with the following two 1. Moreon scalarists are to be delivered on him than Assaury 11, 2013.

2. Requesting motion materials or to be delivered by January 12, 2013.

3. Constructions on strictors of any are to be controlled on January 24 and 25, 2013.

4. Written Supernacions are to be estimated on January 30, 2013.

Type would like attalland intomizion or to object to the Eriot & Young Settlement Agreement, please contact Kessia Minsky LLP, Subindo LLP, or Socieda Demands LLP at the addresses below:

Keskle Minsky LLP 20 Genes St. West. Seite 1905, Box 52, Furenze, OK, MSH 543 No. Seno-Furest Clara Action

# Ne Sens-Funet Cars Action Tet 1.864.474,1726 (within North America) Tet 418.595.2158 (purple North America) Tet 418.595.2158 (purple North America)

Stakends LLP 500 Waterloo (Sever, P.D. Box 2520 London, OA NGA 3V8 for Save-Forest Class Action Tel: 1304-467-166 x 2380 (entire North America) Tel: 1304-877-2251 x 2380 (outside North America)

Sustands Desmesibes, season 43 Ros Busse, Bursas 320, Quebor City, Quidec, C1R 4A2 Ric Sino-Forest Cares Action Tel: 418.094.2009

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

This is Exhibit "O" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

LA PRESSE AFFAIRES

# La Caisse de dépôt investit 50 millions dans CAE

MARIE TISON

La Caisse de dépôt et pla-cement du Québec a investi 50 militons de dollars dans le manufacturier de simulateurs de vol CAE, dans le cadre d'une vaste opération de refi-nancement de 350 millions.

manufacturier de simulateurs de voi CAR, Jans le cadre d'une vaste opération de refinancement de 195 millions.

La Caisse était réjà un actionnaire de CAE: au 31 décembre 2011, elle détendant de commande de CAE: au 31 décembre 2011, elle décendant de commande de CAE: au valeur de ce placement tournait alors autour de 20,7 millions.

"Au cours des dernières années, CAE a diversifié son offre de produits et de services afin d'accroître son tayonnement et ac competitivité sur les marchès mondaux, a léctair le premier vice-président au Revenu fixe à la Caisse, Marc Cormier, aus un communiqué emis hier. En prenant part au financement de CAEI. Le Caisse participe au succès et à la croîssance d'une entreprise d'is devenue un chef de file au sein d'une l'une vice-proteure pour le Québecs.

L'invexissement de l'alser d'un étune d'un ferrant parts d'un ferment d'un calser a pris la forme d'un calser a pris la forme d'un calcine d'une de la caisse a pris la forme d'un calcine d'une de la caisse partie le Québecs.

L'investissement de la Caisse a pris la forme d'un prèt à terme.



CAE a annonce hier que billets de premier rang, en améliore la structure financière la fluportants investisseurs devises canadiennes et amérinistitutionnels aux États-duis caines, assortis de taux d'intéet au Canada avaient participé à un refinancement devoires d'échances et de taux d'intérêt qui concorde 
à un refinancement d'environ 3,6 à 4,2% annuellement, avec 
350 millions. Ce refinancement est constitué de diverse s'échances allant de 7 à 
terme et nous assure la soument est constitué de diverse 15 ans. » Le refinancement

davantage notre bilan au tours des années à venir», a fait savoir le vice-président aux flances de CAE, Stéphane Lefebyre, dans

Muet quant aux investisseurs

Must quant aux inventiaseurs

CAE n'a pas identifié les
investiseurs impliqués, sinon
pour dire qu'il y avait là des
investiseurs de longue date et
vagit essentiellement d'institutions financières, et notamment
de compagnies d'assurance.

La Caisse de dépôt et placement du Québec a publié
me communiqué distinhibier

La Caisse de depút et placement du Québec a publié un communiqué distinct hier pour faire connaître sa participation à ce refinancement. Une porte-parole de CAB. Pascale Alpha, a précisé que l'opération vissait notamment à refinancer l'acquisition de l'école' de formation Oxford Avilation Academy. CAB avait acquis cette institution en mai dernier pour la somme de 314 millions. Cette acquisition lui permettait notamment de metre la mains sur sept nouveaux centres de fogmation pour l'avaitant civile et quatre eccles de pilotages.

CAC avait de contrette pour procéder à cette transazion.

Nous avons procédé à un refinancement à long terme pour avoir des taux et des termes intéressants, a géclaré de l'autre l'autre pour procéder à cette transazion.

Nous avons procédé à un refinancement à long terme pour avoir des taux et des termes intéressants, a géclaré de l'autre d'autre de l'au

bonne nouvelle pour nous.= Le titre de CAE a gagné 12 cents pour clôturer à 10,275 à la Bourse de Toronto hier. Il s'agit d'un gain de 1,2 %.

AVIS LÉGAUX - APPELS D'OFFRES - SOUMISSIONS - ENCANS

### SINO-FOREST CORPORATION AVIS DE RÉGLEMENT PROPOSÉ AVEC ERNST & YOUNG LLP

À l'attention de Couconque, y compris les non canadens, ayant acquis des valours (notamment des actions et/bu des sitenc) de Sino-Forest Corporation (+ line-Forest -) sur les manchés primaires ou socionitems, clairs sunksioniques profession, entre le 31 mars 2006 et le 56 auté 2011 lb « groupe du réglement LEP ») et quicopieus, y compris les riqui canadens, qui au pour la compression de 

Contexte du recours cullestif Sino-Forest et de la procédure LACC

Socialities de la constitución de la constitución de la constitución de la Cour supérieuro de justico de l'Ontaire (» la procédure contarione ») en de la Cour supérieuro de Quêbeco (» la presidencia de la cour supérieuro de Quêbeco ») (assemble » las procédures ») par certaine plaquamin (» las demandeura à l'action ») contri Sim-Formation de directione de administratives, ses sociorpateurs, une servicionis que en commissionaria su accuration, characteris entre à Vergan, Es maner 2012, se recours destret propués à des interés course liste destret des directions de la direction des difficients des directions de la direction de la constitución de la cons

ass planes is set featurement of the featurement contests. La 30 mars 2012, See-Farrest a chisma la protection de sea créanciers ser vente de la Loi par les arresponsants années des companiers (le « LACC ») dans le caste de laquelle la Gois supérieurs de l'Octobre la colonné se supérieur contre la companier et d'autres paries, notamment firms à Yeung (la procédure LACC »). Les ordinamences est alurs d'occommits pertinents missifis à la procédure LACC pouvent ibre trouvés sur le site Web du controlleur LACC http://disanada/filosossalfon\_commits/(le » site Web du controlleur »).

INTERCEMENTAL DESCRIPTION OF THE PROPERTY OF T

Tapproteition on maintenant recircation.

(Care authors its primary is, replanment EAY

Len calcinity Knoise Minnly, LLP, Siskinds LLP, et Siskinds benneules, sonoit ("les avocats du groupe «) représentant le groupe du régionnent EAY dans le procédure. Si vous souhaitez être
représentés par un les vousce, fous pourse en empager un qui apparillat en Cour pour vous à vois propres frais.

Vous rissurs pas à paper d'exchament les honoraires et hais l'avertait de groupe. Toutetos, si de retours about geolôvement ou qu'il existe un aiglement monétaire, les avortats du groupes demandement à ce que leurs honoraires et hais soient pophs sur toute somme obtenue pour le groupe ou versits séparément par les parties détendentaes.

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Installation area. Simple-ferrant, devirants consciolent Ediff data undermotiones from design data measures prises dans la procident LACC Semp-ferrant. De place amplies informations sur la procident ACC Semp-ferrant. A laccomposition of the Computation of the

while 2013 ; (iii) respectors in commons as processes processes southstand participes à la requisit on approbation de l'entente de réglement duivent respector le calendrie robonaisse de la Cour supérieure de justice de l'Onlaine, les personnes southstand participes à la requisit son approbation de l'entente de réglement duivent respector le calendrie Les documents entégores et restité à la requite ploinent être transmis au plus tard le 18 janvier 2013. Les documents en réponse et restité à la requite ploinent être transmis au plus tard le 18 janvier 2013. Les contra-entreropations sur afficients (esse sixiliant) duivent être conduit les 24 et 25 janvier 2013. Les contra-entreropations sur afficient duivent plus sur la plurier 2013.

CONTINUENTE, SUBSTREAMINE,
Se vois schraftet obteiner des informations complémentaless ou voirs apposer à l'entéreté de réplément Émat 5 Young, veribles contacter Koakie Minoiry LLP, Sakinds LLLP, au Schraft Defensée LP au Conférence solvantes. Biskinds LLP 800 Wainton Street, P.O. Box 2520 Landon, ON NGA 3VB Objet: Recours collectil Sino-Forest Tet: 1.800.445.1666 i 2380 (som: FAmérique du nord) Tet: 515.672.2783 i 2380 (locs de FAmérique du nord) Forest acreste www.graftsiskind.com

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"Si existe un confli entre les dispositions du présent avis el feniente de réglement, les termes de l'animete de réglement prévautions.
Visultar de part instantique vus apartients en repport à cert avis auprès de la Cour. Toute question doit être transmisse auprès des avoir.

### États-Unis Les ventes de maisons ont bondi en novembre

WASHINGTON — Les ventes de maisons neuves ont progressé le mois demire à leur plus vive allure en plus de deux ans et demi aux Estat-Unia, témoignant de la reprise soutenue qu'y consait le marché immobilier. Le nombre de maisons neuves vendues a grimpe de 4,4% en novembre par rapport à octobre pour atteindre 377 000 unités vendues en données ammalisées a indique hier de departement américain du Commerce. Il saigit la durythme de vente le plus rapide depuis avuit 2010, alors qu'un créet d'impot fédéral avait stimule les ventes. Les ventes de maisons neuves ont aussi progressé de 15,3% au cours de la Gemière année. Cette amélicration, qui survient après tout les ventes em de la bisse malgré tout les ventes en-deçà de la barre des 700 000 unités vendues, un niveau que les économistes considérent commerces als monidérent commerces aux nouves de la demire année. Cette amélicration, qui survient après tout les ventes en-deçà de la barre des 700 000 unités vendues, un niveau que les économistes considérent commerces ain WASHINGTON - Les ventes

un niveau que les économistes considérent comme sain. Les gaires soutenus du secteur de l'emploi et des taux

hypothécaires particulièreme bas ont gonflé les ventes des marions neuves et usagées.
Davantage de personnes
envisagent d'acheter ou de
louer après avoir vécu avec
des proches ou des amis en
marge de la grande récession.

— Associated Press.

personnelles

### Les Canadiens sont plus optimistes

Les Canadiens amorcerunt 2013 dans un esprit plus optimiste quant à l'état de leurs finances qu'il y a un an, laisse croire un sondage dont les résultats ont été dévoilés hier. Quelque 70% des devoilés hier. Quelque 70% des personnes interrogées au pays dans le cadre d'un sondage Harris Décima mené pour le compte de la Banque CIBC perçoivent positivement leur situation financière actuelle – une hausse de six points de pourcentage par rapport à un coup de sonde similaire réalisé fin 2011. Au Québec, ce taux est de 68 % -La Presse Canadienne

AVIS LÉGAUX APPELS D'OFFRES

COUNTY CONTROL TO THE RESERVE OF THE STREET PARTY OF THE STREET PA

This is Exhibit "P" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

# **AVIS AU PUBLIC**

Avis légaux - Appels d'offres - Encans

### SINO-FOREST CORPORATION AVIS DE RÈGLEMENT PROPOSÉ AVEC ERNST & YOUNG LLP

À l'attention de: Quiconque, y compris les non canadiens, ayant acquis des valeurs (notamment des actions et/ou des titres) de Sino-Forest Corporation (« Sino-Forest ») sur les marchés primaires ou secondaires, dans quelconque juridiction, entre le 31 mars 2006 et le 26 août 2011 (le « groupe du réglement ESV ») et quiconque, y compris les non canadiens, qui a, avait, aurait pu avoir ou pourrait avoir une réclamation de quelque nature, contre Ernst & Young LLP, Ernst & Young Global Limited ou toute autre entreprise adhérente ainsi que toute personne ou entité affiliée ou liée, ciaprès dénommés (« Ernst & Young »), en rapport à Sino-Forest, les audits faits par Ernst & Young sur les états financiers de Sino-Forest et tout autre travail effectué par Ernst & Young en rapport à Sinn-Forest

### Contexte du recours collectif Sino-Forest et de la procédure LACC

En juin et juillet 2011, des recours collectifs ont été intentés auprès de la Cour supérieure de justice de l'Ontario (« la procédure ontarienne ») et de la Cour supérieure du Québec (« la procédure québécoise -) (ensemble - les procédures -) par certains plaignants (« les demandeurs à l'action -) contre Sino-Forest, ses dirigeants et administrateurs, ses souscripteurs, une société de consulting et ses commissionnaires aux comptes, notamment Ernst & Young. En janvier 2012, un recours collectif proposé a été intenté contre Sino-Forest et d'autres parties défenderesses dans le district sud de New York (+ le recours américain +). Les recours alléguaient que les documents publics de Sino-Forest contenaient des déclarations fausses et trompeuses quant à ses actifs, ses affaires et ses

Depuis ce temps, le différend a été vigoureusement contesté. Le 30 mars 2012, Sino-Forest a obtenu la protection de ses créanciers en vertu de la Loi sur les arrangements avec les créanciers des compagnies (la « LACC ») dans le cadre de laquelle la Cour supérieure de l'Ontario a ordonné un sursis d'instance contre la compagnies et d'autres parties, notamment Ernst & Young (la « procédure LACC »). Les ordonnances et autres documents pertinents relatifs à la procédure LACC peuvent être trouvés sur le site Web du contrôleur LACC http://cteanada.titeonsulting.com/stc/ (le « site Web du contrôleur »).

Le 10 décembre 2012, un plan d'arrangement a été approuvé par la Cour dans la procédure LACG. Au titre de ce dernier, la Cour a approuvé un cadre par lequel les demandeurs à l'action peuvent conclure des ententes de règlement avec chacune des parties tierces défenderesses à la procédure. Le Plan prévoit expressément le règlement Ernst & Young (tel que défini dans le plan) dont l'approbation est maintenant recherchée

### Qui agit pour le groupe du règlement E&Y

Les cabinets Koskie Minsky LLP, Siskinds LLP, et Siskinds Desmeules, sencri ("les avocats du groupe ») représentent le groupe du réglement E&Y dans la procéduré. Si vous souhaitez être représenté par un autre avocat, vous pouvez en engager un qui apparaîtra en Cour pour vous à vos propres frais.

Vous n'aurez pas à payer directement les honoraires et trais d'avocats du groupe. Toutefois, si ce recours abouitt positivement ou qu'il existe un réglement monétaire, les avocats du groupes demanderont à ce que leurs honoraires et frais soient payés sur toute somme obtenue pour le groupe ou versés séparément par les parties défenderesses.

### Reglement proposé avec Ernst & Young

Les demandeurs à l'action ont conclu une proposition de réglement avec Ernst & Young (« l'entente de réglement »). Si le réglement est approuvé, il sera définitif et exécutoire et il n'y aura pas de Les demandeurs à raction ont control une proposition de reglement avec trins à vouing (« reinente de reglement est approuve, il sera deminist et executorie et in ny auta pas de possibilité de poursuivre une cause d'action (le cas échéant) contre Ernst à Young per le bais d'un processus de retrait, et entre proposé réglerait, éteindrait et rendrait irrecevable l'ensemble des réclamations, globalement, contre Ernst à Young en reponsait aucun manquement ou aucune responsabilité. Les termes du réplement proposé, minipliquent pas la résolution de quelconques réclamations contre Sino-Forest ou l'une des autres parties défenderesses. Pour une mise à jour sur les ordonnaises LACC touchant Sino-Forest, veuillez consulter le site Web du contrôleur filtz-//éteanada.fliconsultins.com/spt./ Une copie intégrale de l'entente de règlement et d'autres informations sur ce recours (uniquement en anglais) sont disponibles sur www.kmlaw.ca/sinoforestclassaction et sur http://www.classaction.ca (le « site Web du recours collectif »).

Le réglement proposé, s'il est approuvé et si ses conditions sont remplies, prévoit qu'Ernst & Young versera 117,000,000,00 \$ CAD dans une fiducie de règlement qui sera gérée conformément aux ordonnances de Cour. Il est dans l'intention des avocats du groupe, de demander auprès de la Cour l'approbation du plan de répartition distribuant les fonds du règlement, déductions faites des honoraires d'avocats et autres frais administratifs, aux membres de groupe du règlement E&Y.

En retour, le recours contre Ernst & Young sera rejeté et il y aura une ordonnance rendant à jamais irrecevable toute réclamation en rapport à Sino-Forest y compris toute allégation se rapportant à la procédure notamment des réclamations (le cas échéant) qui pourraient être avancées par le biais d'un processus de retrait, en vertu d'un recours collectif ou d'une procédure similaire.

Pour déterminer si ou comment ils sont touchés par le règlement proposé, les membres de groupe du règlement E&Y, ainsi que quiconque possède des réclamations contre Ernst & Young en relation avec Sino-Forest, devraient considérer l'effet des ordonnances rendues et des mesures prises dans la procédure LACC Sino-Forest. De plus amples informations sur la procédure LACC Sino-Farest se trouvent sur le site Web du contrôleur.

L'entente de règlement avec Ernst & Young est assujettie à l'approbation de la Cour, tel gu'indiqué ci-dessous.

### Audience d'approbation du réglement le 4 février 2013 à Toronto, Ontario et audiences ultérieures en Ontario, au Québec et aux États-Unis,

Le 4 février 2013, à 10h00 HNE (10:00 a.m. Eastern Time), se déroulera une audience en approbation devant la Cour supérieure de justice de l'Ontario. L'audience se tiendra dans l'immeuble Canada Life au 330 University Avenue, Bième étage, Toronto, Ontario. Le numéro exact de la salle d'audience sera disponible sur le panneau d'affichage au Bième étage.

Si la requête en approbation du réglement, qui sera entendue par la Cour supérieure de justice de l'Ontario le 4 février 2013 (« la requête en approbation du réglement »), est octroyée, il y aura alors une audience supplémentaire à une date ultérieure et devant la Cour supérieure de justice de l'Ontario (« requête en répartition/honoraires de l'Ontario ») durant laquelle les avocats du groupe demanderont l'approbation de la Cour sur (1) le plan de répartition des fonds net du réglement Ernst & Young parmi les membres du groupe du règlement E&Y; et (2) les droits, frais et honoraires demandés par les avocats du groupe,

En outre, si la requête en approbation du réglement est accordée, il pourrs y avoir des audiences supplémentaires à des dates ultérieures devant la Cour supérieure du Quêbec (« la requête au Quêbec ») et devant la Cour des faillities du district sud de New York (« la requête aux Etats-Unis ») au cours desquelles des requêtes en reconnaissance et mise en œuvre de la requête en approbation du règlement Ernst &Young pourraient être demandées.

Si la requête en approbation du règlement est accordée, alors des avis supplémentaires seront diffusés aux membres du groupe du règlement E&Y les informant de l'heure et du lieu de la requête en tition/honoraires de l'Ontario et de toute requête au Québec et/ou aux États-Unis.

Les membres du groupe du réglement E&Y et quiconque, y compris les non canadiens, qui a, avait, aurait pu avoir, ou pourrait avoir une réclamation de quelque nature contre Ernst & Young LLP en rapport à Sino-Forest, les audits fais par Ernst & Young sur les états financiers de Sino-Forest et toute autre travail effectué par Ernst & Young en rapport à Sino-Forest, peuvent assister à l'audience de la requête en approbation du règlement et demander à présenter des arguments eu égard au règlement proposé avec Ernst & Young.

Il est nécessaire que les personnes ayant l'intention de s'opposer à l'entente de règlement Ernst & Young : (a) transmettent un avis d'opposition essentiellement sous la forme que l'on retrouve sur le site Web du contrôleur et le site Web de recours collectif et, si cet avis est reçu par courrier, joint au présent avis ( - I 'avis d'opposition »), auprès du contrôleur, par courrier, service de messagerie ou transmission courriel, aux coordonnées indiquées sur l'avis d'opposition, de sorte que ce dernier soit reçu au plus tard à 17h00 MNE (5:00 p.m. Eastern Time), le 18 janvier 2013 ; et (b) respectent le calendrier de procédure présenté ci-dessous. Des copies des avis d'opposition envoyées au contrôleur seront déposées auprès de la Cour.

### Calendrier de procédure

Par ordonnance de la Cour supérieure de justice de l'Ontario, les personnes souhaitant participer à la requête en approbation de l'entente de règlement doivent respecter le calendrier suivant :

- Les documents relatifs à la requête doivent être transmis au plus tard le 11 janvier 2013. Les documents en réponse et relatifs à la requête doivent être transmis au plus tard le 18 ianvier 2013.
- Les contre-interrogatoires sur affidavits (le cas échéant) doivent être conduis les 24 et 25 janvier 2013.
- Les argumentations écrites doivent avoir été échangées au 30 janvier 2013.

### Informations supplémentaires

Si vous souhaitez obtenir des informations complémentaires ou vous opposer à l'entente de règlement Ernst & Young, veuillez contacter Koskie Minsky LLP, Siskinds LLP, ou Siskinds Desmeules LLP aux coordonnées suivantes :

Objet ; Recours collectif Sino-Forest

Courriel: nicole.voung@siskinds.com

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

Tel: 1.800.461.6166 x 2380 (dans l'Amérique du nord)

Tel: 519.672.2251 x 2380 (hors de l'Amérique du nord)

Siskinds LLP

### Koskie Minsky LLP

20 Queen St. West, Suite 900, Box 52, Toronto, ON, M5H 3R3 Objet : Recours collectif Sino-Forest Tel: 1.866.474.1739 (dans l'Amérique du nord)

Tel: 416,595,2158 (hors de l'Amérique du nord) Cournel: sinoforestclassaction@kmlaw.ca

## Siskinds Desmeules, sencri

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

Objet : Recours collectif Sino-Forest

### Tel: 418,694,2009

Courriel: simon.hebert@siskindsdesmeules.com

S'il existe un conflit entre les dispositions du présent avis et l'entente de règlement, les termes de l'entente de règlement prévaudront.

Veuillez ne pas transmettre vos questions en rapport à cet avis auprès de la Cour. Toute question doit être transmise auprès des avocats du groupe

### LA DISTRIBUTION DE CET AVIS A ÉTÉ AUTORISÉE PAR LA COUR SUPÉRIEURE DE JUSTICE DE L'ONTARIO

# Le 9-1-1 pour une querelle sur l'hygiène dentaire

La Presse Canadienne

CHATHAM, Ontario - Se brosser les dents peut être important, mais le service de police de Chatham, en Ontario, souhaite rappeler au public que ce n'est pas assez important pour composer le 9-1-1.

Cette dispute familiale sur l'hygiène dentaire vient au premier rang de la liste annuelle des appels d'urgence les plus ridicules de l'année à Chatham. L'appel en question provenait d'un individu de 20 ans qui n'était pas d'accord avec son père par rapport à la fré-quence à laquelle il devait se brosser les dents. Les policiers qui ont répondu à l'appel l'ont finalement convaincu de procéder.

Le deuxième appel le plus ridicule a été fait par une dame qui disait avoir été attaquée par un canard. Les agents n'ont finalement pas trouvé de canard et la dame en question n'avait vraisemblablement pas été attaquée.

La troisième position est allée à une femme qui voulait recourir à l'aide de la police parce que le trafiquant de drogues avec lequel elle faisait affaire avait ajouté des substances hallucinogènes au crack qu'il lui avait vendu.

Un appel accusant la station de radio locale de communiquer des informations erronées sur la météo a pris le quatrième rang du palmarès, alors que la cinquième position est allée à une jeune fille de 13 ans qui était frustrée que sa mère ne lui laisse pas faire sa lessive seule.

Le service de police de Chatam a aussi remis les honneurs pour l'appel le plus mignon de l'année. Une fillette de trois ans a composé le 9-1-1 alors qu'elle regardait le film Les Bagnoles. L'enfant se souciait de la sécurité du personnage Flash McQueen qui pourchassait son rival Chick Hicks à toute vitesse.

### AVIS DE CLÔTURE D'INVENTAIRE

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### AVIS DE CLÔTURE D'INVENTAIRE

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# AVIS DE CORRECTION DANS LE JOURNAL POUR LA CIR-CULAIRE CORPORATIVE FUTURE SHOP DU 20 DÉCEMBRE Volume cultur de page de la crialiste pour le Sobre d'agres Neil cuntous de la Siè economie 201 au 3 janvier 2015, le magantale à processeur beceur Assendi NASO Plantillo Tione (Daniello NASO) Plantillo Tione à le manore aux des contra 2015 au 3 janvier 2015, le magantale à processeur beceur Assendi NASO Plantillo Tione (Daniello NASO) à été manore aux en spécialeurs acceptents. Esta, la métares vera de ce margnetable est de 10 et 100 PRS de 10 du situation de Nous possenses dépuis paus trais acceptement que cette sociation aureit por causer à notre distinguée chemilie.

This is Exhibit "Q" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January, 2013.

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December 28, 2012 05:00 ET

Sino-Forest Corporation Notice of Proposed Settlement With Ernst & Young LLP

TORONTO, ONTARIO and LONDON, ONTARIO and QUEBEC CITY, QUEBEC--(Marketwire - Dec. 28, 2012) -

TO: Everyone, including non-Canadians, who acquired Sino-Forest Corporation ("Sino-Forest") securities (including shares and/or notes) in the primary or secondary market in any jurisdiction between March 31, 2006 and August 26, 2011 (the "E&Y Settlement Class") and to everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young LLP, Ernst & Young Global Limited or any of its member firms and any person or entity affiliated or connected thereto ("Ernst & Young"), in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest.

### Background of Sino-Forest Class Action and CCAA Proceeding

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") by certain plaintiffs (the "Plaintiffs") against Sino-Forest, its senior officers and directors, its underwriters, a consulting company, and its auditors, including Ernst & Young. In January 2012, a proposed class action was commenced against Sino-Forest and other defendants in the Southern District of New York (the "US Action"). 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"), within which proceeding the Ontario Superior Court ordered a stay of proceedings against the company and other parties, including Ernst & Young (the "CCAA Proceeding"). Orders and other materials relevant to the CCAA Proceeding can be found at the CCAA Monitor's website at http://cfcanada.fticonsulting.com/sfc/ (the "Monitor's Website").

On December 10, 2012, a Plan of Arrangement was approved by the court in the CCAA Proceeding. As part of this Plan of Arrangement, the court approved a framework by which the Plaintiffs may enter into settlement agreements with any of the third-party defendants to the Proceedings. The Plan expressly contemplates the Ernst & Young Settlement (as defined in the Plan), approval of which is now sought.

### Who Acts For the E&Y Settlement Class

Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, sencrl ("Class Counsel") represent the E&Y Settlement Class in the Proceedings. 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 directly pay any fees and expenses to Class Counsel. However, if this action succeeds or there is a monetary settlement, Class Counsel will seek to have their fees and expenses paid from any money obtained for the class or paid separately by the defendants.

