



No. S-240493  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

FOX ISLAND DEVELOPMENT LTD. and ADVANCED VENTURE HOLDING  
CO., LTD.

PETITIONERS

AND:

KENSINGTON UNION BAY PROPERTIES NOMINEE LTD. (FORMERLY  
KNOWN AS 34083 YUKON INC.) KENSINGTON UNION BAY PROPERTIES  
LIMITED PARTNERSHIP, KENSINGTON UNION BAY PROPERTIES GP LTD.,  
INTERNATIONAL TRADE CENTER PROPERTIES LTD., SUNWINS  
ENTERPRISE LTD., MO YEUNG CHING ALSO KNOWN AS MICHAEL CHING,  
MO YEUNG PROPERTIES LTD., SFT DIGITAL HOLDINGS 30 LTD., HOTEL  
VERSANTE LTD., BEEM CREDIT UNION, MORTEQ LENDING CORP., CHUN  
YU IU, 1307510 B.C. LTD., JEFFREY RAUCH, HEUNG KEI SUNG, AND RCC  
HOLDINGS LTD.

RESPONDENTS

**APPLICATION RESPONSE**

**Application response of:** Fox Island Development Ltd. and Advanced Venture Holding Co.  
Ltd., (the "Petitioners")

THIS IS A RESPONSE TO the notice of application of Club Versante Management Ltd. ("Club  
Versante") filed March 16, 2026.

The application respondents estimate that the application will take 1 day.

**PART 1 ORDERS CONSENTED TO**

The Petitioners consent to the granting of the orders set out in the following paragraphs of Part 1  
of the notice of application on the following terms: **NONE**

**PART 2 ORDERS OPPOSED**

The Petitioners oppose the granting of the orders set out in **ALL** paragraphs of Part 1 of the notice  
of application.

**PART 3 ORDERS ON WHICH NO POSITION IS TAKEN**

The Petitioners take no position on the granting of the orders set out in **NONE** of the paragraphs of Part 1 of the notice of application.

#### **PART 4 FACTUAL BASIS**

##### **Overview**

1. Capitalized terms used herein have the same meaning as in the Notice of Application of Club Versante Management Ltd. ("**Club Versante**") filed March 16, 2026, or the Affidavit #2 of Chung-Lin (Linda) Ching, affirmed March 16, 2026 (the "**Ching Affidavit**") unless otherwise defined.
2. Club Versante asserts ownership of certain F&B Assets located in the restaurant/bar portion of the Hotel Versante that was formerly subleased by Club Versante from the sub-landlord, Hotel Versante Ltd.
3. In support of its claim to the F&B Assets, Club Versante submitted, among other things, (i) the PCMA, which purports to allow ITCP to act as agent for Club Versante and Bygenteel in respect of the construction and build-out of the Sublet Premises, and (ii) a large bundle of invoices relating to the construction of the Sublet Premises and the purchase of various equipment for the kitchen and restaurant located in the Sublet
4. Notably absent, however, is any evidence that Club Versante actually paid for the F&B Assets (subject to a narrow exception in respect of the LIV Assets, defined and discussed below). Instead, the evidence proffered by Club Versante demonstrates that Club Versante, Bygenteel, ITCP and other entities controlled by Linda Ching or Michael Ching regularly comingled funds, payments and operations. No clear reconciliation of these entities' accounts has been provided. As a result, Club Versante has not proven that it actually paid for the F&B Assets. This is of particular importance given that the evidence provided by Club Versante shows that the F&B Assets were sold to, and directly paid for by, several judgment debtors of the Petitioners.
5. Club Versante also asserts that it should be entitled to the F&B Assets because no one else submitted a claim for them. This argument distorts the test for determining ownership of property in an insolvency. The onus of establishing a property claim in an insolvency proceeding is on the claimant. Club Versante's evidence has fallen well short of

establishing that it owns the F&B Assets, irrespective of the absence of any competing claims.

6. In addition, many of the F&B Assets have been permanently installed in the Sublet Premises and cannot be removed without causing material harm to the premises itself. As a result, those assets have become fixtures to the real property and cannot be removed.
7. The Petitioners respectfully request that this Honourable Court dismiss Club Versante's application in its entirety, and award costs against Club Versante in favour of the Petitioners.

