

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 9, 2012, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on April 13, 2012 at 2:00 p.m. at the offices of 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 July 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 July 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 Peaches A. Barnaby, sworn on April 12, 2012, and filed with the Commission;

AND WHEREAS on April 13, 2012, Staff, counsel for Sino-Forest and counsel for Chan appeared before the Commission;

AND WHEREAS on April 13, 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 July 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 July 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 Ip, Hung, Ho and Yeung do not oppose the extension of the Individual Respondents' Cease Trade Order against them until July 16, 2012;

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

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 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 the Temporary Order;

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

IT IS FURTHER ORDERED that the hearing in this matter is adjourned to July 12, 2012, at 10:00 a.m.

DATED at Toronto this 13th day of April, 2012.

"Mary G. Condon"

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