### Proposed Settlement with Ernst & Young

The Plaintiffs have entered into a proposed settlement with Ernst & Young (the "Settlement Agreement"). If the settlement is approved, it will be final and binding and there will be no ability to pursue a claim (if any) against Ernst & Young through an opt-out process under class proceedings or similar legislation. The proposed settlement would settle, extinguish and bar all claims, globally, against Ernst & Young in relation to Sino-Forest including the allegations in the Proceedings. Ernst & Young does not admit to any wrongdoing or liability. The terms of the proposed settlement do not involve the resolution of any claims against Sino-Forest or any of the other defendants. For an update on CCAA orders affecting Sino-Forest, please see the CCAA Monitor's website: http://cfcanada.fticonsulting.com/sfc/. A complete copy of the Settlement Agreement and other information about these proceedings is available at: www.kmlaw.ca/sinoforestclassaction and www.classaction.ca (the "Class Action Websites").

The proposed settlement, if approved and its conditions fulfilled, provides that Ernst & Young will pay CAD\$117,000,000.00 to a Settlement Trust to be administered in accordance with orders of the court. It is the intention of Class Counsel to seek the court's approval of a plan of allocation that distributes the settlement funds, net of counsel fees and other administrative costs and expenses, to members of the E&Y Settlement Class.

In return, the action will be dismissed against Ernst & Young, and there will be an order forever barring claims against it in relation to Sino-Forest including any allegations relating to the Proceedings, including claims (if any) that could be advanced through an opt-out process under class proceedings or similar legislation. In considering whether or how they are affected by the proposed settlement, members of the E&Y Settlement Class and anyone else with claims against Ernst & Young in relation to Sino-Forest should consider the effect of the orders made and steps taken in the Sino-Forest CCAA Proceedings. More information on the Sino-Forest CCAA Proceedings can be found on the Monitor's Website.

The settlement agreement with Ernst & Young is subject to court approval, as discussed below.

# Hearings to Approve Settlement on February 4, 2013 in Toronto, Ontario and Subsequent Hearings in Ontario, Québec and the United States.

On February 4, 2013 at 10:00 a.m. (Eastern Time), there will be a settlement approval hearing before the Ontario Superior Court of Justice. The hearing will be heard at the Canada Life Building, 330 University Avenue, 8th Floor, Toronto, Ontario. The exact courtroom number will be available on a notice board on the 8th Floor.

If the settlement approval motion which is being heard by the Ontario Superior Court of Justice on February 4, 2013 (the "Settlement Approval Motion") is granted, then there will be a further hearing at a later date before the Ontario Superior Court of Justice (the "Ontario Allocation/Fee Motion") at which Class Counsel will seek that Court's approval of (1) the plan for allocating the net Ernst & Young settlement fund among the members of the E&Y Settlement Class; and (2) the fees and expense reimbursement requests of Class Counsel.

In addition, if the Settlement Approval Motion is granted, then there may be additional hearings at later dates in the Québec Superior Court (the "Québec Motion") and in the United States Bankruptcy Court for the Southern District of New York (the "US Motion") at which recognition and implementation of the Settlement Approval Motion and the Ernst & Young Settlement may be sought.

If the Settlement Approval Motion is granted, then a further notice will be disseminated to members of the E&Y Settlement Class advising them of the time and place of the Ontario Allocation/Fee Motion and any Québec Motion and/or US Motion.

Members of the E&Y Settlement Class, and everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young, in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest, may attend at the hearing of the Settlement Approval Motion and ask to make submissions regarding the proposed settlement with Ernst & Young.

Persons intending to object to the Ernst & Young Settlement Agreement are required to: (a) deliver a Notice of Objection, substantially in the form that can be found on the Monitor's Website and the Class Action Websites, and, if this Notice is received by mail, enclosed with this Notice (the "Notice of Objection"), to the Monitor, by regular mail, courier or email transmission, to the coordinates indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013; and (b) comply with the litigation timetable set forth below. Copies of the Notices of Objection sent to the Monitor will be filed with the court.

### Litigation Timetable

By order of the Ontario Superior Court of Justice, persons intending to participate in the Settlement Approval Motion must comply with the following timetable:

- 1. Motion materials are to be delivered no later than January 11, 2013.
- 2. Responding motion materials are to be delivered by January 18, 2013.
- 3. Cross-examinations on affidavits (if any) are to be conducted on January 24 and 25, 2013.
- 4. Written Submissions are to be exchanged on January 30, 2013.

### **Further Information**

If you would like additional information or to object to the Ernst & Young Settlement Agreement, 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 <u>Tel:</u> **1.866.474.1739** (within North America) <u>Tel:</u> **416.595.2158** (outside North America)

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 (within North America) Tel: 519.672.2251 x 2380 (outside North America)

Email: nicole.young@siskinds.com

Siskinds Desmeules, sencri

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 Class Coursel.

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

### **Contact Information**

Koskie Minsky LLP Re: Sino-Forest Class Action 1.866.474.1739 (within North America) 416.595.2158 (outside North America) sinoforestclassaction@kmlaw.ca

Siskinds LLP
Re: Sino-Forest Class Action
1.800.461.6166 x 2380 (within North America)
519.672.2251 x 2380 (outside North America)
nicole.young@siskinds.com

Siskinds Desmeules, sencri Re: Sino-Forest Class Action 418.694.2009 simon.hebert@siskindsdesmeules.com



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This is Exhibit "R" mentioned and referred to in the affidavit of Serge Kalloghlian, sworn before me in the City of Toronto, in the Province of Ontario, this 10<sup>th</sup> day of January,

2013

A Commissioner, etc.

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28 déc. 2012 05h00 HF

Sino-Forest Corporation avis de règlement proposé avec Ernst & Young LLP

TORONTO, ONTARIO et LONDON, ONTARIO et VILLE DE QUÉBEC, QUÉBEC--(Marketwire - 28 déc. 2012) -

À l'attention de: Quiconque, y compris les non canadiens, ayant acquis des valeurs (notamment des actions et/ou des titres) de Sino-Forest Corporation (« Sino-Forest ») sur les marchés primaires ou secondaires, dans quelconque juridiction, entre le 31 mars 2006 et le 26 août 2011 (le « groupe du règlement E&Y ») et quiconque, y compris les non canadiens, qui a, avait, aurait pu avoir ou pourrait avoir une réclamation de quelque nature, contre Ernst & Young LLP, Ernst & Young Global Limited ou toute autre entreprise adhérente ainsi que toute personne ou entité affiliée ou liée, ci-après dénommés (« Ernst & Young »), en rapport à Sino-Forest, les audits faits par Ernst & Young sur les états financiers de Sino-Forest et tout autre travail effectué par Ernst & Young en rapport à Sino-Forest.

#### Contexte du recours collectif Sino-Forest et de la procédure LACC

En juin et juillet 2011, des recours collectifs ont été intentés auprès de la Cour supérieure de justice de l'Ontario (« la procédure ontarienne ») et de la Cour supérieure du Ouébec (« la procédure québécoise ») (ensemble « les procédures ») par certains plaignants (« les demandeurs à l'action ») contre Sino-Forest, ses dirigeants et administrateurs, ses souscripteurs, une société de consulting et ses commissionnaires aux comptes, notamment Ernst & Young. En janvier 2012, un recours collectif proposé a été intenté contre Sino-Forest et d'autres parties défenderesses dans le district sud de New York (« le recours américain »). Les recours alléguaient que les documents publics de Sino-Forest contenaient des déclarations fausses et trompeuses quant à ses actifs, ses affaires et ses transactions.

Depuis ce temps, le différend a été vigoureusement contesté. Le 30 mars 2012, Sino-Forest a obtenu la protection de ses créanciers en vertu de la Loi sur les arrangements avec les créanciers des compagnies (la « LACC ») dans le cadre de laquelle la Cour supérieure de l'Ontario a ordonné un sursis d'instance contre la compagnies et d'autres parties, notamment Ernst & Young (la « procédure LACC »). Les ordonnances et autres documents pertinents relatifs à la procédure LACC peuvent être trouvés sur le site Web du contrôleur LACC http://cfcanada.fticonsulting.com/sfc/ (le « site Web du contrôleur »).

Le 10 décembre 2012, un plan d'arrangement a été approuvé par la Cour dans la procédure LACC. Au titre de ce dernier, la Cour a approuvé un cadre par lequel les demandeurs à l'action peuvent conclure des ententes de règlement avec chacune des parties tierces défenderesses à la procédure. Le Plan prévoit expressément le règlement Ernst & Young (tel que défini dans le plan) dont l'approbation est maintenant recherchée.

#### Qui agit pour le groupe du règlement E&Y

Les cabinets Koskie Minsky LLP, Siskinds LLP, et Siskinds Desmeules, sencri (« les avocats du groupe ») représentent le groupe du règlement E&Y dans la procédure. Si vous souhaitez être représenté par un autre avocat, vous pouvez en engager un qui apparaîtra en Cour pour vous à vos propres frais.

Vous n'aurez pas à payer directement les honoraires et frais d'avocats du groupe. Toutefois, si ce recours aboutit positivement ou qu'il existe un règlement monétaire, les avocats du groupes demanderont à ce que leurs honoraires et frais soient payés sur toute somme obtenue pour le groupe ou versés séparément par les parties défenderesses.

#### Règlement proposé avec Ernst & Young

Les demandeurs à l'action ont conclu une proposition de règlement avec Ernst & Young (« l'entente de règlement »). Si le règlement est approuvé, il sera définitif et exécutoire et il n'y aura pas de possibilité de poursuivre une cause d'action (le cas échéant) contre Ernst & Young par le biais d'un processus de retrait, en vertu d'un recours collectif ou d'une procédure similaire. Le règlement proposé réglerait, éteindrait et rendrait irrecevable l'ensemble des réclamations, globalement, contre Ernst & Young en rapport avec Sino-Forest et notamment les allégations dans la procédure. Ernst & Young ne reconnaît aucun manquement ou aucune responsabilité. Les termes du règlement proposé n'impliquent pas la résolution de quelconques réclamations contre Sino-Forest ou l'une des autres parties défenderesses. Pour une mise à jour sur les ordonnances LACC touchant Sino-Forest, veuillez consulter le site Web du contrôleur http://cfcanada.fticonsulting.com/sfc/. Une copie intégrale de l'entente de règlement et d'autres informations sur ce recours (uniquement en anglais) sont disponibles sur www.kmlaw.ca/sinoforestclassaction et sur http://www.classaction.ca (le « site Web du recours collectif »).

Le règlement proposé, s'il est approuvé et si ses conditions sont remplies, prévoit qu'Ernst & Young versera 117,000,000.00 \$ CAD dans une fiducie de règlement qui sera gérée conformément aux ordonnances de Cour. Il est dans l'intention des avocats du groupe, de demander auprès de la Cour l'approbation du plan de répartition distribuant les fonds du règlement, déductions faites des honoraires d'avocats et autres frais administratifs, aux membres de groupe du règlement E&Y.

En retour, le recours contre Ernst & Young sera rejeté et il y aura une ordonnance rendant à jamais irrecevable toute réclamation en rapport à Sino-Forest y compris toute allégation se rapportant à la procédure notamment des réclamations (le cas échéant) qui pourraient être avancées par le biais d'un processus de retrait, en vertu d'un recours collectif ou d'une procédure similaire. Pour déterminer si ou comment ils sont touchés par le règlement proposé, les membres de groupe du règlement E&Y, ainsi que quiconque possède des réclamations contre Ernst & Young en relation avec Sino-Forest, devraient considérer l'effet des ordonnances rendues et des mesures prises dans la procédure LACC Sino-Forest. De plus amples informations sur la procédure LACC Sino-Forest se trouvent sur le site Web du contrôleur.

L'entente de règlement avec Ernst & Young est assujettie à l'approbation de la Cour, tel qu'indiqué ci-

# Audience d'approbation du règlement le 4 février 2013 à Toronto, Ontario et audiences ultérieures en Ontario, au Québec et aux États-Unis.

Le 4 février 2013, à 10h00 HNE (10:00 a.m. Eastern Time), se déroulera une audience en approbation devant la Cour supérieure de justice de l'Ontario. L'audience se tiendra dans l'immeuble Canada Life au 330 University Avenue, 8<sup>lème</sup> étage, Toronto, Ontario. Le numéro exact de la salle d'audience sera disponible sur le panneau d'affichage au 8<sup>lème</sup> étage.

Si la requête en approbation du règlement, qui sera entendue par la Cour supérieure de justice de l'Ontario le 4 février 2013 (« la requête en approbation du règlement »), est octroyée, il y aura alors une audience supplémentaire à une date ultérieure et devant la Cour supérieure de justice de l'Ontario (« requête en répartition/honoraires de l'Ontario ») durant laquelle les avocats du groupe demanderont l'approbation de la Cour sur (1) le plan de répartition des fonds net du règlement Ernst & Young parmi les membres du groupe du règlement E&Y; et (2) les droits, frais et honoraires demandés par les avocats du groupe.

En outre, si la requête en approbation du règlement est accordée, il pourra y avoir des audiences supplémentaires à des dates ultérieures devant la Cour supérieure du Québec (« la requête au Québec ») et devant la Cour des faillites du district sud de New York (« la requête aux États-Unis ») au cours desquelles des requêtes en reconnaissance et mise en œuvre de la requête en approbation du règlement Ernst &Young pourraient être demandées.

Si la requête en approbation du règlement est accordée, alors des avis supplémentaires seront diffusés aux membres du groupe du règlement E&Y les informant de l'heure et du lieu de la requête en répartition/honoraires de l'Ontario et de toute requête au Québec et/ou aux États-Unis.

Les membres du groupe du règlement E&Y et quiconque, y compris les non canadiens, qui a, avait, aurait pu avoir, ou pourrait avoir une réclamation de quelque nature contre Ernst & Young LLP en rapport à Sino-Forest, les audits fais par Ernst & Young sur les états financiers de Sino-Forest et toute autre travail effectué par Ernst & Young en rapport à Sino-Forest, peuvent assister à l'audience de la requête en approbation du règlement et demander à présenter des arguments eu égard au règlement proposé avec Ernst & Young.

Il est nécessaire que les personnes ayant l'intention de s'opposer à l'entente de règlement Ernst & Young : (a) transmettent un avis d'opposition essentiellement sous la forme que l'on retrouve sur le site Web du contrôleur et le site Web de recours collectif et, si cet avis est reçu par courrier, joint au présent avis ( « l'avis d'opposition »), auprès du contrôleur, par courrier, service de messagerie ou transmission courriel, aux coordonnées indiquées sur l'avis d'opposition, de sorte que ce dernier soit reçu au plus tard à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 ; et (b) respectent le calendrier de procédure présenté cidessous. Des copies des avis d'opposition envoyées au contrôleur seront déposées auprès de la Cour.

#### Calendrier de procédure

Par ordonnance de la Cour supérieure de justice de l'Ontario, les personnes souhaitant participer à la requête en approbation de l'entente de règlement doivent respecter le calendrier suivant :

1. Les documents relatifs à la requête doivent être transmis au plus tard le 11 janvier 2013.

- Les documents en réponse et relatifs à la requête doivent être transmis au plus tard le 18 janvier 2013
- Les contre-interrogatoires sur affidavits (le cas échéant) doivent être conduis les 24 et 25 janvier 2013.
- 4. Les argumentations écrites doivent avoir été échangées au 30 janvier 2013.

#### Informations supplémentaires

Si vous souhaitez obtenir des informations complémentaires ou vous opposer à l'entente de règlement Ernst & Young, veuillez contacter Koskie Minsky LLP, Siskinds LLP, ou Siskinds Desmeules LLP aux coordonnées suivantes :

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Objet: Recours collectif Sino-Forest

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Objet: Recours collectif Sino-Forest

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#### Interprétation

S'il existe un conflit entre les dispositions du présent avis et l'entente de règlement, les termes de l'entente de règlement prévaudront.

Veuillez ne pas transmettre vos questions en rapport à cet avis auprès de la Cour. Toute question doit être transmise auprès des avocats du groupe.

LA DISTRIBUTION DE CET AVIS A ÉTÉ AUTORISÉE PAR LA COUR SUPÉRIEURE DE JUSTICE DE L'ONTARIO

#### Renseignements

Koskie Minsky LLP

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The Trustees of the Labourer's Pension Fund of Central and Eastern Canada, et al.

Sino-Fo and

Plaintiffs

Sino-Forest Corporation, et al.

Court File No: CV-11-431153-00CP

Defendants

# ONTARIO SUPERIOR COURT OF JUSTICE

Proceedings Under the Class Proceedings Act, 1992

Proceeding commenced at Toronto

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Court File No. CV-12-9667-00CL

# ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

# AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF SINO-FOREST CORPORATION

PLAN OF COMPROMISE AND REORGANIZATION

pursuant to the Companies' Creditors Arrangement Act
and the Canada Business Corporations Act
concerning, affecting and involving

SINO-FOREST CORPORATION

December 3, 2012

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# PLAN OF COMPROMISE AND REORGANIZATION

WHEREAS Sino-Forest Corporation ("SFC") is insolvent;

AND WHEREAS, on March 30, 2012 (the "Filing Date"), the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "Court") granted an initial Order in respect of SFC (as such Order may be amended, restated or varied from time to time, the "Initial Order") pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") and the Canada Business Corporation Act, R.S.C. 1985, c. C-44, as amended (the "CBCA");

AND WHEREAS, on August 31, 2012, the Court granted a Plan Filing and Meeting Order (as such Order may be amended, restated or varied from time to time, the "Meeting Order") pursuant to which, among other things, SFC was authorized to file this plan of compromise and reorganization and to convene a meeting of affected creditors to consider and vote on this plan of compromise and reorganization.

NOW THEREFORE, SFC hereby proposes this plan of compromise and reorganization pursuant to the CCAA and CBCA.

# ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

"2013 Note Indenture" means the indenture dated as of July 23, 2008, by and between SFC, the entities listed as subsidiary guarantors therein, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented.

"2014 Note Indenture" means the indenture dated as of July 27, 2009, by and between SFC, the entities listed as subsidiary guarantors therein, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented.

"2016 Note Indenture" means the indenture dated as of December 17, 2009, by and between SFC, the entities listed as subsidiary guarantors therein, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented.

"2017 Note Indenture" means the indenture dated as of October 21, 2010, by and between SFC, the entities listed as subsidiary guarantors therein, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented.

"2013 Notes" means the aggregate principal amount of US\$345,000,000 of 5.00% Convertible Senior Notes Due 2013 issued pursuant to the 2013 Note Indenture.

- "2014 Notes" means the aggregate principal amount of US\$399,517,000 of 10.25% Guaranteed Senior Notes Due 2014 issued pursuant to the 2014 Note Indenture.
- "2016 Notes" means the aggregate principal amount of US\$460,000,000 of 4.25% Convertible Senior Notes Due 2016 issued pursuant to the 2016 Note Indenture.
- "2017 Notes" means the aggregate principal amount of US\$600,000,000 of 6.25% Guaranteed Senior Notes Due 2017 issued pursuant to the 2017 Note Indenture.
- "Accrued Interest" means, in respect of any series of Notes, all accrued and unpaid interest on such Notes, at the regular rates provided in the applicable Note Indentures, up to and including the Filing Date.
- "Administration Charge" has the meaning ascribed thereto in the Initial Order.
- "Administration Charge Reserve" means the cash reserve to be established by SFC on the Plan Implementation Date in the amount of \$500,000 or such other amount as agreed to by the Monitor and the Initial Consenting Noteholders, which cash reserve: (i) shall be maintained and administered by the Monitor, in trust, for the purpose of paying any amounts secured by the Administration Charge; and (ii) upon the termination of the Administration Charge pursuant to the Plan, shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge.
- "Affected Claim" means any Claim, D&O Claim or D&O Indemnity Claim that is not: an Unaffected Claim; a Section 5.1(2) D&O Claim; a Conspiracy Claim; a Continuing Other D&O Claim; a Non-Released D&O Claim; or a Subsidiary Intercompany Claim, and "Affected Claim" includes any Class Action Indemnity Claim. For greater certainty, all of the following are Affected Claims: Affected Creditor Claims; Equity Claims; Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims); and Class Action Indemnity Claims.
- "Affected Creditor" means a Person with an Affected Creditor Claim, but only with respect to and to the extent of such Affected Creditor Claim.
- "Affected Creditor Claim" means any Ordinary Affected Creditor Claim or Noteholder Claim.
- "Affected Creditors Class" has the meaning ascribed thereto in section 3.2(a) hereof.
- "Affected Creditors Equity Sub-Pool" means an amount of Newco Shares representing 92.5% of the Newco Equity Pool.
- "Alternative Sale Transaction" has the meaning ascribed thereto in section 10.1 hereof.
- "Alternative Sale Transaction Consideration" has the meaning ascribed thereto in section 10.1 hereof.
- "Applicable Law" means any applicable law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada,

the United States, Hong Kong, the PRC or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

"Auditors" means the former auditors of SFC that are named as defendants to the Class Actions Claims, including for greater certainty Ernst & Young LLP and BDO Limited.

"Barbados Loans" means the aggregate amount outstanding at the date hereof pursuant to three loans made by SFC Barbados to SFC in the amounts of US\$65,997,468.10 on February 1, 2011, US\$59,000,000 on June 7, 2011 and US\$176,000,000 on June 7, 2011.

"Barbados Property" has the meaning ascribed thereto in section 6.4(j) hereof.

"BIA" means the Bankruptcy and Insolvency Act, R. S. C. 1985, c. B-3.

"Business Day" means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario.

"Canadian Tax Act" means the *Income Tax Act* (Canada) and the *Income Tax Regulations*, in each case as amended from time to time.

"Causes of Action" means any and all claims, actions, causes of action, demands, counterclaims, suits, rights, entitlements, litigation, arbitration, proceeding, hearing, complaint, debt, obligation, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries of whatever nature that any Person may be entitled to assert in law, equity or otherwise, whether known or unknown, foreseen or unforeseen, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly, indirectly or derivatively, existing or hereafter arising and whether pertaining to events occurring before, on or after the Filing Date.

"CBCA" has the meaning ascribed thereto in the recitals.

"CCAA" has the meaning ascribed thereto in the recitals.

"CCAA Proceeding" means the proceeding commenced by SFC under the CCAA on the Filing Date in the Ontario Superior Court of Justice (Commercial List) under court file number CV-12-9667-00CL.

"Charges" means the Administration Charge and the Directors' Charge.

"Claim" means any right or claim of any Person that may be asserted or made against SFC, in whole or in part, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express,

implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person (including any Directors or Officers of SFC or any of the Subsidiaries) to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable against SFC in bankruptcy within the meaning of the BIA had SFC become bankrupt on the Filing Date, or is an Equity Claim, a Noteholder Class Action Claim against SFC, a Class Action Indemnity Claim against SFC, a Restructuring Claim or a Lien Claim, provided, however, that "Claim" shall not include a D&O Claim or a D&O Indemnity Claim.

"Claims Bar Date" has the meaning ascribed thereto in the Claims Procedure Order.

"Claims Procedure" means the procedure established for determining the amount and status of Claims, D&O Claims and D&O Indemnity Claims, including in each case any such claims that are Unresolved Claims, pursuant to the Claims Procedure Order.

"Claims Procedure Order" means the Order under the CCAA of the Honourable Justice Morawetz dated May 14, 2012, establishing, among other things, a claims procedure in respect of SFC and calling for claims in respect of the Subsidiaries, as such Order may be amended, restated or varied from time to time.

"Class Action Claims" means, collectively, any rights or claims of any kind advanced or which may subsequently be advanced in the Class Actions or in any other similar proceeding, whether a class action proceeding or otherwise, and for greater certainty includes any Noteholder Class Action Claims.

"Class Actions" means, collectively, the following proceedings: (i) Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al v. Sino-Forest Corporation et al. (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP); (ii) Guining Liu v. Sino-Forest Corporation et al. (Quebec Superior Court, Court File No. 200-06-000132-111); (iii) Allan Haigh v. Sino-Forest Corporation et al. (Saskatchewan Court of Queen's Bench, Court File No. 2288 of 2011); and (iv) David Leapard et al. v. Allen T.Y. Chan et al. (District Court of the Southern District of New York, Court File No. 650258/2012).

"Class Action Court" means, with respect to the Class Action Claims, the court of competent jurisdiction that is responsible for administering the applicable Class Action Claim.

"Class Action Indemnity Claim" means any right or claim of any Person that may be asserted or made in whole or in part against SFC and/or any Subsidiary for indemnity, contribution, reimbursement or otherwise from or in connection with any Class Action Claim asserted against

such Person. For greater certainty, Class Action Indemnity Claims are distinct from and do not include Class Action Claims.

"Consent Date" means May 15, 2012.

"Conspiracy Claim" means any D&O Claim alleging that the applicable Director or Officer committed the tort of civil conspiracy, as defined under Canadian common law.

"Continuing Noteholder Class Action Claim" means any Noteholder Class Action Claim that is: (i) a Section 5.1(2) D&O Claim; (ii) a Conspiracy Claim; (iii) a Non-Released D&O Claim; (iv) a Continuing Other D&O Claim; (v) a Noteholder Class Action Claim against one or more Third Party Defendants that is not an Indemnified Noteholder Class Action Claim; (vi) the portion of an Indemnified Noteholder Class Action Claim that is permitted to continue against the Third Party Defendants, subject to the Indemnified Noteholder Class Action Limit, pursuant to section 4.4(b)(i) hereof.

"Continuing Other D&O Claims" has the meaning ascribed thereto in section 4.9(b) hereof.

"Court" has the meaning ascribed thereto in the recitals.

"D&O Claim" means (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC that relates to a Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers of SFC, or (ii) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty and including, for greater certainty, any monetary administrative or other monetary penalty or claim for costs asserted against any Officer or Director of SFC by any Government Entity) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such Directors or Officers of SFC or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, or (B) relates to a time period prior to the Filing Date.

"D&O Indemnity Claim" means any existing or future right of any Director or Officer of SFC against SFC that arose or arises as a result of any Person filing a D&O Proof of Claim (as

defined in the Claims Procedure Order) in respect of such Director or Officer of SFC for which such Director or Officer of SFC is entitled to be indemnified by SFC.

"Defence Costs" has the meaning ascribed thereto in section 4.8 hereof.

"Director" means, with respect to SFC or any Subsidiary, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of such SFC Company.

"Directors' Charge" has the meaning ascribed thereto in the Initial Order.

"Direct Registration Account" means, if applicable, a direct registration account administered by the Transfer Agent in which those Persons entitled to receive Newco Shares and/or Newco Notes pursuant to the Plan will hold such Newco Shares and/or Newco Notes in registered form.

"Direct Registration Transaction Advice" means, if applicable, a statement delivered by the Monitor, the Trustees, the Transfer Agent or any such Person's agent to any Person entitled to receive Newco Shares or Newco Notes pursuant to the Plan on the Initial Distribution Date and each subsequent Distribution Date, as applicable, indicating the number of Newco Shares and/or Newco Notes registered in the name of or as directed by the applicable Person in a Direct Registration Account.