### **The Hotel and Sublease**

8. Hotel Versante Ltd. leased the property known as the Hotel Versante from ITCP.<sup>1</sup> Hotel Versante Ltd., in turn, subleased the Sublet Premises within the Hotel Versante to Club Versante pursuant to the Sublease, which is dated August 1, 2021.<sup>2</sup>
9. ITCP and Hotel Versante Ltd. were owned by Mo Yeung Ching, also known as Michael Ching ("**Mr. Ching**").<sup>3</sup> Chung-Lin Ching, also known as Linda Ching ("**Ms. Ching**"), who is Mr. Ching's daughter, is an officer and director of Club Versante, as well as Bygenteel Capital Inc., which is the parent company of Club Versante.<sup>4</sup>
10. The Petitioners are the secured lender to ITCP and Hotel Versante Ltd.. The Petitioners obtained Order Nisi and summary judgment against ITCP, Hotel Versante Ltd., several other entities controlled by Mr. Ching, and Mr. Ching personally, pursuant to an Order granted by the Supreme Court of British Columbia dated February 29, 2024.
11. A nominee of the Petitioners purchased the Hotel Versante pursuant to a sale approval and vesting order granted on December 17, 2025 in respect of a back-up credit bid submitted by the Petitioners. A deficiency of more than \$70,000,000 remains owing to the Petitioners under the Order Nisi, after deducting the amount paid the Petitioners' nominee by way of the credit-bid.

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<sup>1</sup> Ching Affidavit at para 2.

<sup>2</sup> Ching Affidavit at para 3, Exhibit A.

<sup>3</sup> Fourth Report of the Receiver dated December 12, 2025 at paras 27-28.

<sup>4</sup> Ching Affidavit at paras 1, 16.

### Construction of the Sublet Premises

12. The Hotel Versante was built in 2020 and 2021. Pursuant to the PCMA, which is dated February 18, 2020 (approximately 18 months prior to the Sublease) Club Versante and Bygenteel purportedly retained ITCP to act as construction manager and agent in respect of the construction of the restaurant located in the Sublet Premises. Based upon the terms of the PCMA, Club Versante and Bygenteel were fully responsible for funding the costs associated with the interior improvements to the Sublet Premises.<sup>5</sup>
13. ITCP retained Scott Construction to build the Hotel Versante. Accordingly, Scott Construction also performed the construction work for the restaurant and bar in the Sublet Premises.
14. According to Ms. Ching, the construction work conducted on the Sublet Premises was tracked by Scott Construction and included under a separate project number, being "Project 1834" also described as "Project – Out of Scope".<sup>6</sup> Work specifically relating to the Sublet Premises is allegedly captured in Scott Construction's job cost reports under the heading "Level 12 Bar".<sup>7</sup>
15. The total amount invoiced by Scott Construction under Project 1834 was \$10,191,646.09,<sup>8</sup> and the total cost associated with the Level 12 Bar was \$3,874,910.24.<sup>9</sup>
16. It is unclear what other work or projects were included within Project 1834.
17. Ms. Ching created a table at Exhibit Y to her Affidavit which summarizes the amount of each draw request by Scott Construction with respect to the Level 12 Bar, and the amount and date of each payment purportedly made with respect to those draw requests. However, no evidence was provided demonstrating that Club Versante or Bygenteel actually made the payments to ITCP or to Scott Construction in respect of these draw requests.

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<sup>5</sup> Ching Affidavit at Exhibit B, Recital 2D.

<sup>6</sup> Ching Affidavit at para 10.

<sup>7</sup> Ching Affidavit at para 11.

<sup>8</sup> Ching Affidavit at Exhibit C, p 52.

<sup>9</sup> Ching Affidavit at Exhibit Y.

