



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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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 23, 2012, the Temporary Order was extended by order of the Commission until April 16, 2012;

AND WHEREAS on April 13, 2012, the Temporary Order was extended by order of the Commission until July 16, 2012 and the hearing in this matter was adjourned to July 12, 2012, at 10:00 a.m.;

AND WHEREAS on May 22, 2012, Staff of the Commission issued a Statement of Allegations against the Respondents and David Horsley, the former Chief Financial Officer of Sino-Forest (the “Statement of Allegations”);

AND WHEREAS on July 12, 2012, counsel for Staff and counsel for the Respondents appeared before the Commission;

AND WHEREAS on July 12, 2012, counsel for Staff submitted to the Commission that the General Cease Trade Order should be extended, and counsel for Sino-Forest consented to the extension of the General Cease Trade Order until October 15, 2012;

AND WHEREAS on July 12, 2012, counsel for Staff submitted to the Commission that the Individual Respondents’ Cease Trade Order should be extended until the final disposition of the matter related to the Statement of Allegations without prejudice to the Individual Respondents to bring an application pursuant to section 144 of the Act to revoke or vary the Individual Respondents’ Cease Trade Order, which extension was consented to by counsel for Chan and counsel for Ip, Hung, Ho and Yeung;

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

AND WHEREAS the lack of disclosure by Sino-Forest 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 counsel for Staff and counsel for Sino-Forest provided information with respect to the status of a Sino-Forest proceeding before the Ontario Superior Court of Justice pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36;

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 both the General Cease Trade Order and the Individual Respondents' Cease Trade Order;

IT IS HEREBY ORDERED that pursuant to subsections 127(7) and (8) of the Act the General Cease Trade Order is extended until October 15, 2012;

IT IS FURTHER ORDERED that pursuant to subsections 127(7) and (8) of the Act the Individual Respondents' Cease Trade Order is extended until the final disposition of the matter related to the Statement of Allegations, including, if appropriate, any final determination with respect to sanctions and costs;

IT IS FURTHER ORDERED that the hearing in this matter is adjourned to October 10, 2012, at 10:00 a.m.

Dated at Toronto this 12th day of July, 2012.

"Mary G. Condon"

Mary G. Condon