"Direct Subsidiaries" means, collectively, Sino-Panel Holdings Limited, Sino-Global Holdings Inc., Sino-Panel Corporation, Sino-Capital Global Inc., SFC Barbados, Sino-Forest Resources Inc. Sino-Wood Partners, Limited.

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan to effect distributions in respect of the Proven Claims, excluding the Initial Distribution Date.

"Distribution Escrow Position" has the meaning ascribed thereto in section 5.2(d) hereof.

"Distribution Record Date" means the Plan Implementation Date, or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"DTC" means The Depository Trust Company, or any successor thereof.

"Early Consent Equity Sub-Pool" means an amount of Newco Shares representing 7.5% of the Newco Equity Pool.

"Early Consent Noteholder" means any Noteholder that:

(a) (i) as confirmed by the Monitor on June 12, 2012, executed the (A) RSA, (B) a support agreement with SFC and the Direct Subsidiaries in the form of the RSA or (C) a joinder agreement in the form attached as Schedule C to the RSA; (ii) provided evidence satisfactory to the Monitor in accordance with section 2(a) of the RSA of the Notes held by such Noteholder as at the Consent Date (the "Early Consent Notes"), as such list of Noteholders and Notes held has been verified

and is maintained by the Monitor on a confidential basis; and (iii) continues to hold such Early Consent Notes as at the Distribution Record Date; or

(b) (i) has acquired Early Consent Notes; (ii) has signed the necessary transfer and joinder documentation as required by the RSA and has otherwise acquired such Early Consent Notes in compliance with the RSA; and (iii) continues to hold such Early Consent Notes as at the Distribution Record Date.

"Effective Time" means 8:00 a.m. (Toronto time) on the Plan Implementation Date or such other time on such date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"Eligible Third Party Defendant" means any of the Underwriters, BDO Limited and Ernst & Young (in the event that the Ernst & Young Settlement is not completed), together with any of their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns (but excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such), and any Director or Officer together with their respective successors, administrators, heirs and assigns.

"Employee Priority Claims" means the following Claims of employees and former employees of SFC:

- (a) Claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if SFC had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date.

"Encumbrance" means any security interest (whether contractual, statutory, or otherwise), hypothec, mortgage, trust or deemed trust (whether contractual, statutory, or otherwise), lien, execution, levy, charge, demand, action, liability or other claim, action, demand or liability of any kind whatsoever, whether proprietary, financial or monetary, and whether or not it has attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including: (i) any of the Charges; and (ii) any charge, security interest or claim evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

"Equity Cancellation Date" means the date that is the first Business Day at least 31 days after the Plan Implementation Date, or such other date as may be agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"Equity Claim" means a Claim that meets the definition of "equity claim" in section 2(1) of the CCAA and, for greater certainty, includes any of the following:

(a) any claim against SFC resulting from the ownership, purchase or sale of an equity interest in SFC, including the claims by or on behalf of current or former shareholders asserted in the Class Actions;

- (b) any indemnification claim against SFC related to or arising from the claims described in sub-paragraph (a), including any such indemnification claims against SFC by or on behalf of any and all of the Third Party Defendants (other than for Defence Costs, unless any such claims for Defence Costs have been determined to be Equity Claims subsequent to the date of the Equity Claims Order); and
- (c) any other claim that has been determined to be an Equity Claim pursuant to an Order of the Court.

"Equity Claimant" means any Person having an Equity Claim, but only with respect to and to the extent of such Equity Claim.

"Equity Claimant Class" has the meaning ascribed thereto in section 3.2(b).

"Equity Claims Order" means the Order under the CCAA of the Honourable Justice Morawetz dated July 27, 2012, in respect of Shareholder Claims and Related Indemnity Claims against SFC, as such terms are defined therein.

"Equity Interest" has the meaning set forth in section 2(1) of the CCAA.

"Ernst & Young" means Ernst & Young LLP (Canada), Ernst & Young Global Limited and all other member firms thereof, and all present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns of each, but excludes any Director or Officer (in their capacity as such) and successors, administrators, heirs and assigns of any Director or Officer (in their capacity as such).

"Ernst & Young Claim" means any and all demands, claims, actions, Causes of Action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any claim, indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person, including any Person who may claim contribution or indemnification against or from them and also including for greater certainty the SFC Companies, the Directors (in their capacity as such), the Officers (in their capacity as such), the Third Party Defendants, Newco, Newco II, the directors and officers of Newco and Newco II, the Noteholders or any Noteholder, any past, present or future holder of a direct or indirect equity interest in the SFC Companies, any past, present or future direct or indirect investor or security holder of the SFC Companies, any direct or indirect security holder of Newco or Newco II, the Trustees, the Transfer Agent, the Monitor, and each and every member (including members of any committee or governance council), present and former affiliate, partner, associate, employee, servant, agent, contractor, director, officer, insurer and each and every successor, administrator, heir and assign of each of any of the foregoing may or could (at any time past present or future) be entitled to assert against Ernst & Young, including any and all claims in respect of statutory liabilities of Directors (in their capacity as such), Officers (in their capacity as such) and any alleged fiduciary (in any capacity) whether known or unknown, matured or unmatured, direct or derivative, foreseen or unforeseen, suspected or unsuspected, contingent or not contingent, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on, prior to or after the Ernst & Young Settlement Date relating to, arising out of or in connection with the SFC Companies, the SFC Business, any Director or Officer (in their capacity as such) and/or professional services performed by Ernst & Young or any other acts or omissions of Ernst & Young in relation to the SFC Companies, the SFC Business, any Director or Officer (in their capacity as such), including for greater certainty but not limited to any claim arising out of:

- (a) all audit, tax, advisory and other professional services provided to the SFC Companies or related to the SFC Business up to the Ernst & Young Settlement Date, including for greater certainty all audit work performed, all auditors' opinions and all consents in respect of all offering of SFC securities and all regulatory compliance delivered in respect of all fiscal periods and all work related thereto up to and inclusing the Ernst & Young Settlement Date;
- (b) all claims advanced or which could have been advanced in any or all of the Class Actions;
- (c) all claims advanced or which could have been advanced in any or all actions commenced in all jurisdictions prior the Ernst & Young Settlement Date; or
- (d) all Noteholder Claims, Litigation Trust Claims or any claim of the SFC Companies,

provided that "Ernst & Young Claim" does not include any proceedings or remedies that may be taken against Ernst & Young by the Ontario Securities Commission or by staff of the Ontario Securities Commission, and the jurisdiction of the Ontario Securities Commission and staff of the Ontario Securities Commission in relation to Ernst & Young under the Securities Act, R.S.O. 1990, c. S-5 is expressly preserved.

"Ernst & Young Orders" has the meaning ascribed thereto in section 11.1(a) hereof.

"Ernst & Young Release" means the release described in 11.1(b) hereof.

"Ernst & Young Settlement" means the settlement as reflected in the Minutes of Settlement executed on November 29, 2012 between Ernst & Young LLP, on behalf of itself and Ernst & Young Global Limited and all member firms thereof and the plaintiffs in Ontario Superior Court Action No. CV-11-4351153-00CP and in Quebec Superior Court No. 200-06-00132-111, and such other documents contemplated thereby.

"Ernst & Young Settlement Date" means the date that the Monitor's Ernst & Young Settlement Certificate is delivered to Ernst & Young.

"Excluded Litigation Trust Claims" has the meaning ascribed thereto in section 4.12(a) hereof.

"Excluded SFC Assets" means (i) the rights of SFC to be transferred to the Litigation Trust in accordance with section 6.4(o) hereof; (ii) any entitlement to insurance proceeds in respect of Insured Claims, Section 5.1(2) D&O Claims and/or Conspiracy Claims; (iii) any secured property of SFC that is to be returned in satisfaction of a Lien Claim pursuant to section 4.2(c)(i)

hereof; (iv) any input tax credits or other refunds received by SFC after the Effective Time; and (v) cash in the aggregate amount of (and for the purpose of): (A) the Litigation Funding Amount; (B) the Unaffected Claims Reserve; (C) the Administration Charge Reserve; (D) the Expense Reimbursement and the other payments to be made pursuant to section 6.4(d) hereof (having regard to the application of any outstanding retainers, as applicable); (E) any amounts in respect of Lien Claims to be paid in accordance with section 4.2(c)(ii) hereof; and (F) the Monitor's Post-Implementation Reserve; (vi) any office space, office furniture or other office equipment owned or leased by SFC in Canada; (vii) the SFC Escrow Co. Share; (viii) Newco Promissory Note 1; and (ix) Newco Promissory Note 2.

"Existing Shares" means all existing shares in the equity of SFC issued and outstanding immediately prior to the Effective Time and all warrants, options or other rights to acquire such shares, whether or not exercised as at the Effective Time.

"Expense Reimbursement" means the aggregate amount of (i) the reasonable and documented fees and expenses of the Noteholder Advisors, pursuant to their respective engagement letters with SFC, and other advisors as may be agreed to by SFC and the Initial Consenting Noteholders and (ii) the reasonable fees and expenses of the Initial Consenting Noteholders incurred in connection with the negotiation and development of the RSA and this Plan, including in each case an estimated amount for any such fees and expenses expected to be incurred in connection with the implementation of the Plan, including in the case of (ii) above, an aggregate work fee of up to \$5 million (which work fee may, at the request of the Monitor, be paid by any of the Subsidiaries instead of SFC).

"Filing Date" has the meaning ascribed thereto in the recitals.

"Fractional Interests" has the meaning given in section 5.12 hereof.

"FTI HK" means FTI Consulting (Hong Kong) Limited.

"Governmental Entity" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"Government Priority Claims" means all Claims of Governmental Entities in respect of amounts that were outstanding as of the Plan Implementation Date and that are of a kind that could be subject to a demand under:

- (a) subsections 224(1.2) of the Canadian Tax Act;
- (b) any provision of the Canada Pension Plan or the Employment Insurance Act (Canada) that refers to subsection 224(1.2) of the Canadian Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or employee's premium or employer's premium as defined in the Employment

- Insurance Act (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Canadian Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Canadian Tax Act; or
  - (ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.
- "Greenheart" means Greenheart Group Limited, a company established under the laws of Bermuda.
- "Indemnified Noteholder Class Action Claims" has the meaning ascribed thereto in section 4.4(b)(i) hereof.
- "Indemnified Noteholder Class Action Limit" means \$150 million or such lesser amount agreed to by SFC, the Monitor, the Initial Consenting Noteholders and counsel to the Ontario Class Action Plaintiffs prior to the Plan Implementation Date or agreed to by the Initial Consenting Noteholders and counsel to the Class Action Plaintiffs after the Plan Implementation Date.
- "Initial Consenting Noteholders" means, subject to section 12.7 hereof, the Noteholders that executed the RSA on March 30, 2012.
- "Initial Distribution Date" means a date no more than ten (10) Business Days after the Plan Implementation Date or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.
- "Initial Newco Shareholder" means a Person to be determined by the Initial Consenting Noteholders prior to the Effective Time, with the consent of SFC and the Monitor, to serve as the initial sole shareholder of Newco pursuant to section 6.2(a) hereof.
- "Initial Order" has the meaning ascribed thereto in the recitals.
- "Insurance Policies" means, collectively, the following insurance policies, as well as any other insurance policy pursuant to which SFC or any Director or Officer is insured: ACE INA Insurance Policy Number DO024464; Chubb Insurance Company of Canada Policy Number 8209-4449; Lloyds of London, England Policy Number XTFF0420; Lloyds of London, England

Policy Number XTFF0373; and Travelers Guarantee Company of Canada Policy Number 10181108, and "Insurance Policy" means any one of the Insurance Policies.

"Insured Claim" means all or that portion of any Claim for which SFC is insured and all or that portion of any D&O Claim for which the applicable Director or Officer is insured, in each case pursuant to any of the Insurance Policies.

"Intellectual Property" means: (i) patents, and applications for patents, including divisional and continuation patents; (ii) registered and unregistered trade-marks, logos and other indicia of origin, pending trade-mark registration applications, and proposed use application or similar reservations of marks, and all goodwill associated therewith; (iii) registered and unregistered copyrights, including all copyright in and to computer software programs, and applications for and registration of such copyright (including all copyright in and to the SFC Companies' websites); (iv) world wide web addresses and internet domain names, applications and reservations for world wide web addresses and internet domain names, uniform resource locators and the corresponding internet sites; (v) industrial designs; and (vi) trade secrets and proprietary information not otherwise listed in (i) through (v) above, including all inventions (whether or not patentable), invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, corporate and business names, trade names, trade dress, brand names, know-how, formulae, methods (whether or not patentable), designs, processes, procedures, technology, business methods, source codes, object codes, computer software programs (in either source code or object code form), databases, data collections and other proprietary information or material of any type, and all derivatives, improvements and refinements thereof, howsoever recorded, or unrecorded.

"Letter of Instruction" means a form, to be completed by each Ordinary Affected Creditor and each Early Consent Noteholder, and that is to be delivered to the Monitor in accordance with section 5.1 hereof, which form shall set out:

- (a) the registration details for the Newco Shares and, if applicable, Newco Notes to be distributed to such Ordinary Affected Creditor or Early Consent Noteholder in accordance with the Plan; and
- (b) the address to which such Ordinary Affected Creditor's or Early Consent Noteholder's Direct Registration Transaction Advice or its Newco Share Certificates and Newco Note Certificates, as applicable, are to be delivered.

"Lien Claim" means any Proven Claim of a Person indicated as a secured creditor in Schedule "B" to the Initial Order (other than the Trustees) that is secured by a lien or encumbrance on any property of SFC, which lien is valid, perfected and enforceable pursuant to Applicable Law, provided that the Charges and any Claims in respect of Notes shall not constitute "Lien Claims".

"Lien Claimant" means a Person having a Lien Claim, other than any Noteholder or Trustee in respect of any Noteholder Claim.

"Litigation Funding Amount" means the cash amount of \$1,000,000 to be advanced by SFC to the Litigation Trustee for purposes of funding the Litigation Trust on the Plan Implementation Date in accordance with section 6.4(o) hereof.

"Litigation Funding Receivable" has the meaning ascribed thereto in section 6.4(o) hereof.

"Litigation Trust" means the trust to be established on the Plan Implementation Date at the time specified in section 6.4(p) in accordance with the Litigation Trust Agreement pursuant to the laws of a jurisdiction that is acceptable to SFC and the Initial Consenting Noteholders, which trust will acquire the Litigation Trust Claims and will be funded with the Litigation Funding Amount in accordance with the Plan and the Litigation Trust Agreement.

"Litigation Trust Agreement" means the trust agreement dated as of the Plan Implementation Date, between SFC and the Litigation Trustee, establishing the Litigation Trust.

"Litigation Trust Claims" means any Causes of Action that have been or may be asserted by or on behalf of: (a) SFC against any and all third parties; or (b) the Trustees (on behalf of the Noteholders) against any and all Persons in connection with the Notes issued by SFC; provided, however, that in no event shall the Litigation Trust Claims include any (i) claim, right or cause of action against any Person that is released pursuant to Article 7 hereof or (ii) any Excluded Litigation Trust Claim. For greater certainty: (x) the claims being advanced or that are subsequently advanced in the Class Actions are not being transferred to the Litigation Trust; and (y) the claims transferred to the Litigation Trust shall not be advanced in the Class Actions.

"Litigation Trust Interests" means the beneficial interests in the Litigation Trust to be created on the Plan Implementation Date.

"Litigation Trustee" means a Person to be determined by SFC and the Initial Consenting Noteholders prior to the Effective Time, with the consent of the Monitor, to serve as trustee of the Litigation Trust pursuant to and in accordance with the terms thereof.

"Material" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the SFC Companies (taken as a whole).

"Material Adverse Effect" means a fact, event, change, occurrence, circumstance or condition that, individually or together with any other event, change or occurrence, has or would reasonably be expected to have a material adverse impact on the assets, condition (financial or otherwise), business, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or operations of the SFC Companies (taken as a whole); provided, however, that a Material Adverse Effect shall not include and shall be deemed to exclude the impact of any fact, event, change, occurrence, circumstance or condition resulting from or relating to: (A) changes in Applicable Laws of general applicability or interpretations thereof by courts or Governmental Entities or regulatory authorities, which changes do not have a Material disproportionate effect on the SFC Companies (taken as a whole), (B) any change in the forestry industry generally, which does not have a Material disproportionate effect on the SFC Companies (taken as a whole) (relative to other industry participants operating primarily in the PRC), (C) actions and omissions

of any of the SFC Companies required pursuant to the RSA or this Plan or taken with the prior written consent of the Initial Consenting Noteholders, (D) the effects of compliance with the RSA or this Plan, including on the operating performance of the SFC Companies, (E) the negotiation, execution, delivery, performance, consummation, potential consummation or public announcement of the RSA or this Plan or the transactions contemplated thereby or hereby, (F) any change in U.S. or Canadian interest rates or currency exchange rates unless such change has a Material disproportionate effect on the SFC Companies (taken as a whole), and (G) general political, economic or financial conditions in Canada, the United States, Hong Kong or the PRC, which changes do not have a Material disproportionate effect on the SFC Companies (taken as a whole).

"Meeting" means the meeting of Affected Creditors, and any adjournment or extension thereof, that is called and conducted in accordance with the Meeting Order for the purpose of considering and voting on the Plan.

"Meeting Order" has the meaning ascribed thereto in the recitals.

"Monitor" means FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of SFC in the CCAA Proceeding.

"Monitor's Post-Implementation Reserve" means the cash reserve to be established by SFC on the Plan Implementation Date in the amount of \$5,000,000 or such other amount as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders, which cash reserve shall be maintained and administered by the Monitor for the purpose of administering SFC and the Claims Procedure, as necessary, from and after the Plan Implementation Date.

"Monitor's Ernst & Young Settlement Certificate" has the meaning ascribed thereto in section 11.1(a) hereof.

"Monitor's Named Third Party Settlement Certificate" has the meaning ascribed thereto in section 11.2(b) hereof.

"Named Directors and Officers" means Andrew Agnew, William E. Ardell, James Bowland, Leslie Chan, Michael Cheng, Lawrence Hon, James M.E. Hyde, Richard M. Kimel, R. John (Jack) Lawrence, Jay A. Lefton, Edmund Mak, Tom Maradin, Judson Martin, Simon Murray, James F. O'Donnell, William P. Rosenfeld, Peter Donghong Wang, Garry West and Kee Y. Wong, in their respective capacities as Directors or Officers, and "Named Director or Officer" means any one of them.

"Named Third Party Defendant Settlement" means a binding settlement between any applicable Named Third Party Defendant and one or more of: (i) the plaintiffs in any of the Class Actions; and (ii) the Litigation Trustee (on behalf of the Litigation Trust) (if after the Plan Implementation Date), provided that, in each case, such settlement must be acceptable to SFC (if on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date) and the Litigation Trustee (if after the Plan Implementation Date), and provided further that such settlement shall not affect the plaintiffs in the Class Actions without the consent of counsel to the Ontario Class Action Plaintiffs.

"Named Third Party Defendant Settlement Order" means a court order approving a Named Third Party Defendant Settlement in form and in substance satisfactory to the applicable Named Third Party Defendant, SFC (if occurring on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date), the Litigation Trustee (if after the Plan Implementation Date) and counsel to the Ontario Class Action Plaintiffs (if the plaintiffs in any of the Class Actions are affected by the applicable Named Third Party Defendant Settlement).

"Named Third Party Defendant Release" means a release of any applicable Named Third Party Defendant agreed to pursuant to a Named Third Party Defendant Settlement and approved pursuant to a Named Third Party Defendant Settlement Order, provided that such release must be acceptable to SFC (if on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date) and the Litigation Trustee (if after the Plan Implementation Date), and provided further that such release shall not affect the plaintiffs in the Class Actions without the consent of counsel to the Ontario Class Action Plaintiffs.

"Named Third Party Defendants" means the Third Party Defendants listed on Schedule "A" to the Plan in accordance with section 11.2(a) hereof, provided that only Eligible Third Party Defendants may become Named Third Party Defendants.

"Newco" means the new corporation to be incorporated pursuant to section 6.2(a) hereof under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"Newco II" means the new corporation to be incorporated pursuant to section 6.2(b) hereof under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"Newco II Consideration" has the meaning ascribed thereto in section 6.4(x) hereof.

"Newco Equity Pool" means all of the Newco Shares to be issued by Newco on the Plan Implementation Date. The number of Newco Shares to be issued on the Plan Implementation Date shall be agreed by SFC, the Monitor and the Initial Consenting Noteholders prior to the Plan Implementation Date.

"Newco Note Certificate" means a certificate evidencing Newco Notes.

"Newco Notes" means the new notes to be issued by Newco on the Plan Implementation Date in the aggregate principal amount of \$300,000,000, on such terms and conditions as are satisfactory to the Initial Consenting Noteholders and SFC, acting reasonably.

"Newco Promissory Note 1", "Newco Promissory Note 2", "Newco Promissory Note 3" and "Newco Promissory Notes" have the meanings ascribed thereto in sections 6.4(k), 6.4(m), 6.4(n) and 6.4(q) hereof, respectively.

"Newco Share Certificate" means a certificate evidencing Newco Shares.

"Newco Shares" means common shares in the capital of Newco.

"Non-Released D&O Claims" has the meaning ascribed thereto in section 4.9(f) hereof.

"Noteholder Advisors" means Goodmans LLP, Hogan Lovells and Conyers, Dill & Pearman LLP in their capacity as legal advisors to the Initial Consenting Noteholders, and Moelis & Company LLC and Moelis and Company Asia Limited, in their capacity as the financial advisors to the Initial Consenting Noteholders.

"Noteholder Claim" means any Claim by a Noteholder (or a Trustee or other representative on the Noteholder's behalf) in respect of or in relation to the Notes owned or held by such Noteholder, including all principal and Accrued Interest payable to such Noteholder pursuant to such Notes or the Note Indentures, but for greater certainty does not include any Noteholder Class Action Claim.

"Noteholder Class Action Claim" means any Class Action Claim, or any part thereof, against SFC, any of the Subsidiaries, any of the Directors and Officers of SFC or the Subsidiaries, any of the Auditors, any of the Underwriters and/or any other defendant to the Class Action Claims that relates to the purchase, sale or ownership of Notes, but for greater certainty does not include a Noteholder Claim.

"Noteholder Class Action Claimant" means any Person having or asserting a Noteholder Class Action Claim.

"Noteholder Class Action Representative" means an individual to be appointed by counsel to the Ontario Class Action Plaintiffs.

"Noteholders" means, collectively, the beneficial owners of Notes as of the Distribution Record Date and, as the context requires, the registered holders of Notes as of the Distribution Record Date, and "Noteholder" means any one of the Noteholders.

"Note Indentures" means, collectively, the 2013 Note Indenture, the 2014 Note Indenture, the 2016 Note Indenture and the 2017 Note Indenture.

"Notes" means, collectively, the 2013 Notes, the 2014 Notes, the 2016 Notes and the 2017 Notes.

"Officer" means, with respect to SFC or any Subsidiary, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or de facto officer of such SFC Company.

"Ontario Class Action Plaintiffs" means the plaintiffs in the Ontario class action case styled as Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al v. Sino-Forest Corporation et al. (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP).

"Order" means any order of the Court made in connection with the CCAA Proceeding or this Plan.

"Ordinary Affected Creditor" means a Person with an Ordinary Affected Creditor Claim.

"Ordinary Affected Creditor Claim" means a Claim that is not: an Unaffected Claim; a Noteholder Claim; an Equity Claim; a Subsidiary Intercompany Claim; a Noteholder Class Action Claim; or a Class Action Indemnity Claim (other than a Class Action Indemnity Claim by any of the Third Party Defendants in respect of the Indemnified Noteholder Class Action Claims).

"Other Directors and/or Officers" means any Directors and/or Officers other than the Named Directors and Officers.

"Permitted Continuing Retainer" has the meaning ascribed thereto in section 6.4(d) hereof.

"Person" means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, Governmental Entity, and a natural person including in such person's capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

"Plan" means this Plan of Compromise and Reorganization (including all schedules hereto) filed by SFC pursuant to the CCAA and the CBCA, as it may be further amended, supplemented or restated from time to time in accordance with the terms hereof or an Order.

"Plan Implementation Date" means the Business Day on which this Plan becomes effective, which shall be the Business Day on which the Monitor has filed with the Court the certificate contemplated in section 9.2 hereof, or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"PRC" means the People's Republic of China.

"Proof of Claim" means the "Proof of Claim" referred to in the Claims Procedure Order, substantially in the form attached to the Claims Procedure Order.

# "Pro-Rata" means:

- (a) with respect to any Noteholder in relation to all Noteholders, the proportion of (i) the principal amount of Notes beneficially owned by such Noteholder as of the Distribution Record Date plus the Accrued Interest owing on such Notes as of the Filing Date, in relation to (ii) the aggregate principal amount of all Notes outstanding as of the Distribution Record Date plus the aggregate of all Accrued Interest owing on all Notes as of the Filing Date;
- (b) with respect to any Early Consent Noteholder in relation to all Early Consent Noteholders, the proportion of the principal amount of Early Consent Notes beneficially owned by such Early Consent Noteholder as of the Distribution Record Date in relation to the aggregate principal amount of Early Consent Notes held by all Early Consent Noteholders as of the Distribution Record Date; and

(c) with respect to any Affected Creditor in relation to all Affected Creditors, the proportion of such Affected Creditor's Affected Creditor Claim as at any relevant time in relation to the aggregate of all Proven Claims and Unresolved Claims of Affected Creditors as at that time.

"Proven Claim" means an Affected Creditor Claim to the extent that such Affected Creditor Claim is finally determined and valued in accordance with the provisions of the Claims Procedure Order, the Meeting Order or any other Order, as applicable.

"Released Claims" means all of the rights, claims and liabilities of any kind released pursuant to Article 7 hereof.

"Released Parties" means, collectively, those Persons released pursuant to Article 7 hereof, but only to the extent so released, and each such Person is referred to individually as a "Released Party".

"Required Majority" means a majority in number of Affected Creditors with Proven Claims, and two-thirds in value of the Proven Claims held by such Affected Creditors, in each case who vote (in person or by proxy) on the Plan at the Meeting.

"Remaining Post-Implementation Reserve Amount" has the meaning ascribed thereto in section 5.7(b) hereof.

"Restructuring Claim" means any right or claim of any Person that may be asserted or made in whole or in part against SFC, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of the Claims Procedure Order.

"Restructuring Transaction" means the transactions contemplated by this Plan (including any Alternative Sale Transaction that occurs pursuant to section 10.1 hereof).

"RSA" means the Restructuring Support Agreement executed as of March 30, 2012 by SFC, the Direct Subsidiaries and the Initial Consenting Noteholders, and subsequently executed or otherwise agreed to by the Early Consent Noteholders, as such Restructuring Support Agreement may be amended, restated and varied from time to time in accordance with its terms.

"Sanction Date" means the date that the Sanction Order is granted by the Court.

"Sanction Order" means the Order of the Court sanctioning and approving this Plan.

