



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**

TEMPORARY ORDER

(Subsections 127(7) & 127(8))

WHEREAS on September 16, 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”) ordering that all trading in the securities of Zungui Haixi Corporation (“Zungui”), whether direct or indirect, cease (the “Temporary Order”);

AND WHEREAS the Commission ordered that the Temporary Order take effect immediately and expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on September 19, 2011 the Commission issued a Notice of Hearing to consider whether, in the opinion of the Commission, it is in the public interest for the Commission (i) to extend the Temporary Order, pursuant to subsections 127(7) and (8) of the Act, until November 10, 2011, or until such further time as is ordered by the Commission; and (ii) to make such further orders as the Commission considers appropriate (the “Notice of Hearing”);

AND WHEREAS Staff of the Commission (“Staff”) served Zungui and the Special Committee of the Board of Directors of Zungui with copies of the Temporary Order and the Notice of Hearing;

AND WHEREAS Staff served Zungui with copies of the Affidavit of Peter Cho sworn September 26, 2011 and Staff’s Written Submissions dated September 26, 2011;

AND WHEREAS on September 28, 2011, Staff appeared before the Commission and no one appeared for Zungui;

AND WHEREAS Staff presented evidence of conduct that may be harmful to the public interest;

AND WHEREAS no one appeared before the Commission to oppose the extension of the Temporary Order;

AND WHEREAS the Commission ordered that pursuant to subsections 127(7) and (8) of the Act that the Temporary Order be extended until November 10, 2011 and that the hearing to consider a further extension of the Temporary Order be scheduled for November 9, 2011 at 10:00 a.m.;

AND WHEREAS on November 7, 2011, the Commission issued a Notice of Hearing to announce that it will hold a hearing pursuant to sections 127 and 127.1 of the Act to consider whether, in the opinion of the Commission, it is in the public interest, to make certain orders against Zungui, Yanda Cai and Fengyi Cai (the "November 7th Notice of Hearing");

AND WHEREAS the November 7th Notice of Hearing was issued in connection with a Statement of Allegations of Staff dated November 7, 2011;

AND WHEREAS the first appearance pursuant to the November 7th Notice of Hearing will be held at the offices of the Commission on November 23, 2011 at 11:00 a.m.;

AND WHEREAS on November 9, 2011, Staff appeared before the Commission and no one appeared for Zungui;

AND WHEREAS the Commission is satisfied that Staff has provided Zungui with notice of the hearing and the Supplemental Affidavit of Peter Cho sworn November 2, 2011;

AND WHEREAS Staff has presented evidence of conduct that may be harmful to the public interest;

AND WHEREAS no one appeared before the Commission to oppose the extension of the Temporary Order;

AND WHEREAS satisfactory information that the Temporary Order should not be extended has not been provided to the Commission by any party, including the respondent, pursuant to subsection 127(8);

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 to the conclusion of the hearing on the merits in this matter.

DATED at Toronto this 9th day of November, 2011.

“Christopher Portner”

Christopher Portner