



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, 19<sup>e</sup> étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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**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  
(Subsections 127(7) and 127(8))**

**WHEREAS** on August 26, 2011, the Ontario Securities Commission (the “Commission”) issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), subsequently varied by the Commission pursuant to an order under section 144(1) of the Act on the same day (together the “Temporary Order”), with respect to Sino-Forest Corporation (“Sino-Forest”), Allen Chan (“Chan”), Albert Ip (“Ip”), Alfred C.T. Hung (“Hung”), George Ho (“Ho”) and Simon Yeung (“Yeung”), (collectively the “Respondents”) ordering:

- 1) pursuant to paragraph 2 of section 127(1) of the Act that all trading in the securities of Sino-Forest shall cease (the “General Cease Trade Order”);
- 2) pursuant to paragraph 2 of section 127(1) of the Act that all trading in securities by Chan, Ip, Hung, Ho and Yeung (collectively, the “Individual Respondents”) shall cease (the “Individual Respondents’ Cease Trade Order”); and
- 3) 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;

**AND WHEREAS** on September 8, 2011, the Temporary Order was extended by order of the Commission until January 25, 2012;

**AND WHEREAS** on September 15, 2011, the Temporary Order was further varied by order of the Commission pursuant to section 144(1) of the Act in the matter of Canadian Derivatives Clearing Corporation (the “CDCC Order”) but otherwise remained in effect, unamended except as expressly provided in the CDCC Order;

**AND WHEREAS** on January 13, 2012, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on January 23, 2012 at 10:00 a.m. at the Commission (the “Notice of Hearing”);

**AND WHEREAS** the Notice of Hearing sets out that the hearing is to consider whether it is in the public interest for the Commission:

- 1) to extend the Temporary Order, pursuant to sections 127(7) and (8) of the Act, in regard to all trading in the securities of Sino-Forest until April 16, 2012, or until such further time as considered necessary by the Commission;
- 2) to extend the Temporary Order, pursuant to sections 127(7) and (8) of the Act, in regard to all trading by the Individual Respondents until April 16, 2012, or until such further time as considered necessary by the Commission; and
- 3) to make such further orders as the Commission considers appropriate;

**AND WHEREAS** Staff of the Commission (“Staff”) has served all counsel to the Respondents with copies of the Notice of Hearing as evidenced by the Affidavit of Sharon Nicolaidis, sworn on January 18, 2012, and filed with the Commission;

**AND WHEREAS** on January 23, 2012, Staff, counsel for Sino-Forest and counsel for Chan appeared before the Commission;

**AND WHEREAS** on January 23, 2012, counsel for Ip, Hung, Ho and Yeung did not appear before the Commission;

**AND WHEREAS** counsel for Sino-Forest has advised the Commission that Sino-Forest consents to the extension of the General Cease Trade Order until April 16, 2012;

**AND WHEREAS** counsel for Chan has advised the Commission that Chan consents to the extension of the Individual Respondents' Cease Trade Order against him until April 16, 2012;

**AND WHEREAS** counsel for Ip, Hung, Ho and Yeung has advised Staff by email prior to the hearing date to consider whether to extend the Temporary Order that he takes no position on the extension of the Individual Respondents' Cease Trade Order against them until April 16, 2012;

**AND WHEREAS** Sino-Forest is currently in default of its continuous disclosure requirements under National Instrument 51-102;

**AND WHEREAS** the Independent Committee of the Board of Directors of Sino-Forest has not released its final report;

**AND WHEREAS** the lack of disclosure does not provide satisfactory assurance that an orderly market in the securities of Sino-Forest can be maintained;

**AND WHEREAS** Staff's investigation is on-going;

**AND WHEREAS** satisfactory information that the Temporary Order should not be extended has not been provided to the Commission pursuant to subsection 127(8) of the Act;

**AND WHEREAS** the Commission, having considered the evidence and submissions before it, is of the opinion that it is in the public interest to extend the Temporary Order;

**IT IS HEREBY ORDERED** that pursuant to subsections 127(7) and (8) of the Act the Temporary Order is extended until April 16, 2012.

**DATED** at Toronto this 23<sup>rd</sup> day of January, 2012.

*"Mary G. Condon"*

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Mary G. Condon