"Section 5.1(2) D&O Claim" means any D&O Claim that is not permitted to be compromised pursuant to section 5.1(2) of the CCAA, but only to the extent not so permitted, provided that any D&O Claim that qualifies as a Non-Released D&O Claim or a Continuing Other D&O Claim shall not constitute a Section 5.1(2) D&O Claim.

"Settlement Trust" has the meaning ascribed thereto in section 11.1(a) hereof.

"Settlement Trust Order" means a court order that establishes the Settlement Trust and approves the Ernst & Young Settlement and the Ernst & Young Release, in form and in substance satisfactory to Ernst & Young and counsel to the Ontario Class Action Plaintiffs, provided that such order shall also be acceptable to SFC (if occurring on or prior to the Plan Implementation Date), the Monitor and the Initial Consenting Noteholders, as applicable, to the extent, if any, that such order affects SFC, the Monitor or the Initial Consenting Noteholders, each acting reasonably.

"SFC" has the meaning ascribed thereto in the recitals.

"SFC Advisors" means Bennett Jones LLP, Appleby Global Group, King & Wood Mallesons and Linklaters LLP, in their respective capacities as legal advisors to SFC, and Houlihan Lokey Howard & Zukin Capital, Inc., in its capacity as financial advisor to SFC.

"SFC Assets" means all of SFC's right, title and interest in and to all of SFC's properties, assets and rights of every kind and description (including all restricted and unrestricted cash, contracts, real property, receivables or other debts owed to SFC, Intellectual Property, SFC's corporate name and all related marks, all of SFC's ownership interests in the Subsidiaries (including all of the shares of the Direct Subsidiaries and any other Subsidiaries that are directly owned by SFC immediately prior to the Effective Time), all of SFC's ownership interest in Greenheart and its subsidiaries, all SFC Intercompany Claims, any entitlement of SFC to any insurance proceeds and a right to the Remaining Post-Implementation Reserve Amount), other than the Excluded SFC Assets.

"SFC Barbados" means Sino-Forest International (Barbados) Corporation, a wholly-owned subsidiary of SFC established under the laws of Barbados.

"SFC Business" means the business operated by the SFC Companies.

"SFC Continuing Shareholder" means the Litigation Trustee or such other Person as may be agreed to by the Monitor and the Initial Consenting Noteholders.

"SFC Companies" means, collectively, SFC and all of the Subsidiaries, and "SFC Company" means any of them.

"SFC Escrow Co." means the company to be incorporated as a wholly-owned subsidiary of SFC pursuant to section 6.3 hereof under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"SFC Escrow Co. Share" has the meaning ascribed thereto in section 6.3 hereof.

"SFC Intercompany Claim" means any amount owing to SFC by any Subsidiary or Greenheart and any claim by SFC against any Subsidiary or Greenheart.

"Subsidiaries" means all direct and indirect subsidiaries of SFC, other than (i) Greenheart and its direct and indirect subsidiaries and (ii) SFC Escrow Co., and "Subsidiary" means any one of the Subsidiaries.

"Subsidiary Intercompany Claim" means any Claim by any Subsidiary or Greenheart against SFC.

"Tax" or "Taxes" means any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all licence, franchise and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions, together with all interest, penalties, fines and additions with respect to such amounts.

"Taxing Authorities" means any one of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, any similar revenue or taxing authority of the United States, the PRC, Hong Kong or other foreign state and any political subdivision thereof, and any Canadian, United States, Hong Kong, PRC or other government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation-making entity exercising taxing authority or power, and "Taxing Authority" means any one of the Taxing Authorities.

"Third Party Defendants" means any defendants to the Class Action Claims (present or future) other than SFC, the Subsidiaries, the Named Directors and Officers or the Trustees.

"Transfer Agent" means Computershare Limited (or a subsidiary or affiliate thereof) or such other transfer agent as Newco may appoint, with the prior written consent of the Monitor and the Initial Consenting Noteholders.

"Trustee Claims" means any rights or claims of the Trustees against SFC under the Note Indentures for compensation, fees, expenses, disbursements or advances, including reasonable legal fees and expenses, incurred or made by or on behalf of the Trustees before or after the Plan Implementation Date in connection with the performance of their respective duties under the Note Indentures or this Plan.

"Trustees" means, collectively, The Bank of New York Mellon in its capacity as trustee for the 2013 Notes and the 2016 Notes, and Law Debenture Trust Company of New York in its capacity as trustee for the 2014 Notes and the 2017 Notes, and "Trustee" means either one of them.

# "Unaffected Claim" means any:

- (a) Claim secured by the Administration Charge;
- (b) Government Priority Claim;
- (c) Employee Priority Claim;

- (d) Lien Claim;
- (e) any other Claim of any employee, former employee, Director or Officer of SFC in respect of wages, vacation pay, bonuses, termination pay, severance pay or other remuneration payable to such Person by SFC, other than any termination pay or severance pay payable by SFC to a Person who ceased to be an employee, Director or Officer of SFC prior to the date of this Plan;
- (f) Trustee Claims; and
- (g) any trade payables that were incurred by SFC (i) after the Filing Date but before the Plan Implementation Date; and (ii) in compliance with the Initial Order or other Order issued in the CCAA Proceeding.

"Unaffected Claims Reserve" means the cash reserve to be established by SFC on the Plan Implementation Date and maintained by the Monitor, in escrow, for the purpose of paying certain Unaffected Claims in accordance with section 4.2 hereof.

"Unaffected Creditor" means a Person who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

"Undeliverable Distribution" has the meaning ascribed thereto in section 5.4.

"Underwriters" means any underwriters of SFC that are named as defendants in the Class Action Claims, including for greater certainty Credit Suisse Securities (Canada), Inc., TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd., Maison Placements Canada Inc., Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor by merger to Banc of America Securities LLC).

"Unresolved Claim" means an Affected Creditor Claim in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order but that, as at any applicable time, has not been finally (i) determined to be a Proven Claim or (ii) disallowed in accordance with the Claims Procedure Order, the Meeting Order or any other Order.

"Unresolved Claims Escrow Agent" means SFC Escrow Co. or such other Person as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders.

"Unresolved Claims Reserve" means the reserve of Newco Shares, Newco Notes and Litigation Trust Interests, if any, to be established pursuant to sections 6.4(h)(ii) and 6.4(r) hereof in respect of Unresolved Claims as at the Plan Implementation Date, which reserve shall be held and maintained by the Unresolved Claims Escrow Agent, in escrow, for distribution in accordance with the Plan. As at the Plan Implementation Date, the Unresolved Claims Reserve will consist of that amount of Newco Shares, Newco Notes and Litigation Trust Interests as is necessary to make any potential distributions under the Plan in respect of the following Unresolved Claims:

(i) Class Action Indemnity Claims in an amount up to the Indemnified Noteholder Class Action Limit; (ii) Claims in respect of Defence Costs in the amount of \$30 million or such other amount

as may be agreed by the Monitor and the Initial Consenting Noteholders; and (iii) other Affected Creditor Claims that have been identified by the Monitor as Unresolved Claims in an amount up to \$500,000 or such other amount as may be agreed by the Monitor and the Initial Consenting Noteholders.

"Website" means the website maintained by the Monitor in respect of the CCAA Proceeding pursuant to the Initial Order at the following web address: http://cfcanada.fticonsulting.com/sfc.

### 1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to an Order, agreement, contract, instrument, indenture, release, exhibit or other document means such Order, agreement, contract, instrument, indenture, release, exhibit or other document as it may have been or may be validly amended, modified or supplemented;
- (b) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (c) unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders;
- (d) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Toronto time) on such Business Day;
- (f) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (g) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time

to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and

(h) references to a specified "article" or "section" shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "article", "section" or other portion of the Plan and include any documents supplemental hereto.

# 1.3 Currency

For the purposes of this Plan, all amounts shall be denominated in Canadian dollars and all payments and distributions to be made in cash shall be made in Canadian dollars. Any Claims or other amounts denominated in a foreign currency shall be converted to Canadian dollars at the Reuters closing rate on the Filing Date.

# 1.4 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Plan.

## 1.5 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the jurisdiction of the Court.

## 1.6 Schedule "A"

Schedule "A" to the Plan is incorporated by reference into the Plan and forms part of the Plan.

# ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

### 2.1 Purpose

The purpose of the Plan is:

- (a) to effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Affected Claims;
- (b) to effect the distribution of the consideration provided for herein in respect of Proven Claims;

- (c) to transfer ownership of the SFC Business to Newco and then from Newco to Newco II, in each case free and clear of all claims against SFC and certain related claims against the Subsidiaries, so as to enable the SFC Business to continue on a viable, going concern basis; and
- (d) to allow Affected Creditors and Noteholder Class Action Claimants to benefit from contingent value that may be derived from litigation claims to be advanced by the Litigation Trustee.

The Plan is put forward in the expectation that the Persons with an economic interest in SFC, when considered as a whole, will derive a greater benefit from the implementation of the Plan and the continuation of the SFC Business as a going concern than would result from a bankruptcy or liquidation of SFC.

## 2.2 Claims Affected

The Plan provides for, among other things, the full, final and irrevocable compromise, release, discharge, cancellation and bar of Affected Claims and effectuates the restructuring of SFC. The Plan will become effective at the Effective Time on the Plan Implementation Date, other than such matters occurring on the Equity Cancellation Date (if the Equity Cancellation date does not occur on the Plan Implementation Date) which will occur and be effective on such date, and the Plan shall be binding on and enure to the benefit of SFC, the Subsidiaries, Newco, Newco II, SFC Escrow Co., any Person having an Affected Claim, the Directors and Officers of SFC and all other Persons named or referred to in, or subject to, the Plan, as and to the extent provided for in the Plan.

### 2.3 Unaffected Claims against SFC Not Affected

Any amounts properly owing by SFC in respect of Unaffected Claims will be satisfied in accordance with section 4.2 hereof. Consistent with the foregoing, all liabilities of the Released Parties in respect of Unaffected Claims (other than the obligation of SFC to satisfy such Unaffected Claims in accordance with section 4.2 hereof) will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred pursuant to Article 7 hereof. Nothing in the Plan shall affect SFC's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

#### 2.4 Insurance

- (a) Subject to the terms of this section 2.4, nothing in this Plan shall prejudice, compromise, release, discharge, cancel, bar or otherwise affect any right, entitlement or claim of any Person against SFC or any Director or Officer, or any insurer, in respect of an Insurance Policy or the proceeds thereof.
- (b) Nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any such insurer in respect of any such Insurance Policy. Furthermore, nothing in this Plan shall prejudice, compromise, release or otherwise affect (i) any right of subrogation any such insurer may have against

any Person, including against any Director or Officer in the event of a determination of fraud against SFC or any Director or Officer in respect of whom such a determination is specifically made, and /or (ii) the ability of such insurer to claim repayment of Defense Costs (as defined in any such policy) from SFC and/or any Director or Officer in the event that the party from whom repayment is sought is not entitled to coverage under the terms and conditions of any such Insurance Policy

- (c) Notwithstanding anything herein (including section 2.4(b) and the releases and injunctions set forth in Article 7 hereof), but subject to section 2.4(d) hereof, all Insured Claims shall be deemed to remain outstanding and are not released following the Plan Implementation Date, but recovery as against SFC and the Named Directors and Officers is limited only to proceeds of Insurance Policies that are available to pay such Insured Claims, either by way of judgment or settlement. SFC and the Directors or Officers shall make all reasonable efforts to meet all obligations under the Insurance Policies. The insurers agree and acknowledge that they shall be obliged to pay any Loss payable pursuant to the terms and conditions of their respective Insurance Policies notwithstanding the releases granted to SFC and the Named Directors and Officers under this Plan, and that they shall not rely on any provisions of the Insurance Policies to argue, or otherwise assert, that such releases excuse them from, or relieve them of, the obligation to pay Loss that otherwise would be payable under the terms of the Insurance Policies. For greater certainty, the insurers agree and consent to a direct right of action against the insurers, or any of them, in favour of any plaintiff who or which has (a) negotiated a settlement of any Claim covered under any of the Insurance Policies, which settlement has been consented to in writing by the insurers or such of them as may be required or (b) obtained a final judgment against one or more of SFC and/or the Directors or Officers which such plaintiff asserts, in whole or in part, represents Loss covered under the Insurance Policies, notwithstanding that such plaintiff is not a named insured under the Insurance Policies and that neither SFC nor the Directors or Officers are parties to such action.
- (d) Notwithstanding anything in this section 2.4, from and after the Plan Implementation Date, any Person having an Insured Claim shall, as against SFC and the Named Directors and Officers, be irrevocably limited to recovery solely from the proceeds of the Insurance Policies paid or payable on behalf of SFC or its Directors or Officers, and Persons with any Insured Claims shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from SFC, any of the Named Directors and Officers, any of the Subsidiaries, Newco or Newco II, other than enforcing such Person's rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s), and this section 2.4(d) may be relied upon and raised or pled by SFC, Newco, Newco II, any Subsidiary and any Named Director and Officer in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section

#### 2.5 Claims Procedure Order

For greater certainty, nothing in this Plan revives or restores any right or claim of any kind that is barred or extinguished pursuant to the terms of the Claims Procedure Order, provided that nothing in this Plan, the Claims Procedure Order or any other Order compromises, releases, discharges, cancels or bars any claim against any Person for fraud or criminal conduct, regardless of whether or not any such claim has been asserted to date.

# ARTICLE 3 CLASSIFICATION, VOTING AND RELATED MATTERS

#### 3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any other Order, as applicable. SFC, the Monitor and any other creditor in respect of its own Claim, shall have the right to seek the assistance of the Court in valuing any Claim, whether for voting or distribution purposes, if required, and to ascertain the result of any vote on the Plan.

#### 3.2 Classification

- (a) The Affected Creditors shall constitute a single class, the "Affected Creditors Class", for the purposes of considering and voting on the Plan.
- (b) The Equity Claimants shall constitute a single class, separate from the Affected Creditors Class, but shall not, and shall have no right to, attend the Meeting or vote on the Plan in such capacity.

### 3.3 Unaffected Creditors

No Unaffected Creditor, in respect of an Unaffected Claim, shall:

- (a) be entitled to vote on the Plan;
- (b) be entitled to attend the Meeting; or
- (c) receive any entitlements under this Plan in respect of such Unaffected Creditor's Unaffected Claims (other than its right to have its Unaffected Claim addressed in accordance with section 4.2 hereof).

#### 3.4 Creditors' Meeting

The Meeting shall be held in accordance with the Plan, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote on the Plan at the Meeting are those specified in the Meeting Order.

# 3.5 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote of the Required Majority of the Affected Creditors Class.

# ARTICLE 4 DISTRIBUTIONS, PAYMENTS AND TREATMENT OF CLAIMS

#### 4.1 Affected Creditors

All Affected Creditor Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date. Each Affected Creditor that has a Proven Claim shall be entitled to receive the following in accordance with the Plan:

- (a) such Affected Creditor's Pro-Rata number of the Newco Shares to be issued by Newco from the Affected Creditors Equity Sub-Pool in accordance with the Plan;
- (b) such Affected Creditor's Pro-Rata amount of the Newco Notes to be issued by Newco in accordance with the Plan; and
- (c) such Affected Creditor's Pro-Rata share of the Litigation Trust Interests to be allocated to the Affected Creditors in accordance with 4.11 hereof and the terms of the Litigation Trust.

From and after the Plan Implementation Date, each Affected Creditor, in such capacity, shall have no rights as against SFC in respect of its Affected Creditor Claim.

#### 4.2 Unaffected Creditors

Each Unaffected Claim that is finally determined as such, as to status and amount, and that is finally determined to be valid and enforceable against SFC, in each case in accordance with the Claims Procedure Order or other Order:

- (a) subject to sections 4.2(b) and 4.2(c) hereof, shall be paid in full from the Unaffected Claims Reserve and limited to recovery against the Unaffected Claims Reserve, and Persons with Unaffected Claims shall have no right to, and shall not, make any claim or seek any recoveries from any Person in respect of Unaffected Claims, other than enforcing such Person's right against SFC to be paid from the Unaffected Claims Reserve;
- (b) in the case of Claims secured by the Administration Charge:
  - (i) if billed or invoiced to SFC prior to the Plan Implementation Date, such Claims shall be paid by SFC in accordance with section 6.4(d) hereof; and
  - (ii) if billed or invoiced to SFC on or after the Plan Implementation Date, such Claims shall be paid from the Administration Charge Reserve, and all such

Claims shall be limited to recovery against the Administration Charge Reserve, and any Person with such Claims shall have no right to, and shall not, make any claim or seek any recoveries from any Person in respect of such Claims, other than enforcing such Person's right against the Administration Charge Reserve; and

# (c) in the case of Lien Claims:

- (i) at the election of the Initial Consenting Noteholders, and with the consent of the Monitor, SFC shall satisfy such Lien Claim by the return of the applicable property of SFC that is secured as collateral for such Lien Claim, and the applicable Lien Claimant shall be limited to its recovery against such secured property in respect of such Lien Claim.
- (ii) if the Initial Consenting Noteholders do not elect to satisfy such Lien Claim by the return of the applicable secured property: (A) SFC shall repay the Lien Claim in full in cash on the Plan Implementation Date; and (B) the security held by the applicable Lien Claimant over the property of SFC shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred; and
- (iii) upon the satisfaction of a Lien Claim in accordance with sections 4.2(c)(i) or 4.2(c)(ii) hereof, such Lien Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred.

## 4.3 Early Consent Noteholders

As additional consideration for the compromise, release, discharge, cancellation and bar of the Affected Creditor Claims in respect of its Notes, each Early Consent Noteholder shall receive (in addition to the consideration it is entitled to receive in accordance with section 4.1 hereof) its Pro-Rata number of the Newco Shares to be issued by Newco from the Early Consent Equity Sub-Pool in accordance with the Plan.

## 4.4 Noteholder Class Action Claimants

All Noteholder Class Action Claims against SFC, the Subsidiaries or the Named Directors or Officers (other than any Noteholder Class Action Claims against the Named Directors or Officers that are Section 5.1(2) D&O Claims, Conspiracy Claims or Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration as against all said Persons on the Plan Implementation Date. Subject to section 4.4(f) hereof, Noteholder Class Action Claimants shall not receive any consideration or distributions under the Plan in respect of their Noteholder Class Action Claims. Noteholder Class Action Claimants shall not be entitled to attend or to vote on the Plan at the Meeting in respect of their Noteholder Class Action Claims.

- (b) Notwithstanding anything to the contrary in section 4.4(a), Noteholder Class Action Claims as against the Third Party Defendants (x) are not compromised, discharged, released, cancelled or barred, (y) shall be permitted to continue as against the Third Party Defendants and (z) shall not be limited or restricted by this Plan in any manner as to quantum or otherwise (including any collection or recovery for such Noteholder Class Action Claims that relates to any liability of the Third Party Defendants for any alleged liability of SFC), provided that:
  - in accordance with the releases set forth in Article 7 hereof, the collective aggregate amount of all rights and claims asserted or that may be asserted against the Third Party Defendants in respect of any such Noteholder Class Action Claims for which any such Persons in each case have a valid and enforceable Class Action Indemnity Claim against SFC (the "Indemnified Noteholder Class Action Claims") shall not exceed, in the aggregate, the Indemnified Noteholder Class Action Limit, and in accordance with section 7.3 hereof, all Persons shall be permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, from seeking to enforce any liability in respect of the Indemnified Noteholder Class Action Claims that exceeds the Indemnified Noteholder Class Action Limit;
  - (ii) subject to section 4.4(g), any Class Action Indemnity Claims against SFC by the Third Party Defendants in respect of the Indemnified Noteholder Class Action Claims shall be treated as Affected Creditor Claims against SFC, but only to the extent that any such Class Action Indemnity Claims that are determined to be properly indemnified by SFC, enforceable against SFC and are not barred or extinguished by the Claims Procedure Order, and further provided that the aggregate liability of SFC in respect of all such Class Action Indemnity Claims shall be limited to the lesser of:

    (A) the actual aggregate liability of the Third Party Defendants pursuant to any final judgment, settlement or other binding resolution in respect of the Indemnified Noteholder Class Action Claims; and (B) the Indemnified Noteholder Class Action Limit; and
  - (iii) for greater certainty, in the event that any Third Party Defendant is found to be liable for or agrees to a settlement in respect of a Noteholder Class Action Claim (other than a Noteholder Class Action Claim for fraud or criminal conduct) and such amounts are paid by or on behalf of the applicable Third Party Defendant, then the amount of the Indemnified Noteholder Class Action Limit applicable to the remaining Third Party Defendants shall be reduced by the amount paid in respect of such Noteholder Class Action Claim, as applicable.
- (c) Subject to section 7.1(o), the Claims of the Underwriters for indemnification in respect of any Noteholder Class Action Claims (other than Noteholder Class Action Claims against the Underwriters for fraud or criminal conduct) shall, for purposes of the Plan, be deemed to be valid and enforceable Class Action

Indemnity Claims against SFC (as limited pursuant to section 4.4(b) hereof), provided that: (i) the Underwriters shall not be entitled to receive any distributions of any kind under the Plan in respect of such Claims; (ii) such Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date; and (iii) the amount of such Claims shall not affect the calculation of any Pro-Rata entitlements of the Affected Creditors under this Plan. For greater certainty, to the extent of any conflict with respect to the Underwriters between section 4.4(e) hereof and this section 4.4(c), this section 4.4(c) shall prevail.

- (d) Subject to section 7.1(m), any and all indemnification rights and entitlements of Ernst & Young at common law and any and all indemnification agreements between Ernst & Young and SFC shall be deemed to be valid and enforceable in accordance with their terms for the purpose of determining whether the Claims of Ernst & Young for indemnification in respect of Noteholder Class Action Claims are valid and enforceable within the meaning of section 4.4(b) hereof. With respect to Claims of Ernst & Young for indemnification in respect of Noteholder Class Action Claims that are valid and enforceable: (i) Ernst & Young shall not be entitled to receive any distributions of any kind under the Plan in respect of such Claims; (ii) such Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date; and (iii) the amount of such Claims shall not affect the calculation of any Pro-Rata entitlements of the Affected Creditors under this Plan.
- (e) Subject to section 7.1(n), any and all indemnification rights and entitlements of the Named Third Party Defendants at common law and any and all indemnification agreements between the Named Third Party Defendants and SFC shall be deemed to be valid and enforceable in accordance with their terms for the purpose of determining whether the Claims of the Named Third Party Defendants for indemnification in respect of Noteholder Class Action Claims are valid and enforceable within the meaning of section 4.4(b) hereof. With respect to Claims of the Named Third Party Defendants for indemnification in respect of Noteholder Class Action Claims that are valid and enforceable: (i) the Named Third Party Defendants shall not be entitled to receive any distributions of any kind under the Plan in respect of such Claims; (ii) such Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date; and (iii) the amount of such Claims shall not affect the calculation of any Pro-Rata entitlements of the Affected Creditors under this Plan.
- (f) Each Noteholder Class Action Claimant shall be entitled to receive its share of the Litigation Trust Interests to be allocated to Noteholder Class Action Claimants in accordance with the terms of the Litigation Trust and section 4.11 hereof, as such Noteholder Class Action Claimant's share is determined by the applicable Class Action Court.

(g) Nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek or obtain an Order, whether before or after the Plan Implementation Date, directing that Class Action Indemnity Claims in respect of Noteholder Class Action Claims or any other Claims of the Third Party Defendants should receive the same or similar treatment as is afforded to Class Action Indemnity Claims in respect of Equity Claims under the terms of this Plan.

# 4.5 Equity Claimants

All Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date. Equity Claimants shall not receive any consideration or distributions under the Plan and shall not be entitled to vote on the Plan at the Meeting.

# 4.6 Claims of the Trustees and Noteholders

For purposes of this Plan, all claims filed by the Trustees in respect of the Noteholder Claims (other than any Trustee Claims) shall be treated as provided in section 4.1 and the Trustees and the Noteholders shall have no other entitlements in respect of the guarantees and share pledges that have been provided by the Subsidiaries, or any of them, all of which shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date as against the Subsidiaries pursuant to Article 7 hereof.

# 4.7 Claims of the Third Party Defendants

For purposes of this Plan, all claims filed by the Third Party Defendants against SFC and/or any of its Subsidiaries shall be treated as follows:

- (a) all such claims against the Subsidiaries shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date in accordance with Article 7 hereof;
- (b) all such claims against SFC that are Class Action Indemnity Claims in respect of Indemnified Noteholder Class Action Claims shall be treated as set out in section 4.4(b)(ii) hereof;
- (c) all such claims against SFC for indemnification of Defence Costs shall be treated in accordance with section 4.8 hereof; and
- (d) all other claims shall be treated as Equity Claims.

# 4.8 Defence Costs

All Claims against SFC for indemnification of defence costs incurred by any Person (other than a Named Director or Officer) in connection with defending against Shareholder Claims (as defined in the Equity Claims Order), Noteholder Class Action Claims or any other

claims of any kind relating to SFC or the Subsidiaries ("Defence Costs") shall be treated as follows:

- (a) as Equity Claims to the extent they are determined to be Equity Claims under any Order; and
- (b) as Affected Creditor Claims to the extent that they are not determined to be Equity Claims under any Order, provided that:
  - (i) if such Defence Costs were incurred in respect of a claim against the applicable Person that has been successfully defended and the Claim for such Defence Costs is otherwise valid and enforceable against SFC, the Claim for such Defence Costs shall be treated as a Proven Claim, provided that if such Claim for Defence Costs is a Class Action Indemnity Claim of a Third Party Defendant against SFC in respect of any Indemnified Noteholder Class Action Claim, such Claim for Defence Costs shall be treated in the manner set forth in section 4.4(b)(ii) hereof;
  - (ii) if such Defence Costs were incurred in respect of a claim against the applicable Person that has not been successfully defended or such Defence Costs are determined not to be valid and enforceable against SFC, the Claim for such Defence Costs shall be disallowed and no consideration will be payable in respect thereof under the Plan; and
  - (iii) until any such Claim for Defence Costs is determined to be either a Claim within section 4.8(b)(i) or a Claim within section 4.8(b)(ii), such Claim shall be treated as an Unresolved Claim.

provided that nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek an Order that Claims against SFC for indemnification of any Defence Costs should receive the same or similar treatment as is afforded to Equity Claims under the terms of this Plan.

## 4.9 D&O Claims

- (a) All D&O Claims against the Named Directors and Officers (other than Section 5.1(2) D&O Claims, Conspiracy Claims and Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date.
- (b) All D&O Claims against the Other Directors and/or Officers shall not be compromised, released, discharged, cancelled or barred by this Plan and shall be permitted to continue as against the applicable Other Directors and/or Officers (the "Continuing Other D&O Claims"), provided that any Indemnified Noteholder Class Action Claims against the Other Directors and/or Officers shall be limited as described in section 4.4(b)(i) hereof.

