



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
ZUNGUI HAIXI CORPORATION, YANDA CAI AND FENGYI CAI**

**ORDER
(Sections 127 and 127.1 of the Act)**

WHEREAS this proceeding was commenced by a Notice of Hearing issued by the Ontario Securities Commission (the “Commission”) on November 7, 2011 in connection with a Statement of Allegations filed by Staff of the Commission on the same date;

AND WHEREAS following a hearing, the Commission issued its decision with respect to the merits, which was subsequently published for the purpose of providing a public record of the decision as the Oral Reasons and Decision, *Re Zungui Haixi Corporation* (2012), 35 O.S.C.B. 2615;

AND WHEREAS following a subsequent hearing, a decision on sanctions and costs was issued on August 28, 2012;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make the following orders;

IT IS ORDERED that:

1. With respect to Zungui Haixi Corporation (“Zungui”), subject to the condition that, if Zungui becomes compliant with Ontario securities law, including the requirements relating to audit

committees and continuous disclosure, Zungui or any other person or company affected by this order may bring an application to vary this order pursuant to section 144 of the Act:

- (a) Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Zungui shall permanently cease;
- (b) Pursuant to paragraph 2 of subsection 127(1) of the Act, Zungui shall permanently cease trading in securities;
- (c) Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Zungui is permanently prohibited; and
- (d) Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law permanently do not apply to Zungui.

2. With respect to Yanda Cai and Fengyi Cai (together, the “Individual Respondents”):

- (a) Pursuant to paragraph 2 of subsection 127(1) of the Act, the Individual Respondents shall permanently cease trading in securities;
- (b) Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by the Individual Respondents is permanently prohibited;
- (c) Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law permanently do not apply to the Individual Respondents;
- (d) Pursuant to paragraph 7 of subsection 127(1) of the Act, the Individual Respondents shall resign all positions that they may hold as a director or officer of an issuer;
- (e) Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, the Individual Respondents are permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- (f) Pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Individual Respondents are permanently prohibited from becoming or acting as a registrant, investment fund manager or promoter;

- (g) Pursuant to paragraph 6 of subsection 127(1) of the Act, the Individual Respondents are reprimanded; and
- (h) Pursuant to section 127.1 of the Act, the Individual Respondents shall pay, on a joint and several basis, \$63,667.50 in costs to the Commission.

Dated at Toronto this 28th day of August, 2012.

“Christopher Portner”

Christopher Portner