



Affidavit #1 of Jeffrey Ayre  
Sworn June 6, 2018

No. B-180261  
Estate No.: 11-254119  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF**

**WISTON INTERNATIONAL TRADE CO. LTD.**

**AFFIDAVIT**

I, **JEFFREY AYRE**, Certified Professional Accountant, Certified General Accountant, Licensed Insolvency Trustee of 250-750 W. Pender St., Vancouver, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am an Associate Director for G. Powroznik Group Inc., the trustee for Wiston International Trade Co. Ltd. ("Wiston"), and as such I have personal knowledge of the facts and matters hereinafter deposed to save and except where the same are stated to be made on information and belief and where so stated, I verily believe the same to be true.
2. Wiston is owned and controlled by Huigang (Andrew) Sun. Wiston is a wholesale flooring distributor founded in 2009. Its products are primarily imported from the People's Republic of China, and are widely used in projects and home renovations. Its customers are fabricators and installers of flooring for the construction industry. Its supplier (the "Supplier") is Heilong Jiang Far East Wood Co. located in Harbin, China.
3. The description of its business, reason for financial failure, and assets and liabilities are described in the Trustee's Preliminary Report dated April 24, 2018. A true copy of the Trustee's Preliminary Report is attached to this my affidavit as Exhibit "A". I have read the contents of the Trustee's Preliminary Report and confirm that they are true to the best of my knowledge.

4. I have read the Notice of Application for an extension to July 20, 2018 and confirm that the facts set out therein are true to the best of my knowledge.

**Good Faith And With Due Diligence**

5. All necessary filings have been made. Wiston continues to operate and cash flow indicates that operations may continue during the extension.
6. I verily believe that Wiston is working diligently on refinancing. It has implemented a prudent approach to refinancing which entails maintaining installments to the Bank of Montreal. Because Andrew Sun controls the Supplier, the Supplier supports an extension. Supply has been interrupted but a refinancing would allow supply to resume.
7. Wiston has engaged two law firms and a trustee for the purpose of restructuring.
8. Attached to this my affidavit as Exhibit "B" is a true copy of an email I received from Victor Tsao of DS Avocats detailing Mr. Sun's efforts to obtain refinancing.
9. Based on Exhibit "B" and on the veracity of my informants, I verily believe that Wiston has made good faith efforts to obtain refinancing and is engaged in discussions pertaining to formalization of refinancing options.

**Due Diligence**

10. The Trustee's Preliminary Report dated April 24, 2018 (the "Report") describes the company's due diligence.
11. Mr. Sun has suspended payment of indebtedness due to himself and related companies and he is prepared to support refinancing which will provide further funds.
12. Further, Mr. Sun has employed professionals who have provided advice and recommendations which have resulted in what appears to be a reasonable path to continue the business.
13. Wiston advises that they have been able to secure a shipment of twenty two (22) containers of product to begin selling new inventory back into the Canadian market, which are subject to inspection by Wiston before the product is shipped.

Attached to this my affidavit as Exhibit "C" is a true copy of an email I received from a Wiston representative on June 4, 2018, detailing the procurement of new inventory.

14. Attached to this my affidavit as Exhibit "D" is a true copy of an updated cashflow for Wiston running to July 29, 2018.
15. The trustee's report dated April 24, 2018 is favourable.

**Likely Be Able To Make A Viable Proposal**

16. In my opinion it is unlikely that an enforcement proceeding would result in the realization of the fundamental assets prior to a refinancing granted in this process. Here, the major creditor is Mr. Sun. Bank of Montreal has security over the inventory and receivables but its primary asset-based security is a mortgage over residential real estate in Vancouver. Enforcement of this mortgage will likely be subject to a six month redemption. The relief sought by the petitioner will no doubt benefit the bank.
17. I verily believe that the company has engaged in refinancing efforts which will ultimately benefit the creditors of Wiston.
18. I verily believe that the company, if able to complete the anticipated financing, can file a viable proposal.
19. At the time of the April 24, 2018 extension application, Wiston stated that the subject proceedings to be satisfied within 90 days by refinancing of the equity in real property owned and controlled by the debtor or its associated companies. The company is on track to meet this target and the current expectation is that refinancing will be accomplished within the requested extension period of 43 days.


**No Creditor Would Be Materially Prejudiced**

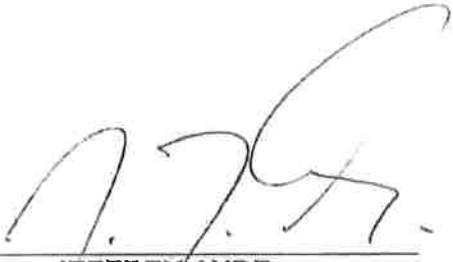
20. The Bank of Montreal is secured by real estate pledged by Mr. Sun with an assessed value of \$4,930,000 for debt of approximately \$2,400,000. The loan to value ratio is less than 50%.
21. Attached to this my affidavit as Exhibit "C" is a true copy of a forbearance

agreement entered between Wiston, Sun, and Bank of Montreal stating the indebtedness as at November 27, 2017 to be \$2,431,732.55.

22. The majority of amounts owed to unsecured creditors are to entities owned or controlled by Mr. Sun.
23. On behalf of the Trustee, I confirm that in the Trustee's opinion financing is proceeding favourably and the Trustee favours an extension.
24. I make this affidavit in support of an application to extend the time period for Wiston to file a proposal in bankruptcy and to extend the stay of proceedings.

SWORN BEFORE ME at the City of Vancouver, in the Province of British Columbia, this 6<sup>th</sup> day of June, 2018.

  
A Commissioner for Taking Affidavits for  
the Province of British Columbia

  
JEFFREY AYRE

**RYAN LAPLANTE**  
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