- (c) All D&O Indemnity Claims and any other rights or claims for indemnification held by the Named Directors and Officers shall be deemed to have no value and shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date.
- (d) All D&O Indemnity Claims and any other rights or claims for indemnification held by the Other Directors and/or Officers shall be deemed to have no value and shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date, except that: (i) any such D&O Indemnity Claims for Defence Costs shall be treated in accordance with section 4.8 hereof; and (ii) any Class Action Indemnity Claim of an Other Director and/or Officer against SFC in respect of the Indemnified Noteholder Class Action Claims shall be treated in the manner set forth in section 4.4(b)(ii) hereof.
- (e) All Section 5.1(2) D&O Claims and all Conspiracy Claims shall not be compromised, released, discharged, cancelled or barred by this Plan, provided that any Section 5.1(2) D&O Claims against Named Directors and Officers and any Conspiracy Claims against Named Directors and Officers shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) D&O Claims or Conspiracy Claims, as applicable, pursuant to the Insurance Policies, and Persons with any such Section 5.1(2) D&O Claims against Named Directors and Officers or Conspiracy Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including SFC, any of the Subsidiaries, Newco or Newco II), other than enforcing such Persons' rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s).
- (f) All D&O Claims against the Directors and Officers of SFC or the Subsidiaries for fraud or criminal conduct shall not be compromised, discharged, released, cancelled or barred by this Plan and shall be permitted to continue as against all applicable Directors and Officers ("Non-Released D&O Claims").
- (g) Notwithstanding anything to the contrary herein, from and after the Plan Implementation Date, a Person may only commence an action for a Non-Released D&O Claim against a Named Director or Officer if such Person has first obtained (i) the consent of the Monitor or (ii) leave of the Court on notice to the applicable Directors and Officers, SFC, the Monitor, the Initial Consenting Noteholders and any applicable insurers. For the avoidance of doubt, the foregoing requirement for the consent of the Monitor or leave of the Court shall not apply to any Non-Released D&O Claim that is asserted against an Other Director and/or Officer.

## 4.10 Intercompany Claims

All SFC Intercompany Claims (other than those transferred to SFC Barbados pursuant to section 6.4(j) hereof or set-off pursuant to section 6.4(l) hereof) shall be deemed to be assigned by SFC to Newco on the Plan Implementation Date pursuant to section 6.4(m) hereof, and shall

then be deemed to be assigned by Newco to Newco II pursuant to section 6.4(x) hereof. The obligations of SFC to the applicable Subsidiaries and Greenheart in respect of all Subsidiary Intercompany Claims (other than those set-off pursuant to section 6.4(l) hereof) shall be assumed by Newco on the Plan Implementation Date pursuant to 6.4(m) hereof, and then shall be assumed by Newco II pursuant to section 6.4(x) hereof. Notwithstanding anything to the contrary herein, Newco II shall be liable to the applicable Subsidiaries and Greenheart for such Subsidiary Intercompany Claims and SFC shall be released from such Subsidiary Intercompany Claims from and after the Plan Implementation Date, and the applicable Subsidiaries and Greenheart shall be liable to Newco II for such SFC Intercompany Claims from and after the Plan Implementation Date. For greater certainty, nothing in this Plan affects any rights or claims as between any of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries.

# 4.11 Entitlement to Litigation Trust Interests

- (a) The Litigation Trust Interests to be created in accordance with this Plan and the Litigation Trust shall be allocated as follows:
  - (i) the Affected Creditors shall be collectively entitled to 75% of such Litigation Trust Interests; and
  - (ii) the Noteholder Class Action Claimants shall be collectively entitled to 25% of such Litigation Trust Interests,

which allocations shall occur at the times and in the manner set forth in section 6.4 hereof and shall be recorded by the Litigation Trustee in its registry of Litigation Trust Interests.

(b) Notwithstanding anything to the contrary in section 4.11(a) hereof, if any of the Noteholder Class Action Claims against any of the Third Party Defendants are finally resolved (whether by final judgment, settlement or any other binding means of resolution) within two years of the Plan Implementation Date, then the Litigation Trust Interests to which the applicable Noteholder Class Action Claimants would otherwise have been entitled in respect of such Noteholder Class Action Claims pursuant to section 4.11(a)(ii) hereof (based on the amount of such resolved Noteholder Class Action Claims in proportion to all Noteholder Class Action Claims in existence as of the Claims Bar Date) shall be fully, finally, irrevocably and forever cancelled.

# 4.12 Litigation Trust Claims

(a) At any time prior to the Plan Implementation Date, SFC and the Initial Consenting Noteholders may agree to exclude one or more Causes of Action from the Litigation Trust Claims and/or to specify that any Causes of Action against a specified Person will not constitute Litigation Trust Claims ("Excluded Litigation Trust Claims"), in which case, any such Causes of Action shall not be transferred to the Litigation Trust on the Plan Implementation Date. Any such Excluded Litigation Trust Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan

Implementation Date in accordance with Article 7 hereof. All Affected Creditors shall be deemed to consent to such treatment of Excluded Litigation Trust Claims pursuant to this section 4.12(a).

- (b) All Causes of Action against the Underwriters by (i) SFC or (ii) the Trustees (on behalf of the Noteholders) shall be deemed to be Excluded Litigation Trust Claims that are fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date in accordance with Article 7 hereof, provided that, unless otherwise agreed by SFC and the Initial Consenting Noteholders prior to the Plan Implementation Date in accordance with section 4.12(a) hereof, any such Causes of Action for fraud or criminal conduct shall not constitute Excluded Litigation Trust Claims and shall be transferred to the Litigation Trust in accordance with section 6.4(o) hereof.
- (c) At any time from and after the Plan Implementation Date, and subject to the prior consent of the Initial Consenting Noteholders and the terms of the Litigation Trust Agreement, the Litigation Trustee shall have the right to seek and obtain an order from any court of competent jurisdiction, including an Order of the Court in the CCAA or otherwise, that gives effect to any releases of any Litigation Trust Claims agreed to by the Litigation Trustee in accordance with the Litigation Trust Agreement, including a release that fully, finally, irrevocably and forever compromises, releases, discharges, cancels and bars the applicable Litigation Trust Claims as if they were Excluded Litigation Trust Claims released in accordance with Article 7 hereof. All Affected Creditors shall be deemed to consent to any such treatment of any Litigation Trust Claims pursuant to this section 4.12(b).

## 4.13 Multiple Affected Claims

On the Plan Implementation Date, any and all liabilities for and guarantees and indemnities of the payment or performance of any Affected Claim, Unaffected Claim, Section 5.1(2) D&O Claim, Conspiracy Claim, Continuing Other D&O Claim or Non-Released D&O Claim by any of the Subsidiaries, and any purported liability for the payment or performance of such Affected Claim, Unaffected Claim, Section 5.1(2) D&O Claim, Conspiracy Claim, Continuing Other D&O Claim or Non-Released D&O Claim by Newco or Newco II, will be deemed eliminated and cancelled, and no Person shall have any rights whatsoever to pursue or enforce any such liabilities for or guarantees or indemnities of the payment or performance of any such Affected Claim, Unaffected Claim, Section 5.1(2) D&O Claim, Conspiracy Claim, Continuing Other D&O Claim or Non-Released D&O Claim against any Subsidiary, Newco or Newco II.

#### 4.14 Interest

Subject to section 12.4 hereof, no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

# 4.15 Existing Shares

Holders of Existing Shares and Equity Interests shall not receive any consideration or distributions under the Plan in respect thereof and shall not be entitled to vote on the Plan at the Meeting. Unless otherwise agreed between the Monitor, SFC and the Initial Consenting Noteholders, all Existing Shares and Equity Interests shall be fully, finally and irrevocably cancelled in accordance with and at the time specified in section 6.5 hereof.

## 4.16 Canadian Exempt Plans

If an Affected Creditor is a trust governed by a plan which is exempt from tax under Part I of the Canadian Tax Act (including, for example, a registered retirement savings plan), such Affected Creditor may make arrangements with Newco (if Newco so agrees) and the Litigation Trustee (if the Litigation Trustee so agrees) to have the Newco Shares, Newco Notes and Litigation Trust Interests to which it is entitled under this Plan directed to (or in the case of Litigation Trust Interests, registered in the name of) an affiliate of such Affected Creditor or the annuitant or controlling person of the governing tax-deferred plan.

# ARTICLE 5 DISTRIBUTION MECHANICS

#### 5.1 Letters of Instruction

In order to issue (i) Newco Shares and Newco Notes to Ordinary Affected Creditors and (ii) Newco Shares to Early Consent Noteholders, the following steps will be taken:

- (a) with respect to Ordinary Affected Creditors with Proven Claims or Unresolved Claims:
  - (i) on the next Business Day following the Distribution Record Date, the Monitor shall send blank Letters of Instruction by prepaid first class mail, courier, email or facsimile to each such Ordinary Affected Creditor to the address of each such Ordinary Affected Creditor (as specified in the applicable Proof of Claim) as of the Distribution Record Date, or as evidenced by any assignment or transfer in accordance with section 5.10;
  - (ii) each such Ordinary Affected Creditor shall deliver to the Monitor a duly completed and executed Letter of Instruction that must be received by the Monitor on or before the date that is seven (7) Business Days after the Distribution Record Date or such other date as the Monitor may determine; and
  - (iii) any such Ordinary Affected Creditor that does not return a Letter of Instruction to the Monitor in accordance with section 5.1(a)(ii) shall be deemed to have requested that such Ordinary Affected Creditor's Newco Shares and Newco Notes be registered or distributed, as applicable, in accordance with the information set out in such Ordinary Affected Creditor's Proof of Claim; and

- (b) with respect to Early Consent Noteholders:
  - (i) on the next Business Day following the Distribution Record Date the Monitor shall send blank Letters of Instruction by prepaid first class mail, courier, email or facsimile to each Early Consent Noteholder to the address of each such Early Consent Noteholder as confirmed by the Monitor on or before the Distribution Record Date;
  - (ii) each Early Consent Noteholder shall deliver to the Monitor a duly completed and executed Letter of Instruction that must be received by the Monitor on or before the date that is seven (7) Business Days after the Distribution Record Date or such other date as the Monitor may determine; and
  - (iii) any such Early Consent Noteholder that does not return a Letter of Instruction to the Monitor in accordance with section 5.1(b)(ii) shall be deemed to have requested that such Early Consent Noteholder's Newco Shares be distributed or registered, as applicable, in accordance with information confirmed by the Monitor on or before the Distribution Record Date.

# 5.2 Distribution Mechanics with respect to Newco Shares and Newco Notes

- (a) To effect distributions of Newco Shares and Newco Notes, the Monitor shall deliver a direction at least two (2) Business Days prior to the Initial Distribution Date to Newco or its agent, as applicable, directing Newco or its agent, as applicable, to issue on such Initial Distribution Date or subsequent Distribution Date:
  - (i) in respect of the Ordinary Affected Creditors with Proven Claims:
    - (A) the number of Newco Shares that each such Ordinary Affected Creditor is entitled to receive in accordance with section 4.1(a) hereof; and
    - (B) the amount of Newco Notes that each such Ordinary Affected Creditor is entitled to receive in accordance with section 4.1(b) hereof,

all of which Newco Shares and Newco Notes shall be issued to such Ordinary Affected Creditors and distributed in accordance with this Article 5;

- (ii) in respect of the Ordinary Affected Creditors with Unresolved Claims:
  - (A) the number of Newco Shares that each such Ordinary Affected Creditor would have been entitled to receive in accordance with section 4.1(a) hereof had such Ordinary Affected Creditor's

Unresolved Claim been a Proven Claim on the Plan Implementation Date; and

(B) the amount of Newco Notes that each such Ordinary Affected Creditor would have been entitled to receive in accordance with section 4.1(b) hereof had such Ordinary Affected Creditor's Unresolved Claim been a Proven Claim on the Plan Implementation Date,

all of which Newco Shares and Newco Notes shall be issued in the name of the Unresolved Claims Escrow Agent for the benefit of the Persons entitled thereto under the Plan, which Newco Shares and Newco Notes shall comprise part of the Unresolved Claims Reserve and shall be held in escrow by the Unresolved Claims Escrow Agent until released and distributed in accordance with this Article 5;

- (iii) in respect of the Noteholders:
  - (A) the number of Newco Shares that the Trustees are collectively required to receive such that, upon distribution to the Noteholders in accordance with this Article 5, each individual Noteholder receives the number of Newco Shares to which it is entitled in accordance with section 4.1(a) hereof; and
  - (B) the amount of Newco Notes that the Trustees are collectively required to receive such that, upon distribution to the Noteholders in accordance with this Article 5, each individual Noteholder receives the amount of Newco Notes to which it is entitled in accordance with section 4.1(b) hereof,

all of which Newco Shares and Newco Notes shall be issued to such Noteholders and distributed in accordance with this Article 5; and

(iv) in respect of Early Consent Noteholders, the number of Newco Shares that each such Early Consent Noteholder is entitled to receive in accordance with section 4.3 hereof, all of which Newco Shares shall be issued to such Early Consent Noteholders and distributed in accordance with this Article 5.

The direction delivered by the Monitor in respect of the applicable Ordinary Affected Creditors and Early Consent Noteholders shall: (A) indicate the registration and delivery details of each applicable Ordinary Affected Creditor and Early Consent Noteholder based on the information prescribed in section 5.1; and (B) specify the number of Newco Shares and, in the case of Ordinary Affected Creditors, the amount of Newco Notes to be issued to each such Person on the applicable Distribution Date. The direction delivered by the Monitor in respect of the Noteholders shall: (C) indicate that the registration and delivery details with respect to the number of Newco Shares and amount of Newco Notes

to be distributed to each Noteholder will be the same as the registration and delivery details in effect with respect to the Notes held by each Noteholder as of the Distribution Record Date; and (D) specify the number of Newco Shares and the amount of Newco Notes to be issued to each of the Trustees for purposes of satisfying the entitlements of the Noteholders set forth in sections 4.1(a) and 4.1(b) hereof. The direction delivered by the Monitor in respect of the Newco Shares and Newco Notes to be issued in the name of the Unresolved Claims Escrow Agent, for the benefit of the Persons entitled thereto under the Plan, for purposes of the Unresolved Claims Reserve shall specify the number of Newco Shares and the amount of Newco Notes to be issued in the name of the Unresolved Claims Escrow Agent for that purpose.

- (b) If the registers for the Newco Shares and/or Newco Notes are maintained by the Transfer Agent in a direct registration system (without certificates), the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall, on the Initial Distribution Date or any subsequent Distribution Date, as applicable:
  - (i) instruct the Transfer Agent to record, and the Transfer Agent shall record, in the Direct Registration Account of each applicable Ordinary Affected Creditor and each Early Consent Noteholder the number of Newco Shares and, in the case of Ordinary Affected Creditors, the amount of Newco Notes that are to be distributed to each such Person, and the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall send or cause to be sent to each such Ordinary Affected Creditor and Early Consent Noteholder a Direct Registration Transaction Advice based on the delivery information as determined pursuant to section 5.1; and
  - (ii) with respect to the distribution of Newco Shares and/or Newco Notes to Noteholders:
    - (A) if the Newco Shares and/or Newco Notes are DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall instruct the Transfer Agent to register, and the Transfer Agent shall register, the applicable Newco Shares and/or Newco Notes in the name of DTC (or its nominee) for the benefit of the Noteholders, and the Trustees shall provide their consent to DTC to the distribution of such Newco Shares and Newco Notes to the applicable Noteholders, in the applicable amounts, through the facilities of DTC in accordance with customary practices and procedures; and
    - (B) if the Newco Shares and/or Newco Notes are not DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall instruct the Transfer Agent to register the applicable Newco Shares and/or Newco Notes in the Direct Registration Accounts of the applicable Noteholders pursuant to the registration instructions obtained through DTC and the DTC

participants (by way of a letter of transmittal process or such other process as agreed by SFC, the Monitor, the Trustees and the Initial Consenting Noteholders), and the Transfer Agent shall (A) register such Newco Shares and/or Newco Notes, in the applicable amounts, in the Direct Registration Accounts of the applicable Noteholders; and (B) send or cause to be sent to each Noteholder a Direct Registration Transaction Advice in accordance with customary practices and procedures; provided that the Transfer Agent shall not be permitted to effect the foregoing registrations without the prior written consent of the Trustees.

- (c) If the registers for the Newco Shares and/or Newco Notes are not maintained by the Transfer Agent in a direct registration system, Newco shall prepare and deliver to the Monitor and/or the Unresolved Claims Escrow Agent, as applicable, and the Monitor and/or the Unresolved Claims Escrow Agent, as applicable, shall promptly thereafter, on the Initial Distribution Date or any subsequent Distribution Date, as applicable:
  - (i) deliver to each Ordinary Affected Creditor and each Early Consent Noteholder Newco Share Certificates and, in the case of Ordinary Affected Creditors, Newco Note Certificates representing the applicable number of Newco Shares and the applicable amount of Newco Notes that are to be distributed to each such Person; and
  - (ii) with respect to the distribution of Newco Shares and/or Newco Notes to Noteholders:
    - (A) if the Newco Shares and/or Newco Notes are DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall distribute to DTC (or its nominee), for the benefit of the Noteholders, Newco Share Certificates and/or Newco Note Certificates representing the aggregate of all Newco Shares and Newco Notes to be distributed to the Noteholders on such Distribution Date, and the Trustees shall provide their consent to DTC to the distribution of such Newco Shares and Newco Notes to the applicable Noteholders, in the applicable amounts, through the facilities of DTC in accordance with customary practices and procedures; and
    - (B) if the Newco Shares and/or Newco Notes are not DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall distribute to the applicable Trustees, Newco Share Certificates and/or Newco Note Certificates representing the aggregate of all Newco Shares and/or Newco Notes to be distributed to the Noteholders on such Distribution Date, and the Trustees shall make delivery of such Newco Share Certificates and Newco Note Certificates, in the applicable

amounts, directly to the applicable Noteholders pursuant to the delivery instructions obtained through DTC and the DTC participants (by way of a letter of transmittal process or such other process as agreed by SFC, the Monitor, the Trustees and the Initial Consenting Noteholders), all of which shall occur in accordance with customary practices and procedures.

- (d) Upon receipt of and in accordance with written instructions from the Monitor, the Trustees shall instruct DTC to and DTC shall: (i) set up an escrow position representing the respective positions of the Noteholders as of the Distribution Record Date for the purpose of making distributions on the Initial Distribution Date and any subsequent Distribution Dates (the "Distribution Escrow Position"); and (ii) block any further trading of the Notes, effective as of the close of business on the day immediately preceding the Plan Implementation Date, all in accordance with DTC's customary practices and procedures.
- (e) The Monitor, Newco, Newco II, the Trustees, SFC, the Named Directors and Officers and the Transfer Agent shall have no liability or obligation in respect of deliveries by DTC (or its nominee) to the DTC participants or the Noteholders pursuant to this Article 5.

# 5.3 Allocation of Litigation Trust Interests

The Litigation Trustee shall administer the Litigation Trust Claims and the Litigation Funding Amount for the benefit of the Persons that are entitled to the Litigation Trust Interests and shall maintain a registry of such Persons as follows:

- (a) with respect to Affected Creditors:
  - (i) the Litigation Trustee shall maintain a record of the amount of Litigation Trust Interests that each Ordinary Affected Creditor is entitled to receive in accordance with sections 4.1(c) and 4.11(a) hereof;
  - (ii) the Litigation Trustee shall maintain a record of the aggregate amount of all Litigation Trust Interests to which the Noteholders are collectively entitled in accordance with sections 4.1(c) and 4.11(a) hereof, and if cash is distributed from the Litigation Trust to Persons with Litigation Trust Interests, the amount of such cash that is payable to the Noteholders will be distributed through the Distribution Escrow Position (such that each beneficial Noteholder will receive a percentage of such cash distribution that is equal to its entitlement to Litigation Trust Interests (as set forth in section 4.1(c) hereof) as a percentage of all Litigation Trust Interests); and
  - (iii) with respect to any Litigation Trust Interests to be allocated in respect of the Unresolved Claims Reserve, the Litigation Trustee shall record such Litigation Trust Interests in the name of the Unresolved Claims Escrow Agent, for the benefit of the Persons entitled thereto in accordance with

this Plan, which shall be held by the Unresolved Claims Escrow Agent in escrow until released and distributed unless and until otherwise directed by the Monitor in accordance with this Plan;

(b) with respect to the Noteholder Class Action Claimants, the Litigation Trustee shall maintain a record of the aggregate of all Litigation Trust Interests that the Noteholder Class Action Claimants are entitled to receive pursuant to sections 4.4(f) and 4.11(a) hereof, provided that such record shall be maintained in the name of the Noteholder Class Action Representative, to be allocated to individual Noteholder Class Action Claimants in any manner ordered by the applicable Class Action Court, and provided further that if any such Litigation Trust Interests are cancelled in accordance with section 4.11(b) hereof, the Litigation Trustee shall record such cancellation in its registry of Litigation Trust Interests.

#### 5.4 Treatment of Undeliverable Distributions

If any distribution under section 5.2 or section 5.3 of Newco Shares, Newco Notes or Litigation Trust Interests is undeliverable (that is, for greater certainty, that it cannot be properly registered or delivered to the Applicable Affected Creditor because of inadequate or incorrect registration or delivery information or otherwise) (an "Undeliverable Distribution"), it shall be delivered to SFC Escrow Co., which shall hold such Undeliverable Distribution in escrow and administer it in accordance with this section 5.4. No further distributions in respect of an Undeliverable Distribution shall be made unless and until SFC and the Monitor are notified by the applicable Person of its current address and/or registration information, as applicable, at which time the Monitor shall direct SFC Escrow Co, to make all such distributions to such Person, and SFC Escrow Co. shall make all such distributions to such Person. All claims for Undeliverable Distributions must be made on or before the date that is six months following the final Distribution Date, after which date the right to receive distributions under this Plan in respect of such Undeliverable Distributions shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, without any compensation therefore, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions held by SFC Escrow Co. shall be deemed to have been gifted by the owner of the Undeliverable Distribution to Newco or the Litigation Trust, as applicable, without consideration, and, in the case of Newco Shares, Newco Notes and Litigation Trust Interests, shall be cancelled by Newco and the Litigation Trustee, as applicable. Nothing contained in the Plan shall require SFC, the Monitor, SFC Escrow Co. or any other Person to attempt to locate any owner of an Undeliverable Distribution. No interest is payable in respect of an Undeliverable Distribution. Any distribution under this Plan on account of the Notes, other than any distributions in respect of Litigation Trust Interests, shall be deemed made when delivered to DTC or the applicable Trustee, as applicable, for subsequent distribution to the applicable Noteholders in accordance with section 5.2.

## 5.5 Procedure for Distributions Regarding Unresolved Claims

(a) An Affected Creditor that has asserted an Unresolved Claim will not be entitled to receive a distribution under the Plan in respect of such Unresolved Claim or any portion thereof unless and until such Unresolved Claim becomes a Proven Claim.

- (b) Distributions in respect of any Unresolved Claim in existence at the Plan Implementation Date will be held in escrow by the Unresolved Claims Escrow Agent in the Unresolved Claims Reserve until settlement or final determination of the Unresolved Claim in accordance with the Claims Procedure Order, the Meeting Order or this Plan, as applicable.
- (c) To the extent that Unresolved Claims become Proven Claims or are finally disallowed, the Unresolved Claims Escrow Agent shall release from escrow and deliver (or in the case of Litigation Trust Interests, cause to be registered) the following from the Unresolved Claims Reserve (on the next Distribution Date, as determined by the Monitor with the consent of SFC and the Initial Consenting Noteholders):
  - (i) in the case of Affected Creditors whose Unresolved Claims are ultimately determined, in whole or in part, to be Proven Claims, the Unresolved Claims Escrow Agent shall release from escrow and deliver to such Affected Creditor that number of Newco Shares, Newco Notes and Litigation Trust Interests (and any income or proceeds therefrom) that such Affected Creditor is entitled to receive in respect of its Proven Claim pursuant to section 4.1 hereof:
  - (ii) in the case of Affected Creditors whose Unresolved Claims are ultimately determined, in whole or in part, to be disallowed, the Unresolved Claims Escrow Agent shall release from escrow and deliver to all Affected. Creditors with Proven Claims the number of Newco Shares, Newco Notes and Litigation Trust Interests (and any income or proceeds therefrom) that had been reserved in the Unresolved Claims Reserve for such Affected Creditor whose Unresolved Claims has been disallowed, Claims such that, following such delivery, all of the Affected Creditors with Proven Claims have received the amount of Newco Shares, Newco Notes and Litigation Trust Interests that they are entitled to receive pursuant to section 4.1 hereof, which delivery shall be effected in accordance with sections 5.2 and 5.3 hereof.
- (d) As soon as practicable following the date that all Unresolved Claims have been finally resolved and any required distributions contemplated in section 5.5(c) have been made, the Unresolved Claims Escrow Agent shall distribute (or in the case of Litigation Trust Interests, cause to be registered) any Litigation Trust Interests, Newco Shares and Newco Notes (and any income or proceeds therefrom), as applicable, remaining in the Unresolved Claims Reserve to the Affected Creditors with Proven Claims such that after giving effect to such distributions each such Affected Creditor has received the amount of Litigation Trust Interests, Newco Shares and Newco Notes that it is entitled to receive pursuant to section 4.1 hereof.
- (e) During the time that Newco Shares, Newco Notes and/or Litigation Trust Interests are held in escrow in the Unresolved Claims Reserve, any income or proceeds

received therefrom or accruing thereon shall be added to the Unresolved Claims Reserve by the Unresolved Claims Escrow Agent and no Person shall have any right to such income or proceeds until such Newco Shares, Newco Notes or Litigation Trust Interests, as applicable, are distributed (or in the case of Litigation Trust Interests, registered) in accordance with section 5.5(c) and 5.5(d) hereof, at which time the recipient thereof shall be entitled to any applicable income or proceeds therefrom.

- (f) The Unresolved Claims Escrow Agent shall have no beneficial interest or right in the Unresolved Claims Reserve. The Unresolved Claims Escrow Agent shall not take any step or action with respect to the Unresolved Claims Reserve or any other matter without the consent or direction of the Monitor or the direction of the Court. The Unresolved Claims Escrow Agent shall forthwith, upon receipt of an Order of the Court or instruction of the Monitor directing the release of any Newco Shares, Newco Notes and/or Litigation Trust Interests from the Unresolved Claims Reserve, comply with any such Order or instruction.
- (g) Nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek or obtain an Order, whether before or after the Plan Implementation Date, directing that any Unresolved Claims should be disallowed in whole or in part or that such Unresolved Claims should receive the same or similar treatment as is afforded to Equity Claims under the terms of this Plan.
- (h) Persons with Unresolved Claims shall have standing in any proceeding in respect of the determination or status of any Unresolved Claim, and Goodmans LLP (in its capacity as counsel to the Initial Consenting Noteholders) shall have standing in any such proceeding on behalf of the Initial Consenting Notheolders (in their capacity as Affected Creditors with Proven Claims).

#### 5.6 Tax Refunds

Any input tax credits or tax refunds received by or on behalf of SFC after the Effective Time shall, immediately upon receipt thereof, be paid directly by, or on behalf of, SFC to Newco without consideration.