18. Rather, Club Versante's evidence shows that ITCP paid all of the invoices for the work done on Project 1834 (which includes the work done on the Sublet Premises).<sup>10</sup> Club Versante appears to imply that it reimbursed ITCP for the costs of, but has provided no evidence that it actually did.
19. Instead, Club Versante adduced the deposit books for one of ITCP's bank accounts<sup>11</sup> notwithstanding that Ms. Ching does not claim to have had any role within ITCP. The deposit books include numerous deposit records dating back to 2016 (some of which are completely illegible). The entries in the deposit books set out the date, name of payor, and the amount deposited by the payor. None of the entries provide any explanation as to purpose or use for the deposited funds, nor do any refer to Club Versante, Bygenteel, Hotel Versante, or the construction of any restaurant or bar.
20. At Exhibit BB to the Ching Affidavit, Ms. Ching provides a table that summarizes certain of these deposits that were made by various entities that are purportedly related to Bygenteel and Club Versante. Ms. Ching asserts that these funds were used to pay the amounts owing to Scott Construction for the construction work on the Sublet Premises, but provides no documentation to support that claim. Aside from Ms. Ching's bare assertions, no evidence has been adduced to support that:
  - (a) the payors identified in the chart at Exhibit BB in the Ching Affidavit are, in fact, related to Bygenteel or Club Versante;
  - (b) the funds deposited by those payors were intended to be used to pay for the work done by Scott Construction of the Sublet Premises. To the contrary, Ms. Ching's summary chart suggests that certain of the deposits relate to the sale of units in ITC's 1<sup>st</sup> Phase, or relate to investments in other projects owned or spearheaded by one or more of the Chings; or
  - (c) ITCP actually used the funds deposited by those payors to pay for the work done by Scott Construction of the Sublet Premises.
21. The evidence submitted by Club Versante clearly demonstrates that neither Club Versante nor Bygenteel directly contributed to the construction of, or the improvements to, the

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<sup>10</sup> Ching Affidavit at Exhibit C, p 50.

<sup>11</sup> Ching Affidavit at Exhibits Z and AA.

Sublet Premises. Further, absolutely no documentation has been provided that could demonstrate that the funds deposited into ITCP's account indirectly originated from either Club Versante or Bygenteel. Accordingly, Club Versante has failed to demonstrate that it paid for, and therefore owns, the F&B Assets.

22. In addition, it is unclear what interest Club Versante could have had in the F&B Assets at the time they were purchased or installed in the Sublet Premises, pursuant to the terms of the PCMA.
23. The PCMA is dated February 18, 2020, and lists Club Versante and Bygenteel as "the Owner", collectively.<sup>12</sup> At the time the PCMA was executed with ITCP, neither Club Versante nor Bygenteel had any interest in the Versante Hotel or the Sublet Premises, since the Sublease wasn't signed until August 1, 2021 (approximately a year and a half later), and Hotel Versante Ltd. is the sub-landlord under the Sublease, not ITCP.<sup>13</sup>
24. Further, most of the draw requests issued by Scott Construction for the Sublet Premises were issued prior to Club Versante entering into the Sublease. According to the summary table provided in the Ching Affidavit, only Draw Requests 34-41 were issued after the Effective Date in the Sublease, and the total amount paid under those draw requests was \$333,089.05, which is less than 10% of the total amount that Club Versante claims to have paid.<sup>14</sup>
25. No explanation has been provided regarding how Club Versante could obtain an interest in assets that were installed in the Sublet Premises prior to Club Versante ever obtaining any interest in the Sublet Premises. This is a further reason as to why Club Versante has failed to demonstrate that it owns the F&B Assets.

**Work done by Scott Construction is not removable**

26. Even if it is assumed that Club Versante ultimately paid for the work done by Scott Construction on the Sublet Premises (which is not admitted, but is expressly denied by the Petitioners), Club Versante would not be permitted to remove the components that were installed. The Project 1834 job cost reports for the Sublet Premises (described as

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<sup>12</sup> Ching Affidavit at Exhibit B.

<sup>13</sup> Ching Affidavit at Exhibit A.

<sup>14</sup> See Ching Affidavit at Exhibit Y.

the "Level 12 Bar") include significant expenditures for mechanical work, electrical work, wall and ceiling construction, flooring installation and painting.<sup>15</sup> Each of these types of work interface with HVAC, electrical, or structure that the Sublease deems non-removable irrespective of who paid for it.<sup>16</sup>

