



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 O R D E R**

**(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”*

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Howard Wetston, Chair