## 5.7 Final Distributions from Reserves

- (a) If there is any cash remaining in: (i) the Unaffected Claims Reserve on the date that all Unaffected Claims have been finally paid or otherwise discharged and/or (ii) the Administration Charge Reserve on the date that all Claims secured by the Administration Charge have been finally paid or otherwise discharged, the Monitor shall, in each case, forthwith transfer all such remaining cash to the Monitor's Post-Implementation Reserve.
- (b) The Monitor will not terminate the Monitor's Post-Implementation Reserve prior to the termination of each of the Unaffected Claims Reserve and the Administration Charge Reserve. The Monitor may, at any time, from time to time

and at its sole discretion, release amounts from the Monitor's Post-Implementation Reserve to Newco. Goodmans LLP (in its capacity as counsel to the Initial Consenting Noteholders) shall be permitted to apply for an Order of the Court directing the Monitor to make distributions from the Monitor's Post-Implementation Reserve. Once the Monitor has determined that the cash remaining in the Monitor's Post-Implementation Reserve is no longer necessary for administering SFC or the Claims Procedure, the Monitor shall forthwith transfer any such remaining cash (the "Remaining Post-Implementation Reserve Amount") to Newco.

# 5.8 Other Payments and Distributions

All other payments and distributions to be made pursuant to this Plan shall be made in the manner described in this Plan, the Sanction Order or any other Order, as applicable.

# 5.9 Note Indentures to Remain in Effect Solely for Purpose of Distributions

Following completion of the steps in the sequence set forth in section 6.4, all debentures, indentures, notes (including the Notes), certificates, agreements, invoices and other instruments evidencing Affected Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be cancelled and will be null and void. Any and all obligations of SFC and the Subsidiaries under and with respect to the Notes, the Note Indentures and any guarantees or indemnities with respect to the Notes or the Note Indentures shall be terminated and cancelled on the Plan Implementation Date and shall not continue beyond the Plan Implementation Date. Notwithstanding the foregoing and anything to the contrary in the Plan, the Note Indentures shall remain in effect solely for the purpose of and only to the extent necessary to allow the Trustees to make distributions to Noteholders on the Initial Distribution Date and, as necessary, each subsequent Distribution Date thereafter, and to maintain all of the rights and protections afforded to the Trustees as against the Noteholders under the applicable Note Indentures, including their lien rights with respect to any distributions under this Plan, until all distributions provided for hereunder have been made to the Noteholders. The obligations of the Trustees under or in respect of this Plan shall be solely as expressly set out herein. Without limiting the generality of the releases, injunctions and other protections afforded to the Trustees under this Plan and the applicable Note Indentures, the Trustees shall have no liability whatsoever to any Person resulting from the due performance of their obligations hereunder, except if such Trustee is adjudged by the express terms of a non-appealable judgment rendered on a final determination on the merits to have committed gross negligence or wilful misconduct in respect of such matter.

## 5.10 Assignment of Claims for Distribution Purposes

## (a) Assignment of Claims by Ordinary Affected Creditors

Subject to any restrictions contained in Applicable Laws, an Ordinary Affected Creditor may transfer or assign the whole of its Affected Claim after the Meeting provided that neither SFC nor Newco nor Newco II nor the Monitor nor the Unresolved Claims Escrow Agent shall be obliged to make distributions to any such transferee or assignee or otherwise deal with such

transferee or assignee as an Ordinary Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and such other documentation as SFC and the Monitor may reasonably require, has been received by SFC and the Monitor on or before the Plan Implementation Date, or such other date as SFC and the Monitor may agree, failing which the original transferor shall have all applicable rights as the "Ordinary Affected Creditor" with respect to such Affected Claim as if no transfer of the Affected Claim had occurred. Thereafter, such transferee or assignee shall, for all purposes in accordance with this Plan, constitute an Ordinary Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignments of Claims. For greater certainty, SFC shall not recognize partial transfers or assignments of Claims.

## (b) Assignment of Notes

Only those Noteholders who have beneficial ownership of one or more Notes as at the Distribution Record Date shall be entitled to receive a distribution under this Plan on the Initial Distribution Date or any Distribution Date. Noteholders who have beneficial ownership of Notes shall not be restricted from transferring or assigning such Notes prior to or after the Distribution Record Date (unless the Distribution Record Date is the Plan Implementation Date), provided that if such transfer or assignment occurs after the Distribution Record Date, neither SFC nor Newco nor Newco II nor the Monitor nor the Unresolved Claims Escrow Agent shall have any obligation to make distributions to any such transferee or assignee of Notes in respect of the Claims associated therewith, or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof. Noteholders who assign or acquire Notes after the Distribution Record Date shall be wholly responsible for ensuring that Plan distributions in respect of the Claims associated with such Notes are in fact delivered to the assignee, and the Trustees shall have no liability in connection therewith.

#### 5.11 Withholding Rights

SFC, Newco, Newco II, the Monitor, the Litigation Trustee, the Unresolved Claims Escrow Agent and/or any other Person making a payment contemplated herein shall be entitled to deduct and withhold from any consideration payable to any Person such amounts as it is required to deduct and withhold with respect to such payment under the Canadian Tax Act, the United States Internal Revenue Code of 1986 or any provision of federal, provincial, territorial, state, local or foreign Tax laws, in each case, as amended. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate Taxing Authority. To the extent that the amounts so required or permitted to be deducted or withheld from any payment to a Person exceed the cash portion of the consideration otherwise payable to that Person: (i) the payor is authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to enable it to comply with such deduction or withholding requirement or entitlement, and the payor shall notify the applicable Person thereof and remit to such Person any unapplied balance of the net proceeds of such sale; or (ii) if such sale is not reasonably possible, the payor shall not be required to make such excess payment until the Person has directly satisfied any such withholding obligation and provides evidence thereof to the payor.

## 5.12 Fractional Interests

No fractional interests of Newco Shares or Newco Notes ("Fractional Interests") will be issued under this Plan. For purposes of calculating the number of Newco Shares and Newco Notes to be issued by Newco pursuant to this Plan, recipients of Newco Shares or Newco Notes will have their entitlements adjusted downwards to the nearest whole number of Newco Shares or Newco Notes, as applicable, to eliminate any such Fractional Interests and no compensation will be given for the Fractional Interest.

## 5.13 Further Direction of the Court

The Monitor shall, in its sole discretion, be entitled to seek further direction of the Court, including a plan implementation order, with respect to any matter relating to the implementation of the plan including with respect to the distribution mechanics and restructuring transaction as set out in Articles 5 and 6 of this Plan.

# ARTICLE 6 RESTRUCTURING TRANSACTION

# 6.1 Corporate Actions

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of SFC will occur and be effective as of the Plan Implementation Date, other than such matters occurring on the Equity Cancellation Date which will occur and be effective on such date, and in either case will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, Directors or Officers of SFC. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of SFC, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be deemed to be effective and shall have no force and effect, provided that, subject to sections 12.6 and 12.7 hereof, where any matter expressly requires the consent or approval of SFC, the Initial Consenting Noteholders or SFC's board of directors pursuant to this Plan, such consent or approval shall not be deemed to be given unless actually given.

# 6.2 Incorporation of Newco and Newco II

(a) Newco shall be incorporated prior to the Plan Implementation Date. Newco shall be authorized to issue an unlimited number of Newco Shares and shall have no restrictions on the number of its shareholders. At the time that Newco is incorporated, Newco shall issue one Newco Share to the Initial Newco Shareholder, as the sole shareholder of Newco, and the Initial Newco Shareholder shall be deemed to hold the Newco Share for the purpose of facilitating the

Restructuring Transaction. For greater certainty, the Initial Newco Shareholder shall not hold such Newco Share as agent of or for the benefit of SFC, and SFC shall have no rights in relation to such Newco Share. Newco shall not carry on any business or issue any other Newco Shares or other securities until the Plan Implementation Date, and then only in accordance with section 6.4 hereof. The Initial Newco Shareholder shall be deemed to have no liability whatsoever for any matter pertaining to its status as the Initial Newco Shareholder, other than its obligations under this Plan to act as the Initial Newco Shareholder.

(b) Newco II shall be incorporated prior to the Plan Implementation Date as a whollyowned subsidiary of Newco. The memorandum and articles of association of Newco II will be in a form customary for a wholly-owned subsidiary under the applicable jurisidiction and the initial board of directors of Newco II will consist of the same Persons appointed as the directors of Newco on or prior to the Plan Implementation Date.

# 6.3 Incorporation of SFC Escrow Co.

SFC Escrow Co. shall be incorporated prior to the Plan Implementation Date. SFC Escrow Co. shall be incorporated under the laws of the Cayman Islands, or such other jurisdiction as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders. The sole director of SFC Escrow Co. shall be Codan Services (Cayman) Limited, or such other Person as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders. At the time that SFC Escrow Co. is incorporated, SFC Escrow Co. shall issue one share (the "SFC Escrow Co. Share") to SFC, as the sole shareholder of SFC Escrow Co. and SFC shall be deemed to hold the SFC Escrow Co. Share for the purpose of facilitating the Restructuring Transaction, SFC Escrow Co. shall have no assets other than any assets that it is required to hold in escrow pursuant to the terms of this Plan, and it shall have no liabilities other than its obligations as set forth in this Plan. SFC Escrow Co. shall not carry on any business or issue any shares or other securities (other than the SFC Escrow Co. Share). The sole activity and function of SFC Escrow Co. shall be to perform the obligations of the Unresolved Claims Escrow Agent as set forth in this Plan and to administer Undeliverable Distributions as set forth in section 5.4 of this Plan. SFC Escrow Co. shall not make any sale, distribution, transfer or conveyance of any Newco Shares, Newco Notes or any other assets or property that it holds unless it is directed to do so by an Order of the Court or by a written direction from the Monitor, in which case SFC Escrow Co. shall promptly comply with such Order of the Court or such written direction from the Monitor. SFC shall not sell, transfer or convey the SFC Escrow Co. Share nor effect or cause to be effected any liquidation, dissolution, merger or other corporate reorganization of SFC Escrow Co. unless it is directed to do so by an Order of the Court or by a written direction from the Monitor, in which case SFC shall promptly comply with such Order of the Court or such written direction from the Monitor. SFC Escrow Co. shall not exercise any voting rights (including any right to vote at a meeting of shareholders or creditors held or in any written resolution) in respect of Newco Shares or Newco Notes held in the Unresolved Claims Reserve. SFC Escrow Co. shall not be entitled to receive any compensation for the performance of its obligations under this Plan.

## 6.4 Plan Implementation Date Transactions

The following steps and compromises and releases to be effected shall occur, and be deemed to have occurred in the following manner and order (sequentially, each step occurring five minutes apart, except that within such order steps (a) to (f) (Cash Payments) shall occur simultaneously and steps (t) to (w) (Releases) shall occur simultaneously) without any further act or formality, on the Plan Implementation Date beginning at the Effective Time (or in such other manner or order or at such other time or times as SFC, the Monitor and the Initial Consenting Noteholders may agree):

# Cash Payments and Satisfaction of Lien Claims

- (a) SFC shall pay required funds to the Monitor for the purpose of funding the Unaffected Claims Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of paying the Unaffected Claims pursuant to the Plan.
- (b) SFC shall pay the required funds to the Monitor for the purpose of funding the Administration Charge Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of paying Unaffected Claims secured by Administration Charge.
- (c) SFC shall pay the required funds to the Monitor for the purpose of funding the Monitor's Post-Implementation Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of administering SFC, as necessary, from and after the Plan Implementation Date.
- SFC shall pay to the Noteholder Advisors and the Initial Consenting Noteholders, (d) as applicable, each such Person's respective portion of the Expense Reimbursement. SFC shall pay all fees and expenses owing to each of the SFC Advisors, the advisors to the current Board of Directors of SFC, Chandler Fraser Keating Limited and Spencer Stuart and SFC or any of the Subsidiaries shall pay all fees and expenses owing to each of Indufor Asia Pacific Limited and Stewart Murray (Singapore) Pte. Ltd. If requested by the Monitor (with the consent of the Initial Consenting Noteholders) no more than 10 days prior to the Plan Implementation Date and provided that all fees and expenses set out in all previous invoices rendered by the applicable Person to SFC have been paid, SFC and the Subsidiaries, as applicable, shall, with respect to the final one or two invoices rendered prior to the Plan Implementation Date, pay any such fees and expenses to such Persons for all work up to and including the Plan Implementation Date (including any reasonable estimates of work to be performed on the Plan Implementation Date) first by applying any such monetary retainers currently held by such Persons and then by paying any remaining halance in cash.
- (e) If requested by the Monitor (with the consent of the Initial Consenting Noteholders) prior to the Plan Implementation Date, any Person with a monetary retainer from SFC that remains outstanding following the steps and payment of all

fees and expenses set out in section 6.4(d) hereof shall pay to SFC in cash the full amount of such remaining retainer, less any amount permitted by the Monitor (with the Consent of the Initial Consenting Noteholders and after prior discussion with the applicable Person as to any remaining work that may reasonably be required) to remain as a continuing monetary retainer in connection with completion of any remaining work after the Plan Implementation Date that may be requested by the Monitor, SFC or the Initial Consenting Noteholders (each such continuing monetary retainer being a "Permitted Continuing Retainer"). Such Persons shall have no duty or obligation to perform any further work or tasks in respect of SFC unless such Persons are satisfied that they are holding adequate retainers or other security or have received payment to compensate them for all fees and expenses in respect of such work or tasks. The obligation of such Persons to repay the remaining amounts of any monetary retainers (including the unused portions of any Permitted Continuing Retainers) and all cash received therefrom shall constitute SFC Assets.

(f) The Lien Claims shall be satisfied in accordance with section 4.2(c) hereof.

# Transaction Steps

- (g) All accrued and unpaid interest owing on, or in respect of, or as part of, Affected Creditor Claims (including any Accrued Interest on the Notes and any interest accruing on the Notes or any Ordinary Affected Creditor Claim after the Filing Date) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred for no consideration, and from and after the occurrence of this step, no Person shall have any entitlement to any such accrued and unpaid interest.
- (h) All of the Affected Creditors shall be deemed to assign, transfer and convey to Newco all of their Affected Creditor Claims, and from and after the occurrence of this step, Newco shall be the legal and beneficial owner of all Affected Creditor Claims. In exchange for the assignment, transfer and conveyance of the Affected Creditor Claims to Newco:
  - (i) with respect to Affected Creditor Claims that are Proven Claims at the Effective Time:
    - (A) Newco shall issue to each applicable Affected Creditor the number of Newco Shares that each such Affected Creditor is entitled to receive in accordance with section 4.1(a) hereof;
    - (B) Newco shall issue to each applicable Affected Creditor the amount of Newco Notes that each such Affected Creditor is entitled to receive in accordance with section 4.1(b) hereof;
    - (C) Newco shall issue to each of the Early Consent Noteholders the number of Newco Shares that each such Early Consent Noteholder is entitled to receive pursuant to section 4.3 hereof;

- (D) such Affected Creditors shall be entitled to receive the Litigation Trust Interests to be acquired by Newco in section 6.4(q) hereof, following the establishment of the Litigation Trust;
- (E) such Affected Creditors shall be entitled to receive, at the time or times contemplated in sections 5.5(c) and 5.5(d) hereof, the Newco Shares, Newco Notes and Litigation Trust Interests that are subsequently distributed to (or in the case of Litigation Trust Interests registered for the benefit of) Affected Creditors with Proven Claims pursuant to sections 5.5(c) and 5.5(d) hereof (if any),

and all such Newco Shares and Newco Notes shall be distributed in the manner described in section 5.2 hereof; and

- (ii) with respect to Affected Creditor Claims that are Unresolved Claims as at the Effective Time, Newco shall issue in the name of the Unresolved Claims Escrow Agent, for the benefit of the Persons entitled thereto under the Plan, the Newco Shares and the Newco Notes that would have been distributed to the applicable Affected Creditors in respect of such Unresolved Claims if such Unresolved Claims had been Proven Claims at the Effective Time; such Newco Shares, Newco Notes and Litigation Trust Interests acquired by Newco in section 6.4(q) and assigned to and registered in the name of the Unresolved Claims Escrow Agent in accordance with section 6.4(r) shall comprise part of the Unresolved Claims Reserve and the Unresolved Claims Escrow Agent shall hold all such Newco Shares, Newco Notes and Litigation Trust Interests in escrow for the benefit of those Persons entitled to receive distributions thereof pursuant to the Plan.
- (i) The initial Newco Share in the capital of Newco held by the Initial Newco Shareholder shall be redeemed and cancelled for no consideration.
- (j) SFC shall be deemed to assign, transfer and convey to SFC Barbados those SFC Intercompany Claims and/or Equity Interests in one or more Direct Subsidiaries as agreed to by SFC and the Initial Consenting Noteholders prior to the Plan Implementation Date (the "Barbados Property") first in full repayment of the Barbados Loans and second, to the extent the fair market value of the Barbados Property exceeds the amount owing under the Barbados Loans, as a contribution to the capital of SFC Barbados by SFC. Immediately after the time of such assignment, transfer and conveyance, the Barbados Loans shall be considered to be fully paid by SFC and no longer outstanding.
- (k) SFC shall be deemed to assign, transfer and convey to Newco all shares and other Equity Interests (other than the Barbados Property) in the capital of (i) the Direct Subsidiaries and (ii) any other Subsidiaries that are directly owned by SFC immediately prior to the Effective Time, other than SFC Escrow Co. (all such

shares and other equity interests being the "Direct Subsidiary Shares") for a purchase price equal to the fair market value of the Direct Subsidiary Shares and, in consideration therefor, Newco shall be deemed to pay to SFC consideration equal to the fair market value of the Direct Subsidiary Shares, which consideration shall be comprised of a U.S. dollar denominated demand non-interest-bearing promissory note issued to SFC by Newco having a principal amount equal to the fair market value of the Direct Subsidiary Shares (the "Newco Promissory Note 1"). At the time of such assignment, transfer and conveyance, all prior rights that Newco had to acquire the Direct Subsidiary Shares, under the Plan or otherwise, shall cease to be outstanding. For greater certainty, SFC shall not assign, transfer or convey the SFC Escrow Co. Share, and the SFC Escrow Co. Share shall remain the property of SFC.

- (I) If the Initial Consenting Noteholders and SFC agree prior to the Plan Implementation Date, there will be a set-off of any SFC Intercompany Claim so agreed against a Subsidiary Intercompany Claim owing between SFC and the same Subsidiary. In such case, the amounts will be set-off in repayment of both claims to the extent of the lesser of the two amounts, and the excess (if any) shall continue as an SFC Intercompany Claim or a Subsidiary Intercompany Claim, as applicable.
- (m) SFC shall be deemed to assign, transfer and convey to Newco all SFC Intercompany Claims (other than the SFC Intercompany Claims transferred to SFC Barbados in section 6.4(j) hereof or set-off pursuant to section 6.4(l) hereof) for a purchase price equal to the fair market value of such SFC Intercompany Claims and, in consideration therefor, Newco shall be deemed to pay SFC consideration equal to the fair market value of the SFC Intercompany Claims, which consideration shall be comprised of the following: (i) the assumption by Newco of all of SFC's obligations to the Subsidiaries in respect of Subsidiary Intercompany Claims (other than the Subsidiary Intercompany Claims set-off pursuant to section 6.4(l) hereof); and (ii) if the fair market value of the transferred SFC Intercompany Claims exceeds the fair market value of the assumed Subsidiary Intercompany Claims, Newco shall issue to SFC a U.S. dollar denominated demand non-interest-bearing promissory note having a principal amount equal to such excess (the "Newco Promissory Note 2").
- (n) SFC shall be deemed to assign, transfer and convey to Newco all other SFC Assets (namely, all SFC Assets other than the Direct Subsidiary Shares and the SFC Intercompany Claims (which shall have already been transferred to Newco in accordance with sections 6.4(k) and 6.4(m) hereof)), for a purchase price equal to the fair market value of such other SFC Assets and, in consideration therefor, Newco shall be deemed to pay to SFC consideration equal to the fair market value of such other SFC Assets, which consideration shall be comprised of a U.S. dollar denominated demand non-interest-bearing promissory note issued to SFC by Newco having a principal amount equal to the fair market value of such other SFC Assets (the "Newco Promissory Note 3").

- (o) SFC shall establish the Litigation Trust and SFC and the Trustees (on behalf of the Noteholders) shall be deemed to convey, transfer and assign to the Litigation Trustee all of their respective rights, title and interest in and to the Litigation Trust Claims. SFC shall advance the Litigation Funding Amount to the Litigation Trustee for use by the Litigation Trustee in prosecuting the Litigation Trust Claims in accordance with the Litigation Trust Agreement, which advance shall be deemed to create a non-interest bearing receivable from the Litigation Trustee in favour of SFC in the amount of the Litigation Funding Amount (the "Litigation Funding Receivable"). The Litigation Funding Amount and Litigation Trust Claims shall be managed by the Litigation Trustee in accordance with the terms and conditions of the Litigation Trust Agreement.
- (p) The Litigation Trust shall be deemed to be effective from the time that it is established in section 6.4(o) hereof. Initially, all of the Litigation Trust Interests shall be held by SFC. Immediately thereafter, SFC shall assign, convey and transfer a portion of the Litigation Trust Interests to the Noteholder Class Action Claimants in accordance with the allocation set forth in section 4.11 hereof.
- (q) SFC shall settle and discharge the Affected Creditor Claims by assigning Newco Promissory Note 1, Newco Promissory Note 2 and Newco Promissory Note 3 (collectively, the "Newco Promissory Notes"), the Litigation Funding Receivable and the remaining Litigation Trust Interests held by SFC to Newco. Such assignment shall constitute payment, by set-off, of the full principal amount of the Newco Promissory Notes and of a portion of the Affected Creditor Claims equal to the aggregate principal amount of the Newco Promissory Notes, the Litigation Trust Receivable and the fair market value of the Litigation Trust Interests so transferred (with such payment being allocated first to the Noteholder Claims and then to the Ordinary Affected Creditor Claims). As a consequence thereof:
  - (i) Newco shall be deemed to discharge and release SFC of and from all of SFC's obligations to Newco in respect of the Affected Creditor Claims, and all of Newco's rights against SFC of any kind in respect of the Affected Creditor Claims shall thereupon be fully, finally, irrevocably and forever compromised, released, discharged and cancelled; and
  - (ii) SFC shall be deemed to discharge and release Newco of and from all of Newco's obligations to SFC in respect of the Newco Promissory Notes, and the Newco Promissory Notes and all of SFC's rights against Newco in respect thereof shall thereupon be fully, finally, irrevocably and forever released, discharged and cancelled.
- (r) Newco shall cause a portion of the Litigation Trust Interests it acquired in section 6.4(q) hereof to be assigned to and registered in the name of the Affected Creditors with Proven Claims as contemplated in section 6.4(h), and with respect to any Affected Creditor Claims that are Unresolved Claims as at the Effective Time, the remaining Litigation Trust Interests held by Newco that would have been allocated to the applicable Affected Creditors in respect of such Unresolved

Claims if such Unresolved Claims had been Proven Claims at the Effective Time shall be assigned and registered by the Litigation Trustee to the Unresolved Claims Escrow Agent and in the name of the Unresolved Claims Escrow Agent, in escrow for the benefit of Persons entitled thereto, and such Litigation Trust Interests shall comprise part of the Unresolved Claims Reserve. The Litigation Trustee shall record entitlements to the Litigation Trust Interests in the manner set forth in section 5.3.

## Cancellation of Instruments and Guarantees

(s) Subject to section 5.9 hereof, all debentures, indentures, notes, certificates, agreements, invoices, guarantees, pledges and other instruments evidencing Affected Claims, including the Notes and the Note Indentures, will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and shall be cancelled and will thereupon be null and void. The Trustees shall be directed by the Court and shall be deemed to have released, discharged and cancelled any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures.

#### Releases

(t) Each of Newco and Newco II shall be deemed to have no liability or obligation of any kind whatsoever for: any Claim (including, notwithstanding anything to the contrary herein, any Unaffected Claim); any Affected Claim (including any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Section 5.1(2) D&O Claim; any Conspiracy Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares or other Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing, provided only that Newco shall assume SFC's obligations to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims pursuant to section 6.4(1) hereof and Newco II shall assume Newco's obligations to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims pursuant to section 6.4(x) hereof.

- (u) Each of the Charges shall be discharged, released and cancelled.
- (v) The releases and injunctions referred to in Article 7 of the Plan shall become effective in accordance with the Plan.
- (w) Any contract defaults arising as a result of the CCAA Proceedings and/or the implementation of the Plan (including, notwithstanding anything to the contrary herein, any such contract defaults in respect of the Unaffected Claims) shall be deemed to be cured.

#### Newco II

(x) Newco shall be deemed to assign, transfer and convey to Newco II all of Newco's right, title and interest in and to all of its properties, assets and rights of every kind and description (namely the SFC Assets acquired by Newco pursuant to the Plan) for a purchase price equal to the fair market value thereof and, in consideration therefor, Newco II shall be deemed to pay to Newco consideration equal to the fair market value of such properties, assets and rights (the "Newco II Consideration"). The Newco II Consideration shall be comprised of: (i) the assumption by Newco II of any and all indebtedness of Newco other than the indebtedness of Newco in respect of the Newco Notes (namely, any indebtedness of Newco in respect of the Subsidiary Intercompany Claims); and (ii) the issuance to Newco of that number of common shares in Newco II as is necessary to ensure that the value of the Newco II Consideration is equal to the fair market value of the properties, assets and rights conveyed by Newco to Newco II pursuant to this section 6.4(x).

## 6.5 Cancellation of Existing Shares and Equity Interests

Unless otherwise agreed between the Monitor, SFC and the Initial Consenting Noteholders, on the Equity Cancellation Date all Existing Shares and Equity Interests shall be fully, finally and irrevocably cancelled, and the following steps will be implemented pursuant to the Plan as a plan of reorganization under section 191 of the CBCA, to be effected by articles of reorganization to be filed by SFC, subject to the receipt of any required approvals from the Ontario Securities Commission with respect to the trades in securities contemplated by the following:

- (a) SFC will create a new class of common shares to be called Class A common shares that are equivalent to the current Existing Shares except that they carry two votes per share;
- (b) SFC will amend the share conditions of the Existing Shares to provide that they are cancellable for no consideration at such time as determined by the board of directors of SFC;
- (c) prior to the cancellation of the Existing Shares, SFC will issue for nominal consideration one Class A common share of SFC to the SFC Continuing Shareholder;

- (d) SFC will cancel the Existing Shares for no consideration on the Equity Cancellation Date; and
- (e) SFC will apply to Canadian securities regulatory authorities for SFC to cease to be a reporting issuer effective immediately before the Effective Time.

Unless otherwise agreed by SFC, the Monitor and the Initial Consenting Noteholders or as otherwise directed by Order of the Court, SFC shall maintain its corporate existence at all times from and after the Plan Implementation Date until the later of the date: (i) on which SFC Escrow Co. has completed all of its obligations as Unresolved Claims Escrow Agent under this Plan; (ii) on which SFC escrow Co. no longer holds any Undeliverable Distributions delivered to it in accordance with the section 5.4 hereof; and (iii) as determined by the Litigation Trustee.

