



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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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**

**ORDER
(Section 144)**

WHEREAS the securities of Sino-Forest Corporation (the “**Issuer**”) currently are subject to a temporary cease trade order made by the Commission, pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”) on August 26, 2011, and extended until October 15, 2012, pursuant to subsections 127(7) and (8) of the Act, that trading in securities of the Issuer cease (the “**Temporary Order**”);

AND WHEREAS the Issuer has made an application pursuant to section 144 of the Act for an order varying the Temporary Order to allow the distribution of the certain meeting materials to all potential creditors, including beneficial owners of the Issuer'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 (the “**Noteholders**”);

AND UPON the Issuer having represented to the Commission as follows:

1. The Issuer is a federally incorporated corporation having its head office in the Province of Ontario and, up until August 26, 2011, the Issuer had its shares listed for trading on the Toronto Stock Exchange. The Issuer is a reporting issuer under the Act.
2. On March 30, 2012, the Issuer applied for and obtained an initial order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) from the Superior Court of Justice (Ontario) (the “**CCAA Proceedings**”).
3. On August 31, 2012, the Superior Court of Justice (Ontario) granted an order in the CCAA Proceedings (the “**Meeting Order**”) relating to the calling of a meeting of the Issuer's creditors (the “**Meeting**”) to consider a Plan of Arrangement and Compromise under the CCAA and the *Canada Business Corporations Act* (the “**Plan**”).
4. The Issuer and the court-appointed monitor in the CCAA Proceedings intend to distribute various meeting materials as contemplated by the Meeting Order, which materials include a Notice of Meeting and Information Circular, along with proxy materials and any amendments and supplements thereto (collectively, the “**CCAA Materials**”) to all potential creditors, including Noteholders of the Issuer.
5. The distribution of the CCAA Materials could be considered an act in furtherance of a trade of the securities of the Issuer.

6. It is a condition of implementation of the Plan that the Issuer obtain an order varying the Temporary Order to permit certain transactions contemplated by the Plan which may constitute trades, which order the Issuer intends to seek at a future date (prior to the Meeting).

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 144 of the Act, that the Temporary Order be and is hereby varied solely to permit the distribution of the CCAA Materials to all potential creditors, including Noteholders of the Issuer.

DATED at Toronto, Ontario this 18th day of September, 2012.

“Mary G. Condon”

Mary G. Condon