# 6.6 Transfers and Vesting Free and Clear

- (a) All of the SFC Assets (including for greater certainty the Direct Subsidiary Shares, the SFC Intercompany Claims and all other SFC Assets assigned. transferred and conveyed to Newco and/or Newco II pursuant to section 6.4) shall be deemed to vest absolutely in Newco or Newco II, as applicable, free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims, Non-Released D&O Claims, Affected Claims, Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, Causes of Action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. Any Encumbrances or claims affecting, attaching to or relating to the SFC Assets in respect of the foregoing shall be deemed to be irrevocably expunged and discharged as against the SFC Assets, and no such Encumbrances or claims shall be pursued or enforceable as against Newco or Newco II. For greater certainty, with respect to the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries: (i) the vesting free and clear in Newco and/or Newco II, as applicable, and the expunging and discharging that occurs by operation of this paragraph shall only apply to SFC's ownership interests in the Subsidiaries, Greenheart and Greenheart's subsidiaries; and (ii) except as provided for in the Plan (including this section 6.6(a) and sections 4.9(g), 6.4(k), 6.4(l) and 6.4(m) hereof and Article 7 hereof) and the Sanction Order, the assets, liabilities, business and property of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries shall remain unaffected by the Restructuring Transaction.
- (b) Any issuance, assignment, transfer or conveyance of any securities, interests, rights or claims pursuant to the Plan, including the Newco Shares, the Newco Notes and the Affected Creditor Claims, will be free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Affected

Claims, Section 5.1(2) D&O Claims; Conspiracy Claims; Continuing Other D&O Claims, Non-Released D&O Claims; Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, Causes of Action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. For greater certainty, with respect to the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries: (i) the vesting free and clear in Newco and Newco II that occurs by operation of this paragraph shall only apply to SFC's direct and indirect ownership interests in the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries; and (ii) except as provided for in the Plan (including section 6.6(a) and sections 4.9(g), 6.4(k), 6.4(l) and 6.4(m) hereof and Article 7 hereof) and the Sanction Order, the assets, liabilities, business and property of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries shall remain unaffected by the Restructuring Transaction.

# ARTICLE 7 RELEASES

## 7.1 Plan Releases

Subject to 7.2 hereof, all of the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date:

- all Affected Claims, including all Affected Creditor Claims, Equity Claims, D&O Claims (other than Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims and Non-Released D&O Claims), D&O Indemnity Claims (except as set forth in section 7.1(d) hereof) and Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims);
- (b) all Claims of the Ontario Securities Commission or any other Governmental Entity that have or could give rise to a monetary liability, including fines, awards, penalties, costs, claims for reimbursement or other claims having a monetary value;
- all Class Action Claims (including the Noteholder Class Action Claims) against SFC, the Subsidiaries or the Named Directors or Officers of SFC or the Subsidiaries (other than Class Action Claims that are Section 5.1(2) D&O Claims, Conspiracy Claims or Non-Released D&O Claims);
- (d) all Class Action Indemnity Claims (including related D&O Indemnity Claims), other than any Class Action Indemnity Claim by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (including any D&O Indemnity Claim in that respect), which shall be limited to the Indemnified Noteholder Class Action Limit pursuant to the releases set out in section 7.1(f) hereof and the injunctions set out in section 7.3 hereof;

- (e) any portion or amount of liability of the Third Party Defendants for the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all Indemnified Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;
- (f) any portion or amount of liability of the Underwriters for the Noteholder Class Action Claims (other than any Noteholder Class Action Claims against the Underwriters for fraud or criminal conduct) (on a collective, aggregate basis in reference to all such Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;
- (g) any portion or amount of, or liability of SFC for, any Class Action Indemnity Claims by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all such Class Action Indemnity Claims together) to the extent that such Class Action Indemnity Claims exceed the Indemnified Noteholder Class Action Limit;
- (h) any and all Excluded Litigation Trust Claims;
- (i) any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the ad hoc committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including members of any committee or governance council), partner or employee of any of the foregoing, for or in connection with or in any way relating to: any Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims); Affected Claims; Section 5.1(2) D&O Claims; Conspiracy Claims; Continuing Other D&O Claims; Non-Released D&O Claims; Class Action Claims; Class Action Indemnity Claims; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, claims for contribution, share pledges or Encumbrances related to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries;
- (j) any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the ad hoc committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, the Named Directors and Officers, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including members of any committee or governance council), partner or employee of any of the foregoing, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation

Date (or, with respect to actions taken pursuant to the Plan after the Plan Implementation Date, the date of such actions) in any way relating to, arising out of, leading up to, for, or in connection with the CCAA Proceeding, RSA, the Restructuring Transaction, the Plan, any proceedings commenced with respect to or in connection with the Plan, or the transactions contemplated by the RSA and the Plan, including the creation of Newco and/or Newco II and the creation, issuance or distribution of the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, provided that nothing in this paragraph shall release or discharge any of the Persons listed in this paragraph from or in respect of any obligations any of them may have under or in respect of the RSA, the Plan or under or in respect of any of Newco, Newco II, the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, as the case may be;

- any and all Causes of Action against the Subsidiaries for or in connection with (k) any Claim (including, notwithstanding anything to the contrary herein, any Unaffected Claim); any Affected Claim (including any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Section 5.1(2) D&O Claim; any Conspiracy Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any indemnification obligation to Directors or Officers of SFC or the Subsidiaries pertaining to SFC, the Notes, the Note Indentures, the Existing Shares, the Equity Interests, any other securities of SFC or any other right, claim or liability for or in connection with the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC (whenever or however conducted), the administration and/or management of SFC, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing;
- (I) all Subsidiary Intercompany Claims as against SFC (which are assumed by Newco and then Newco II pursuant to the Plan);
- (m) any entitlements of Ernst & Young to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan;

- (n) any entitlements of the Named Third Party Defendants to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan; and
- (o) any entitlements of the Underwriters to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan.

#### 7.2 Claims Not Released

Notwithstanding anything to the contrary in section 7.1 hereof, nothing in this Plan shall waive, compromise, release, discharge, cancel or bar any of the following:

- (a) SFC of its obligations under the Plan and the Sanction Order;
- (b) SFC from or in respect of any Unaffected Claims (provided that recourse against SFC in respect of Unaffected Claims shall be limited in the manner set out in section 4.2 hereof);
- (c) any Directors or Officers of SFC or the Subsidiaries from any Non-Released D&O Claims, Conspiracy Claims or any Section 5.1(2) D&O Claims, provided that recourse against the Named Directors or Officers of SFC in respect of any Section 5.1(2) D&O Claims and any Conspiracy Claims shall be limited in the manner set out in section 4.9(e) hereof;
- (d) any Other Directors and/or Officers from any Continuing Other D&O Claims, provided that recourse against the Other Directors and/or Officers in respect of the Indemnified Noteholder Class Action Claims shall be limited in the manner set out in section 4.4(b)(i) hereof;
- (e) the Third Party Defendants from any claim, liability or obligation of whatever nature for or in connection with the Class Action Claims, provided that the maximum aggregate liability of the Third Party Defendants collectively in respect of the Indemnified Noteholder Class Action Claims shall be limited to the Indemnified Noteholder Class Action Limit pursuant to section 4.4(b)(i) hereof and the releases set out in sections 7.1(e) and 7.1(f) hereof and the injunctions set out in section 7.3 hereof;
- (f) Newco II from any liability to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims assumed by Newco II pursuant to section 6.4(x) hereof;
- (g) the Subsidiaries from any liability to Newco II in respect of the SFC Intercompany Claims conveyed to Newco II pursuant to section 6.4(x) hereof;
- (h) SFC of or from any investigations by or non-monetary remedies of the Ontario Securities Commission, provided that, for greater certainty, all monetary rights, claims or remedies of the Ontario Securities Commission against SFC shall be

- treated as Affected Creditor Claims in the manner described in section 4.1 hereof and released pursuant to section 7.1(b) hereof;
- (i) the Subsidiaries from their respective indemnification obligations (if any) to Directors or Officers of the Subsidiaries that relate to the ordinary course operations of the Subsidiaries and that have no connection with any of the matters listed in section 7.1(i) hereof;
- (j) SFC or the Directors and Officers from any Insured Claims, provided that recovery for Insured Claims shall be irrevocably limited to recovery solely from the proceeds of Insurance Policies paid or payable on behalf of SFC or its Directors and Officers in the manner set forth in section 2.4 hereof;
- (k) insurers from their obligations under insurance policies; and
- (1) any Released Party for fraud or criminal conduct.

## 7.3 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

# 7.4 Timing of Releases and Injunctions

All releases and injunctions set forth in this Article 7 shall become effective on the Plan Implementation Date at the time or times and in the manner set forth in section 6.4 hereof.

## 7.5 Equity Class Action Claims Against the Third Party Defendants

Subject only to Article 11 hereof, and notwithstanding anything else to the contrary in this Plan, any Class Action Claim against the Third Party Defendants that relates to the purchase, sale or ownership of Existing Shares or Equity Interests: (a) is unaffected by this Plan; (b) is not

discharged, released, cancelled or barred pursuant to this Plan; (c) shall be permitted to continue as against the Third Party Defendants; (d) shall not be limited or restricted by this Plan in any manner as to quantum or otherwise (including any collection or recovery for any such Class Action Claim that relates to any liability of the Third Party Defendants for any alleged liability of SFC); and (e) does not constitute an Equity Claim or an Affected Claim under this Plan.

# ARTICLE 8 COURT SANCTION

# 8.1 Application for Sanction Order

If the Plan is approved by the Required Majority, SFC shall apply for the Sanction Order on or before the date set for the hearing of the Sanction Order or such later date as the Court may set.

#### 8.2 Sanction Order

The Sanction Order shall, among other things:

- (a) declare that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of SFC have been in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects; (iii) the Court is satisfied that SFC has not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (b) declare that the Plan and all associated steps, compromises, releases, discharges, cancellations, transactions, arrangements and reorganizations effected thereby are approved, binding and effective as herein set out as of the Plan Implementation Date;
- confirm the amount of each of the Unaffected Claims Reserve, the Administration Charge Reserve and the Monitor's Post-Implementation Reserve;
- (d) declare that, on the Plan Implementation Date, all Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, subject only to the right of the applicable Persons to receive the distributions to which they are entitled pursuant to the Plan;
- (e) declare that, on the Plan Implementation Date, the ability of any Person to proceed against SFC or the Subsidiaries in respect of any Released Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to any such matter shall be permanently stayed;
- (f) declare that the steps to be taken, the matters that are deemed to occur and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by section 6.4, beginning at the Effective Time;

- (g) declare that, on the Plan Implementation Date, the SFC Assets vest absolutely in Newco and that, in accordance with section 6.4(x) hereof, the SFC Assets transferred by Newco to Newco II vest absolutely in Newco II, in each case in accordance with the terms of section 6.6(a) hereof;
- (h) confirm that the Court was satisfied that: (i) the hearing of the Sanction Order was open to all of the Affected Creditors and all other Persons with an interest in SFC and that such Affected Creditors and other Persons were permitted to be heard at the hearing in respect of the Sanction Order; (ii) prior to the hearing, all of the Affected Creditors and all other Persons on the service list in respect of the CCAA Proceeding were given adequate notice thereof;
- (i) provide that the Court was advised prior to the hearing in respect of the Sanction Order that the Sanction Order will be relied upon by SFC and Newco as an approval of the Plan for the purpose of relying on the exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof for the issuance of the Newco Shares, Newco Notes and, to the extent they may be deemed to be securities, the Litigation Trust Interests, and any other securities to be issued pursuant to the Plan;
- (j) declare that all obligations, agreements or leases to which (i) SFC remains a party on the Plan Implementation Date, or (ii) Newco and/or Newco II becomes a party as a result of the conveyance of the SFC Assets to Newco and the further conveyance of the SFC Assets to Newco II on the Plan Implementation Date, shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:
  - (i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
  - (ii) that SFC sought or obtained relief or has taken steps as part of the Plan or under the CCAA;
  - (iii) of any default or event of default arising as a result of the financial condition or insolvency of SFC;
  - (iv) of the completion of any of the transactions contemplated under the Plan, including the transfer, conveyance and assignment of the SFC Assets to Newco and the further transfer, conveyance and assignment of the SFC Assets by Newco to Newco II; or

- (v) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to the Plan;
- (k) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceed with to advance any Released Claims;
- (l) stay as against Ernst & Young the commencing, taking, applying for or issuing or continuing any and all steps or proceedings (other than all steps or proceedings to implement the Ernst & Young Settlement) pursuant to the terms of the Order of the Honourable Justice Morawetz dated May 8, 2012 between (i) the Plan Implementation Date and (ii) the earlier of the Ernst & Young Settlement Date or such other date as may be ordered by the Court on a motion to the Court on reasonable notice to Ernst & Young;
- (m) declare that in no circumstances will the Monitor have any liability for any of SFC's tax liability regardless of how or when such liability may have arisen;
- (n) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;
- (o) direct and deem the Trustees to release, discharge and cancel any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures;
- (p) declare that upon completion by the Monitor of its duties in respect of SFC pursuant to the CCAA and the Orders, the Monitor may file with the Court a certificate of Plan Implementation stating that all of its duties in respect of SFC pursuant to the CCAA and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be discharged from its duties as Monitor and released of all claims relating to its activities as Monitor; and
- declare that, on the Plan Implementation Date, each of the Charges shall be discharged, released and cancelled, and that any obligations secured thereby shall satisfied pursuant to section 4.2(b) hereof, and that from and after the Plan Implementation Date the Administration Charge Reserve shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge;
- (r) declare that the Monitor may not make any payment from the Monitor's Post-Implementation Plan Reserve to any third party professional services provider (other than its counsel) that exceeds \$250,000 (alone or in a series of related payments) without the prior consent of the Initial Consenting Noteholders or an Order of the Court;
- (s) declare that SFC and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan;

- (t) declare that, subject to the due performance of its obligations as set forth in the Plan and subject to its compliance with any written directions or instructions of the Monitor and/or directions of the Court in the manner set forth in the Plan, SFC Escrow Co. shall have no liabilities whatsoever arising from the performance of its obligations under the Plan;
- (u) order and declare that all Persons with Unresolved Claims shall have standing in any proceeding in respect of the determination or status of any Unresolved Claim, and that Goodmans LLP (in its capacity as counsel to the Initial Consenting Noteholders) shall have standing in any such proceeding on behalf of the Initial Consenting Notheolders (in their capacity as Affected Creditors with Proven Claims);
- (v) order and declare that, from and after the Plan Implementation Date, Newco will be permitted, in its sole discretion and on terms acceptable to Newco, to advance additional cash amounts to the Litigation Trustee from time to time for the purpose of providing additional financing to the Litigation Trust, including the provision of such additional amounts as a non-interest bearing loan to the Litigation Trust that is repayable to Newco on similar terms and conditions as the Litigation Funding Receivable;
- (w) order and declare that: (i) subject to the prior consent of the Initial Consenting Noteholders, each of the Monitor and the Litigation Trustee shall have the right to seek and obtain an order from any court of competent jurisdiction, including an Order of the Court in the CCAA or otherwise, that gives effect to any releases of any Litigation Trust Claims agreed to by the Litigation Trustee in accordance with the Litigation Trust Agreement, and (ii) in accordance with this section 8.2(w), all Affected Creditors shall be deemed to consent to any such releases in any such proceedings;
- order and declare that, prior to the Effective Time, SFC shall: (i) preserve or cause (x) to be preserved copies of any documents (as such term is defined in the Rules of Civil Procedure (Ontario)) that are relevant to the issues raised in the Class Actions; and (ii) make arrangements acceptable to SFC, the Monitor, the Initial Consenting Noteholders, counsel to Ontario Class Action Plaintiffs, counsel to Ernst & Young, counsel to the Underwriters and counsel to the Named Third Party Defendants to provide the parties to the Class Actions with access thereto. subject to customary commercial confidentiality, privilege or other applicable restrictions, including lawyer-client privilege, work product privilege and other privileges or immunities, and to restrictions on disclosure arising from s. 16 of the Securities Act (Ontario) and comparable restrictions on disclosure in other relevant jurisdictions, for purposes of prosecuting and/or defending the Class Actions, as the case may be, provided that nothing in the foregoing reduces or otherwise limits the parties' rights to production and discovery in accordance with the Rules of Civil Procedure (Ontario) and the Class Proceedings Act. 1992 (Ontario);

- (y) order that releases and injunctions set forth in Article 7 of this Plan are effective on the Plan Implementation Date at the time or times and in the manner set forth in section 6.4 hereof;
- (z) order that the Ernst & Young Release shall become effective on the Ernst & Young Settlement Date in the manner set forth in section 11.1 hereof;
- (aa) order that any Named Third Party Defendant Releases shall become effective if and when the terms and conditions of sections 11.2(a), 11.2(b), 11.2(c) have been fulfilled.;
- (bb) order and declare that the matters described in Article 11 hereof shall occur subject to and in accordance with the terms and conditions of Article 11; and
- (cc) declare that section 95 to 101 of the BIA shall not apply to any of the transactions implemented pursuant to the Plan.

If agreed by SFC, the Monitor and the Initial Consenting Noteholders, any of the relief to be included in the Sanction Order pursuant to this section 8.2 in respect of matters relating to the Litigation Trust may instead be included in a separate Order of the Court satisfactory to SFC, the Monitor and the Initial Consenting Noteholders granted prior to the Plan Implementation Date.

### ARTICLE 9 CONDITIONS PRECEDENT AND IMPLEMENTATION

#### 9.1 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon satisfaction or waiver of the following conditions prior to or at the Effective Time, each of which is for the benefit of SFC and the Initial Consenting Noteholders and may be waived only by SFC and the Initial Consenting Noteholders collectively; provided, however, that the conditions in sub-paragraphs (g), (h), (n), (o), (q), (r), (u), (z), (ff), (gg), (mm), (ll) and (nn) shall only be for the benefit of the Initial Consenting Noteholders and, if not satisfied on or prior to the Effective Time, may be waived only by the Initial Consenting Noteholders; and provided further that such conditions shall not be enforceable by SFC if any failure to satisfy such conditions results from an action, error, omission by or within the control of SFC and such conditions results from an action, error, omission by or within the control of the Initial Consenting Noteholders:

#### Plan Approval Matters

- (a) the Plan shall have been approved by the Required Majority and the Court, and in each case the Plan shall have been approved in a form consistent with the RSA or otherwise acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably;
- (b) the Sanction Order shall have been made and shall be in full force and effect prior to December 17, 2012 (or such later date as may be consented to by SFC and the

Initial Consenting Noteholders), and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court;

- (c) the Sanction Order shall be in a form consistent with the Plan or otherwise acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably;
- (d) all filings under Applicable Laws that are required in connection with the Restructuring Transaction shall have been made and any regulatory consents or approvals that are required in connection with the Restructuring Transaction shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated; without limiting the generality of the foregoing, such filings and regulatory consents or approvals include:
  - (i) any required filings, consents and approvals of securities regulatory authorities in Canada;
  - (ii) a consultation with the Executive of the Hong Kong Securities and Futures Commission that is satisfactory to SFC, the Monitor and the Initial Consenting Noteholders confirming that implementation of the Restructuring Transaction will not result in an obligation arising for Newco, its shareholders, Newco II or any Subsidiary to make a mandatory offer to acquire shares of Greenheart;
  - (iii) the submission by SFC and each applicable Subsidiary of a Circular 698 tax filing with all appropriate tax authorities in the PRC within the requisite time prior to the Plan Implementation Date, such filings to be in form and substance satisfactory to the Initial Consenting Noteholders; and
  - (iv) if notification is necessary or desirable under the Antimonopoly Law of People's Republic of China and its implementation rules, the submission of all antitrust filings considered necessary or prudent by the Initial Consenting Noteholders and the acceptance and (to the extent required) approval thereof by the competent Chinese authority, each such filing to be in form and substance satisfactory to the Initial Consenting Noteholders;
- (e) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Restructuring Transaction that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or prohibit) the Restructuring Transaction or any material part thereof or requires or purports to require a variation of the Restructuring Transaction, and SFC shall have provided the Initial Consenting Noteholders with a certificate signed by an officer of SFC, without

personal liability on the part of such officer, certifying compliance with this Section 9.1(e) as of the Plan Implementation Date;

#### Newco and Newco II Matters

- (f) the organization, incorporating documents, articles, by-laws and other constating documents of Newco and Newco II (including any shareholders agreement, shareholder rights plan and classes of shares (voting and non-voting)) and any affiliated or related entities formed in connection with the Restructuring Transaction or the Plan, and all definitive legal documentation in connection with all of the foregoing, shall be acceptable to the Initial Consenting Noteholders and in form and in substance reasonably satisfactory to SFC;
- (g) the composition of the board of directors of Newco and Newco II and the senior management and officers of Newco and Newco II that will assume office, or that will continue in office, as applicable, on the Plan Implementation Date shall be acceptable to the Initial Consenting Noteholders;
- (h) the terms of employment of the senior management and officers of Newco and Newco II shall be acceptable to the Initial Consenting Noteholders;
- (i) except as expressly set out in this Plan, neither Newco nor Newco II shall have:
  (i) issued or authorized the issuance of any shares, notes, options, warrants or other securities of any kind, (ii) become subject to any Encumbrance with respect to its assets or property; (iii) become liable to pay any indebtedness or liability of any kind (other than as expressly set out in section 6.4 hereof); or (iv) entered into any Material agreement;
- (j) any securities that are formed in connection with the Plan, including the Newco Shares and the Newco Notes, when issued and delivered pursuant to the Plan, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance and distribution thereof shall be exempt from all prospectus and registration requirements of any applicable securities, corporate or other law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance, notice, policy or other pronouncement having the effect of law applicable in the provinces of Canada;
- (k) Newco shall not be a reporting issuer (or equivalent) in any province of Canada or any other jurisdiction;
- (l) all of the steps, terms, transactions and documents relating to the conveyance of the SFC Assets to Newco and the further conveyance of the SFC Assets by Newco to Newco II in accordance with the Plan shall be in form and in substance acceptable to SFC and the Initial Consenting Noteholders;
- (m) all of the following shall be in form and in substance acceptable to the Initial Consenting Noteholders and reasonably satisfactory to SFC: (i) the Newco Shares; (ii) the Newco Notes (including the aggregate principal amount of the

Newco Notes); (iii) any trust indenture or other document governing the terms of the Newco Notes; and (iv) the number of Newco Shares and Newco Notes to be issued in accordance with this Plan;

#### Plan Matters

- (n) the Indemnified Noteholder Class Action Limit shall be acceptable to the Initial Consenting Noteholders;
- (o) the aggregate amount of the Proven Claims held by Ordinary Affected Creditors shall be acceptable to the Initial Consenting Noteholders;
- (p) the amount of each of the Unaffected Claims Reserve and the Administration Charge Reserve shall, in each case, be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;
- (q) the amount of the Monitor's Post-Implementation Reserve and the amount of any Permitted Continuing Retainers shall be acceptable to the Initial Consenting Noteholders, and the Initial Consenting Noteholders shall be satisfied that all outstanding monetary retainers held by any SFC Advisors (net of any Permitted Continuing Retainers) have been repaid to SFC on the Plan Implementation Date;

#### (r) [Intentionally deleted];

- (s) the amount of each of the following shall be acceptable to SFC, the Monitor and the Initial Consenting Noteholders: (i) the aggregate amount of Lien Claims to be satisfied by the return to the applicable Lien Claimants of the applicable secured property in accordance with section 4.2(c)(i) hereof; and (ii) the aggregate amount of Lien Claims to be repaid in cash on the Plan Implementation Date in accordance with section 4.2(c)(ii) hereof;
- (t) the aggregate amount of Unaffected Claims, and the aggregate amount of the Claims listed in each subparagraph of the definition of "Unaffected Claims" shall, in each case, be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;
- (u) the aggregate amount of Unresolved Claims and the amount of the Unresolved Claims Reserve shall, in each case, be acceptable to the Initial Consenting Noteholders and shall be confirmed in the Sanction Order:
- (v) Litigation Trust and the Litigation Trust Agreement shall be in form and in substance acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably, and the Litigation Trust shall be established in a jurisdiction that is acceptable to the Initial Consenting Noteholders and SFC, each acting reasonably;
- (w) SFC, the Monitor and the Initial Consenting Noteholders, each acting reasonably, shall be satisfied with the proposed use of proceeds and payments relating to all aspects of the Restructuring Transaction and the Plan, including, without

limitation, any change of control payments, consent fees, transaction fees, third party fees or termination or severance payments, in the aggregate of \$500,000 or more, payable by SFC or any Subsidiary to any Person (other than a Governmental Entity) in respect of or in connection with the Restructuring Transaction or the Plan, including without limitation, pursuant to any employment agreement or incentive plan of SFC or any Subsidiary;

(x) SFC, the Monitor and the Initial Consenting Noteholders, each acting reasonably, shall be satisfied with the status and composition of all liabilities, indebtedness and obligations of the Subsidiaries and all releases of the Subsidiaries provided for in the Plan and the Sanction Order shall be binding and effective as of the Plan Implementation Date;

#### Plan Implementation Date Matters

- (y) the steps required to complete and implement the Plan shall be in form and in substance satisfactory to SFC and the Initial Consenting Noteholders;
- (z) the Noteholders and the Early Consent Noteholders shall receive, on the Plan Implementation Date, all of the consideration to be distributed to them pursuant to the Plan;
- all of the following shall be in form and in substance satisfactory to SFC and the Initial Consenting Noteholders: (i) all materials filed by SFC with the Court or any court of competent jurisdiction in the United States, Canada, Hong Kong, the PRC or any other jurisdiction that relates to the Restructuring Transaction; (ii) the terms of any court-imposed charges on any of the assets, property or undertaking of any of SFC, including without limitation any of the Charges; (iii) the Initial Order; (iv) the Claims Procedure Order; (v) the Meeting Order; (vi) the Sanction Order; (vii) any other Order granted in connection with the CCAA Proceeding or the Restructuring Transaction by the Court or any other court of competent jurisdiction in Canada, the United States, Hong Kong, the PRC or any other jurisdiction; and (viii) the Plan (as it is approved by the Required Majority and the Sanction Order);
- (bb) any and all court-imposed charges on any assets, property or undertaking of SFC, including the Charges, shall be discharged on the Plan Implementation Date on terms acceptable to the Initial Consenting Noteholders and SFC, each acting reasonably;
- (cc) SFC shall have paid, in full, the Expense Reimbursement and all fees and costs owing to the SFC Advisors on the Plan Implementation Date, and neither Newco nor Newco II shall have any liability for any fees or expenses due to the SFC Advisors or the Noteholder Advisors either as at or following the Plan Implementation Date;
- (dd) SFC or the Subsidiaries shall have paid, in full all fees owing to each of Chandler Fraser Keating Limited and Spencer Stuart on the Plan Implementation Date, and

- neither Newco nor Newco II shall have any liability for any fees or expenses due to either Chandler Fraser Keating Limited and Spencer Stuart as at or following the Plan Implementation Date;
- (ee) SFC shall have paid all Trustee Claims that are outstanding as of the Plan Implementation Date, and the Initial Consenting Noteholders shall be satisfied that SFC has made adequate provision in the Unaffected Claims Reserve for the payment of all Trustee Claims to be incurred by the Trustees after the Plan Implementation Date in connection with the performance of their respective duties under the Note Indentures or this Plan;
- (ff) there shall not exist or have occurred any Material Adverse Effect, and SFC shall have provided the Initial Consenting Noteholders with a certificate signed by an officer of the Company, without any personal liability on the part of such officer, certifying compliance with this section 9.1(ff) as of the Plan Implementation Date;
- (gg) there shall have been no breach of the Noteholder Confidentiality Agreements (as defined in the RSA) by SFC or any of the Sino-Forest Representatives (as defined therein) in respect of the applicable Initial Consenting Noteholder;
- (hh) the Plan Implementation Date shall have occurred no later than January 15, 2013 (or such later date as may be consented to by SFC and the Initial Consenting Noteholders);

#### **RSA Matters**

- (ii) all conditions set out in sections 6 and 7 of the RSA shall have been satisfied or waived in accordance with the terms of the RSA;
- (ji) the RSA shall not have been terminated;

#### Other Matters

- (kk) the organization, incorporating documents, articles, by-laws and other constating documents of SFC Escrow Co. and all definitive legal documentation in connection with SFC Escrow Co., shall be acceptable to the Initial Consenting Noteholders and the Monitor and in form and in substance reasonably satisfactory to SFC;
- (II) except as expressly set out in this Plan, SFC Escrow Co. shall not have: (i) issued or authorized the issuance of any shares, notes, options, warrants or other securities of any kind, (ii) become subject to any Encumbrance with respect to its assets or property; (iii) acquired any assets or become liable to pay any indebtedness or liability of any kind (other than as expressly set out in this Plan); or (iv) entered into any agreement;

- (mm) the Initial Consenting Noteholders shall have completed due diligence in respect of SFC and the Subsidiaries and the results of such due diligence shall be acceptable to the Initial Consenting Noteholders prior to the date for the hearing of the Sanction Order, except in respect of any new material information or events arising or discovered on or after the date of the hearing for the Sanction Order of which the Initial Consenting Noteholders were previously unaware, in respect of which the date for the Initial Consenting Noteholders to complete such due diligence shall be the Plan Implementation Date, provided that "new material information or events" for purposes of this Section 9.1(mm) shall not include any information or events disclosed prior to the date of the hearing for the Sanction Order in a press release issued by SFC, an affidavit filed with the Court by SFC or a Monitor's Report filed with the Court;
- (nn) if so requested by the Initial Consenting Noteholders, the Sanction Order shall have been recognized and confirmed as binding and effective pursuant to an order of a court of competent jurisdiction in Canada and any other jurisdiction requested by the Initial Consenting Noteholders, and all applicable appeal periods in respect of any such recognition order shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court;
- (00) all press releases, disclosure documents and definitive agreements in respect of the Restructuring Transaction or the Plan shall be in form and substance satisfactory to SFC and the Initial Consenting Noteholders, each acting reasonably; and
- (pp) Newco and SFC shall have entered into arrangements reasonably satisfactory to SFC and the Initial Consenting Noteholders for ongoing preservation and access to the books and records of SFC and the Subsidiaries in existence as at the Plan Implementation Date, as such access may be reasonably requested by SFC or any Director or Officer in the future in connection with any administrative or legal proceeding, in each such case at the expense of the Person making such request.

For greater certainty, nothing in Article 11 hereof is a condition precedent to the implementation of the Plan.

#### 9.2 Monitor's Certificate of Plan Implementation

Upon delivery of written notice from SFC and Goodmans LLP (on behalf of the Initial Consenting Noteholders) of the satisfaction of the conditions set out in section 9.1, the Monitor shall deliver to Goodmans LLP and SFC a certificate stating that the Plan Implementation Date has occurred and that the Plan and the Sanction Order are effective in accordance with their respective terms. Following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

#### ARTICLE 10 ALTERNATIVE SALE TRANSACTION

#### 10.1 Alternative Sale Transaction

At any time prior to the Plan Implementation Date (whether prior to or after the granting of the Sanction Order), and subject to the prior written consent of the Initial Consenting Noteholders, SFC may complete a sale of all or substantially all of the SFC Assets on terms that are acceptable to the Initial Consenting Noteholders (an "Alternative Sale Transaction"), provided that such Alternative Sale Transaction has been approved by the Court pursuant to section 36 of the CCAA on notice to the service list. In the event that such an Alternative Sale Transaction is completed, the terms and conditions of this Plan shall continue to apply in all respects, subject to the following:

- (a) The Newco Shares and Newco Notes shall not be distributed in the manner contemplated herein. Instead, the consideration paid or payable to SFC pursuant to the Alternative Sale Transaction (the "Alternative Sale Transaction Consideration") shall be distributed to the Persons entitled to receive Newco Shares hereunder, and such Persons shall receive the Alternative Sale Transaction Consideration in the same proportions and subject to the same terms and conditions as are applicable to the distribution of Newco Shares hereunder.
- (b) All provisions in this Plan that address Newco or Newco II shall be deemed to be ineffective to the extent that they address Newco or Newco II, given that Newco and Newco II will not be required in connection with an Alternative Sale Transaction.
- (c) All provisions addressing the Newco Notes shall be deemed to be ineffective to the extent such provisions address the Newco Notes, given that the Newco Notes will not be required in connection with an Alternative Sale Transaction.
- (d) All provisions relating to the Newco Shares shall be deemed to address the Alternative Sale Transaction Consideration to the limited extent such provisions address the Newco Shares.
- (e) SFC, with the written consent of the Monitor and the Initial Consenting Noteholders, shall be permitted to make such amendments, modifications and supplements to the terms and conditions of this Plan as are necessary to: (i) facilitate the Alternative Sale Transaction; (ii) cause the Alternative Sale Transaction Consideration to be distributed in the same proportions and subject to the same terms and conditions as are subject to the distribution of Newco Shares hereunder; and (iii) complete the Alternative Sale Transaction and distribute the Alternative Sale Transaction Proceeds in a manner that is tax efficient for SFC and the Affected Creditors with Proven Claims, provided in each case that (y) a copy of such amendments, modifications or supplements is filed with the Court and served upon the service list; and (z) the Monitor is satisfied that such amendments, modifications or supplements do not materially alter the

proportionate entitlements of the Affected Creditors, as amongst themselves, to the consideration distributed pursuant to the Plan.

Except for the requirement of obtaining the prior written consent of the Initial Consenting Noteholders with respect to the matters set forth in this section 10.1 and subject to the approval of the Alternative Sale Transaction by the Court pursuant to section 36 of the CCAA (on notice to the service list), once this Plan has been approved by the Required Majority of Affected Creditors, no further meeting, vote or approval of the Affected Creditors shall be required to enable SFC to complete an Alternative Sale Transaction or to amend the Plan in the manner described in this 10.1.

### ARTICLE 11 SETTLEMENT OF CLAIMS AGAINST THIRD PARTY DEFENDANTS

#### 11.1 Ernst & Young

- (a) Notwithstanding anything to the contrary herein, subject to: (i) the granting of the Sanction Order; (ii) the issuance of the Settlement Trust Order (as may be modified in a manner satisfactory to the parties to the Ernst & Young Settlement and SFC (if occurring on or prior to the Plan Implementation Date), the Monitor and the Initial Consenting Noteholders, as applicable, to the extent, if any, that such modifications affect SFC, the Monitor or the Initial Consenting Noteholders. each acting reasonably); (iii) the granting of an Order under Chapter 15 of the United States Bankruptcy Code recognizing and enforcing the Sanction Order and the Settlement Trust Order in the United States; (iv) any other order necessary to give effect to the Ernst & Young Settlement (the orders referenced in (iii) and (iv) being collectively the "Ernst & Young Orders"); (v) the fulfillment of all conditions precedent in the Ernst & Young Settlement and the fulfillment by the Ontario Class Action Plaintiffs of all of their obligations thereunder; and (vi) the Sanction Order, the Settlement Trust Order and all Ernst & Young Orders being final orders and not subject to further appeal or challenge, Ernst & Young shall pay the settlement amount as provided in the Ernst & Young Settlement to the trust established pursuant to the Settlement Trust Order (the "Settlement Trust"). Upon receipt of a certificate from Ernst & Young confirming it has paid the settlement amount to the Settlement Trust in accordance with the Ernst & Young Settlement and the trustee of the Settlement Trust confirming receipt of such settlement amount, the Monitor shall deliver to Ernst & Young a certificate (the "Monitor's Ernst & Young Settlement Certificate") stating that (i) Ernst & Young has confirmed that the settlement amount has been paid to the Settlement Trust in accordance with the Ernst & Young Settlement; (ii) the trustee of the Settlement Trust has confirmed that such settlement amount has been received by the Settlement Trust; and (iii) the Ernst & Young Release is in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Ernst & Young Settlement Certificate with the Court.
- (b) Notwithstanding anything to the contrary herein, upon receipt by the Settlement Trust of the settlement amount in accordance with the Ernst & Young Settlement:

- (i) all Ernst & Young Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against Ernst & Young; (ii) section 7.3 hereof shall apply to Ernst & Young and the Ernst & Young Claims mutatis mutandis on the Ernst & Young Settlement Date; and (iii) none of the plaintiffs in the Class Actions shall be permitted to claim from any of the other Third Party Defendants that portion of any damages that corresponds to the liability of Ernst & Young, proven at trial or otherwise, that is the subject of the Ernst & Young Settlement.
- (c) In the event that the Ernst & Young Settlement is not completed in accordance with its terms, the Ernst & Young Release and the injunctions described in section 11.1(b) shall not become effective.

#### 11.2 Named Third Party Defendants

- (a) Notwithstanding anything to the contrary in section 12.5(a) or 12.5(b) hereof, at any time prior to 10:00 a.m. (Toronto time) on December 6, 2012 or such later date as agreed in writing by the Monitor, SFC (if on or prior to the Plan Implementation Date) and the Initial Consenting Noteholders, Schedule "A" to this Plan may be amended, restated, modified or supplemented at any time and from time to time to add any Eligible Third Party Defendant as a "Named Third Party Defendant", subject in each case to the prior written consent of such Third Party Defendant, the Initial Consenting Noteholders, counsel to the Ontario Class Action Plaintiffs, the Monitor and, if occurring on or prior to the Plan Implementation Date, SFC. Any such amendment, restatement, modification and/or supplement of Schedule "A" shall be deemed to be effective automatically upon all such required consents being received. The Monitor shall: (A) provide notice to the service list of any such amendment, restatement, modification and/or supplement of Schedule "A"; (B) file a copy thereof with the Court; and (C) post an electronic copy thereof on the Website. All Affected Creditors shall be deemed to consent thereto any and no Court Approval thereof will be required.
- Notwithstanding anything to the contrary herein, subject to: (i) the granting of the (b) Sanction Order; (ii) the granting of the applicable Named Third Party Defendant Settlement Order; and (iii) the satisfaction or waiver of all conditions precedent contained in the applicable Named Third Party Defendant Settlement, the applicable Named Third Party Defendant Settlement shall be given effect in accordance with its terms. Upon receipt of a certificate (in form and in substance satisfactory to the Monitor) from each of the parties to the applicable Named Third Party Defendant Settlement confirming that all conditions precedent thereto have been satisfied or waived, and that any settlement funds have been paid and received, the Monitor shall deliver to the applicable Named Third Party Defendant a certificate (the "Monitor's Named Third Party Settlement Certificate") stating that (i) each of the parties to such Named Third Party Defendant Settlement has confirmed that all conditions precedent thereto have been satisfied or waived; (ii) any settlement funds have been paid and received; and (iii) immediately upon the delivery of the Monitor's Named Third Party

Settlement Certificate, the applicable Named Third Party Defendant Release will be in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Named Third Party Settlement Certificate with the Court.

Notwithstanding anything to the contrary herein, upon delivery of the Monitor's Named Third Party Settlement Certificate, any claims and Causes of Action shall be dealt with in accordance with the terms of the applicable Named Third Party Defendant Settlement, the Named Third Party Defendant Settlement Order and the Named Third Party Defendant Release. To the extent provided for by the terms of the applicable Named Third Party Defendant Release: (i) the applicable Causes of Action against the applicable Named Third Party Defendant shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against the applicable Named Third Party Defendant and the applicable Causes of Action against the applicable Named Third Party Defendant mutatis mutandis on the effective date of the Named Third Party Defendant Settlement.

#### ARTICLE 12 GENERAL

#### 12.1 Binding Effect

On the Plan Implementation Date:

- (a) the Plan will become effective at the Effective Time;
- (b) the Plan shall be final and binding in accordance with its terms for all purposes on all Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) each Person named or referred to in, or subject to, the Plan will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety and shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

#### 12.2 Waiver of Defaults

(a) From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of SFC then existing or previously committed by SFC, or caused by SFC, the commencement of the CCAA Proceedings by SFC, any matter pertaining to the CCAA Proceedings, any of the provisions in the Plan or steps contemplated in the Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease,

guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and SFC, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse SFC from performing its obligations under the Plan or be a waiver of defaults by SFC under the Plan and the related documents.

- (b) Effective on the Plan Implementation Date, any and all agreements that are assigned to Newco and/or to Newco II as part of the SFC Assets shall be and remain in full force and effect, unamended, as at the Plan Implementation Date, and no Person shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations under, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand against Newco, Newco II or any Subsidiary under or in respect of any such agreement with Newco, Newco II or any Subsidiary, by reason of:
  - (i) any event that occurred on or prior to the Plan Implementation Date that would have entitled any Person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of SFC);
  - (ii) the fact that SFC commenced or completed the CCAA Proceedings;
  - (iii) the implementation of the Plan, or the completion of any of the steps, transactions or things contemplated by the Plan; or
  - (iv) any compromises, arrangements, transactions, releases, discharges or injunctions effected pursuant to the Plan or this Order.

#### 12.3 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

#### 12.4 Non-Consummation

SFC reserves the right to revoke or withdraw the Plan at any time prior to the Sanction Date, with the consent of the Monitor and the Initial Consenting Noteholders. If SFC so revokes or withdraws the Plan, or if the Sanction Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan, including the fixing or limiting to an amount certain any Claim, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against SFC or any other Person; (ii) prejudice in any manner the rights of SFC or any other Person in any further proceedings involving SFC; or (iii) constitute an admission of any sort by SFC or any other Person.

#### 12.5 Modification of the Plan

- (a) SFC may, at any time and from time to time, amend, restate, modify and/or supplement the Plan with the consent of the Monitor and the Initial Consenting Noteholders, provided that: any such amendment, restatement, modification or supplement must be contained in a written document that is filed with the Court and:
  - (i) if made prior to or at the Meeting: (A) the Monitor, SFC or the Chair (as defined in the Meeting Order) shall communicate the details of any such amendment, restatement, modification and/or supplement to Affected Creditors and other Persons present at the Meeting prior to any vote being taken at the Meeting; (B) SFC shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and (C) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Website forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and
  - (ii) if made following the Meeting: (A) SFC shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court; (B) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Website; and (C) such amendment, restatement, modification and/or supplement shall require the approval of the Court following notice to the Affected Creditors and the Trustees.
- (b) Notwithstanding section 12.5(a), any amendment, restatement, modification or supplement may be made by SFC: (i) if prior to the Sanction Date, with the consent of the Monitor and the Initial Consenting Noteholders; and (ii) if after the Sanction Date, with the consent of the Monitor and the Initial Consenting Noteholders and upon approval by the Court, provided in each case that it concerns a matter that, in the opinion of SFC, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors or the Trustees.
- (c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan.

#### 12.6 Actions and Approvals of SFC after Plan Implementation

(a) From and after the Plan Implementation Date, and for the purpose of this Plan only:

- (i) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, such agreement, waiver consent or approval may be provided by the Monitor; and
- (ii) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, and the Monitor has been discharged pursuant to an Order, such agreement, waiver consent or approval shall be deemed not to be necessary.

#### 12.7 Consent of the Initial Consenting Noteholders

For the purposes of this Plan, any matter requiring the agreement, waiver, consent or approval of the Initial Consenting Noteholders shall be deemed to have been agreed to, waived, consented to or approved by such Initial Consenting Noteholders if such matter is agreed to, waived, consented to or approved in writing by Goodmans LLP, provided that Goodmans LLP expressly confirms in writing (including by way of e-mail) to the applicable Person that it is providing such agreement, consent or waiver on behalf of Initial Consenting Noteholders. In addition, following the Plan Implementation Date, any matter requiring the agreement, waiver, consent or approval of the Initial Consenting Noteholders shall: (i) be deemed to have been given if agreed to, waived, consented to or approved by Initial Consenting Noteholders in their capacities as holders of Newco Shares, Newco Notes or Litigation Trust Interests (provided that they continue to hold such consideration); and (ii) with respect to any matter concerning the Litigation Trust or the Litigation Trust Claims, be deemed to be given if agreed to, waived, consented to or approved by the Litigation Trustee.

#### 12.8 Claims Not Subject to Compromise

Nothing in this Plan, including section 2.4 hereof, shall prejudice, compromise, release, discharge, cancel, bar or otherwise affect any: (i) Non-Released D&O Claims (except to the extent that such Non-Released D&O Claim is asserted against a Named Director or Officer, in which case section 4.9(g) applies); (ii) Section 5.1(2) D&O Claims or Conspiracy Claims (except that, in accordance with section 4.9(e) hereof, any Section 5.1(2) D&O Claims against Named Directors and Officers and any Conspiracy Claims against Named Directors and Officers shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) D&O Claims or Conspiracy Claims, as applicable, pursuant to the Insurance Policies, and Persons with any such Section 5.1(2) D&O Claims against Named Directors and Officers or Conspiracy Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person, other than enforcing such Persons' rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s)); or (iii) any Claims that are not permitted to be compromised under section 19(2) of the CCAA.

#### 12.9 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between:

- (a) the Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and SFC and/or the Subsidiaries as at the Plan Implementation Date.

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority.

#### 12.10 Foreign Recognition

- (a) From and after the Plan Implementation Date, if requested by the Initial Consenting Noteholders or Newco, the Monitor (at the Monitor's election) or Newco (if the Monitor does not so elect) shall and is hereby authorized to seek an order of any court of competent jurisdiction recognizing the Plan and the Sanction Order and confirming the Plan and the Sanction Order as binding and effective in Canada, the United States, and any other jurisdiction so requested by the Initial Consenting Noteholders or Newco, as applicable.
- (b) Without limiting the generality of section 12.10(a), as promptly as practicable, but in no event later than the third Business Day following the Plan Implementation Date, a foreign representative of SFC (as agreed by SFC, the Monitor and the Initial Consenting Noteholders) (the "Foreign Representative") shall commence a proceeding in a court of competent jurisdiction in the United States seeking recognition of the Plan and the Sanction Order and confirming that the Plan and the Sanction Order are binding and effective in the United States, and the Foreign Representative shall use its best efforts to obtain such recognition order.

#### 12.11 Severability of Plan Provisions

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of SFC and with the consent of the Monitor and the Initial Consenting Noteholders, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide SFC with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that SFC proceeds with the implementation of the Plan, the remainder of the terms and provisions of

the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

#### 12.12 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding and the Plan with respect to SFC and will not be responsible or liable for any obligations of SFC.

#### 12.13 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder, and will be affected hereunder, in each such capacity. Any action taken by or treatment of a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person, SFC, the Monitor and the Initial Consenting Noteholders in writing, or unless the Person's Claims overlap or are otherwise duplicative.

#### 12.14 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

#### (a) if to SFC or any Subsidiary:

Sino-Forest Corporation Room 3815-29 38/F, Sun Hung Kai Centre 30 Harbour Road, Wanchai, Hong Kong

Attention: Mr. Judson Martin, Executive Vice-Chairman and Chief

**Executive Officer** 

Fax: +852-2877-0062

with a copy by email or fax (which shall not be deemed notice) to:

Bennett Jones LLP
One First Canadian Place, Suite 3400

Toronto, ON M5X 1A4

Attention: Kevin J. Zych and Raj S. Sahni

Email: zychk@bennettjones.com and sahnir@bennettjones.com

Fax: 416-863-1716

#### (b) if to the Initial Consenting Noteholders:

c/o Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention:

Robert Chadwick and Brendan O'Neill

Email:

rchadwick@goodmans.ca and boneill@goodmans.ca

Fax:

416-979-1234

and with a copy by email or fax (which shall not be deemed notice) to:

Hogan Lovells International LLP 11<sup>th</sup> Floor, One Pacific Place, 88 Queensway Hong Kong China

Attention:

Neil McDonald

Email:

neil.mcdonald@hoganlovells.com

Fax:

852-2219-0222

#### (c) if to the Monitor:

FTI Consulting Canada Inc. TD Waterhouse Tower 79 Wellington Street West Suite 2010, P.O. Box 104 Toronto, ON M5K 1G8

Attention:

Greg Watson

Email:

greg.watson@fticonsulting.com

Fax:

(416) 649-8101

and with a copy by email or fax (which shall not be deemed notice) to:

Gowling Lafleur Henderson LLP 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, Ontario M5X 1G5

Attention:

Derrick Tay

Email:

derrick.tay@gowlings.com

Fax:

(416) 862-7661

#### (d) if to Ernst & Young:

Ernst & Young LLP Ernst & Young Tower 222 Bay Street P.O. Box 251 Toronto, ON M5K 1J7

Attention: Doris Stamml

Email: doris.stamml@ca.ey.com

Fax: (416) 943-[TBD]

and with a copy by email or fax (which shall not be deemed notice) to:

Lenczner Slaght Royce Smith Griffin 130 Adelaide Street West, Suite 2600 Toronto, Ontario M5H 3P5

Attention: Peter Griffin

Email: pgriffin@litigate.com

Fax: (416) 865-2921

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. (Toronto time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

#### 12.15 Further Assurances

SFC, the Subsidiaries and any other Person named or referred to in the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

**DATED** as of the 3<sup>rd</sup> day of December, 2012.

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#### SCHEDULE A

#### NAMED THIRD PARTY DEFENDANTS

- 1. The Underwriters, together with their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such.
- 2. Ernst & Young LLP (Canada), Ernst & Young Global Limited and all other member firms thereof, together with their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such, in the event that the Ernst & Young Settlement is not completed.
- 3. BDO Limited, together with its respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such.

# Schedule "B" FORM OF MONITOR'S CERTIFICATE OF PLAN IMPLEMENTATION

Court File No. CV-12-9667-00CL

# ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

# MONITOR'S CERTIFICATE (Plan Implementation)

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan of Compromise and Reorganization of Sino-Forest Corporation ("SFC") dated December 3, 2012 (the "Plan"), which is attached as Schedule "A" to the Order of the Honourable Mr. Justice Morawetz made in these proceedings on the [7<sup>th</sup>] day of December, 2012 (the "Order"), as such Plan may be further amended, varied or supplemented from time to time in accordance with the terms thereof.

Pursuant to paragraph 12 of the Order, FTI Consulting Canada Inc. (the "Monitor") in its capacity as Court-appointed Monitor of SFC delivers to SFC and Goodmans LLP this certificate and hereby certifies that:

- 1. The Monitor has received written notice from SFC and Goodmans LLP (on behalf of the Initial Consenting Noteholders) that the conditions precedent set out in section 9.1 of the Plan have been satisfied or waived in accordance with the terms of the Plan; and
- 2. The Plan Implementation Date has occurred and the Plan and the Plan Sanction Order are effective in accordance with their terms.

DATED at the City of Toronto, in the Province of Ontario, this day of , 201.

FTI CONSULTING CANADA INC., in its capacity as Court-appointed Monitor of the Sino-Forest Corporation and not in its personal capacity

| Ву: |        |  |  |
|-----|--------|--|--|
|     | Name:  |  |  |
|     | Title: |  |  |

Schedule "C"

Industry Canada Industrie Canada FORM 14 **FORMULAIRE 14** ARTICLES OF REORGANIZATION CLAUSES DE RÉORGANISATION Loi canadienne sur les sociétés par actions Canada Business (ARTICLE 191) (SECTION 191) Corporations Act 1 -- Name of Corporation - Dénomination sociale de la société 2 -- Corporation No. - Nº de la société Sino-Forest Corporation 409023-3 3 -- in accordance with the order for reorganization, the articles of Conformément à l'ordonnance de réorganisation, les statuts constitutifs Incorporation are amended as follows: sont modifiés comme suit : Please see Schedule A attached hereto.

| Signature                         | Printed Name - Nom en lettres moulées | 4 Capacity of - En qualité de | 5 Tel, N° Nº de tél.                       |
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|                                   |                                       |                               | Canada da |

#### Schedule A

- 3. In accordance with the order for reorganization, the articles of continuance of the Corporation dated June 25, 2002, as amended by articles of amendment dated June 22, 2004, are amended as follows:
- (a) to decrease the minimum number of directors of the Corporation from three (3) directors to one (1) director;
- (b) to create a new class of shares consisting of an unlimited number of "Class A Common Shares" having the following rights, privileges, restrictions and conditions:

The holders of Class A Common Shares are entitled:

- (i) to two (2) votes per Class A Common Share at any meeting of shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to vote;
- (ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution pro rata with the holders of the Common Shares; and
- (iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividend declared by the directors of the Corporation and payable on the Class A Common Shares.
- (c) to delete the rights, privileges, restrictions and conditions attaching to the Common Shares and to substitute therefor the following:
  - (1) The holders of Common Shares are entitled:
    - (i) to one (1) vote per Common Share at any meeting of shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to vote;
    - (ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution pro rata with the holders of the Class A Common Shares; and
    - (iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividend declared by the directors of the Corporation and payable on the Common Shares.
  - (2) At a time to be determined by the board of directors of the Corporation, the Common Shares shall be cancelled and eliminated for no consideration whatsoever, and shall be of no further force and effect, whether surrendered for cancellation or otherwise, and the obligation of the Corporation thereunder or in any way related thereto shall be deemed to

be satisfied and discharged and the holders of the Common Shares shall have no further rights or interest in the Corporation on account thereof and the rights, privileges, restrictions and conditions attached to the Common Shares shall be deleted.

(d) to confirm that the authorized capital of the Corporation consists of an unlimited number of Class A Common Shares, an unlimited number of Common Shares and an unlimited number of Preference Shares, issuable in series.

### Schedule "D"

1. Unaffected Claims Reserve: \$1,500,000

2. Unresolved Claims Reserve for Defence Costs: \$8,000,000

### IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OR COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No. CV-12-9667-00CL

# ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced in Toronto

#### PLAN SANCTION ORDER

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Lawyers for Sino-Forest Corporation

The Trustees of the Labourer's Pension Fund of Central and Eastern Canada, et al.

**Plaintiffs** 

and

Sino-Forest Corporation, et al.

Defendants

Superior Court File No: CV-10-414302 Commercial Court File No: CV-12-9667-00CL

### ONTARIO SUPERIOR COURT OF JUSTICE

Proceedings Under the Class Proceedings Act, 1992

Proceeding commenced at TORONTO

## PLAINTIFFS' MOTION RECORD (returnable February 4, 2013)

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