27. Club Versante asserts at paragraph 23 that "the Out of Scope work [described under the Project 1834 job cost reports] does not include the purchase of furniture and equipment used in the Sublet Premises" and that "that personal property was acquired by or on behalf of Club Versante;" however, the Project 1834 Level 12 Bar ledger contains a line item for the supply and install of kitchen equipment from Canadian Restaurant Supply Ltd. ("CRS") for a cost of \$883,809,<sup>17</sup> and the summary of payments made on the Project 1834 invoice from Scott Construction provides that ITCP made all payments, including all payments for invoices from CRS.
28. At a minimum this inconsistency undermines the reliability of Club Versante's assertion that the Scott Construction job cost reports do not include the purchase of furniture and equipment, since the invoices from CRS clearly relate to the purchase of commercial kitchen equipment.
29. Club Versante and the Chings have had ample opportunity to provide the Receiver with adequate proof to substantiate Club Versante's claim to the F&B Assets. The Receiver had asked Mr. Ching at the commencement of these receivership proceedings to provide information regarding Club Versante, including its ownership, employees, assets, operations and finances. In addition, at that time, the Receiver specifically requested information regarding the F&B Assets so the Receiver could determine what assets could be purchased as part of the sale of the hotel.<sup>18</sup>
30. The Receiver made these inquiries of Mr. Ching because he was listed as a director of Club Versante.<sup>19</sup>

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<sup>15</sup> See e.g. Ching Affidavit at Exhibit T, "Level 12 Bar".

<sup>16</sup> Ching Affidavit at para. 11; Exhibits "D"-"X".

<sup>17</sup> See e.g. Ching Affidavit at Exhibit T, "Level 12 Bar".

<sup>18</sup> First Supplement to the Fourth Report of the Receiver, dated December 15, 2025 at para 21 [**First Supplement**].

<sup>19</sup> First Supplement at para 14.

31. Mr. Ching ultimately provided information to the Receiver regarding the F&B Assets in April of 2025 (the "**April 2025 F&B Information**"), including several different listing of the F&B Assets, and various ledgers, invoices, purchase orders and cheques supporting payment for certain of the F&B Assets; however that information was not well organized and the Receiver was not able to reconcile the F&B Asset listings with the payment support provided by Mr. Ching.<sup>20</sup>
32. The April 2025 F&B Information contains many of the same deficiencies as Club Versante's proof of claim submitted to the Receiver on February 23, 2026 (the "**Proof of Claim**") and the Ching Affidavit. That is:
- (a) Item descriptions on the invoices and purchase orders do not consistently align with the descriptions in the F&B Asset listings;
  - (b) The F&B Asset listings do not contain unique identifiers that would allow the Receiver to perform item-by-item verification;
  - (c) The information relating to payment for the F&B Assets does not clearly account for all items appearing in the F&B Asset listing;
  - (d) The information relating to payment for the F&B Assets often only provides for partial payment or payment by installment for various invoices;
  - (e) Many payments were made by parties other than Club Versante;
  - (f) Much of the supporting information relates to expenditures for labour, design, or other non-physical assets.<sup>21</sup>
33. The Receiver faced the same challenges in reviewing the Proof of Claim as it did when reviewing the April 2025 F&B Information. The Receiver was correct to refuse Club Versante's claim for the F&B Assets.

**Distinction between Club Versante and Mr. Ching's companies is illusory**

34. As noted above, the Petitioners are secured creditors of ITCP and Hotel Versante Ltd.. They are also judgment creditors of those two companies along with several other entities

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<sup>20</sup> First Supplement at para 22.

<sup>21</sup> First Supplement at para 22.

owned by Mr. Ching, including Sunwins Enterprise Ltd. ("**Sunwins**"), which was formerly known as Mo Yeung International Enterprise Ltd. ("**MYIE**"). MYIE changed its name to Sunwins on January 29, 2020.

35. The Petitioners are also a judgment creditor of Mr. Ching, personally.
36. The Ching Affidavit clearly demonstrates that Club Versante's finances and operations were closely intertwined with those of Mr. Ching and his various companies. For example:
  - (a) Club Versante allegedly entered into the PCMA with ITCP to allow ITCP to act as agent for the construction of the restaurant in the Sublet Premises;<sup>22</sup>
  - (b) Club Versante relies on amounts paid by third parties into ITCP's bank account to support its claim to the F&B Assets;<sup>23</sup>
  - (c) The list of items provided by CRS does not mention Club Versante as its customer, but rather describes the customer as "International Trade Center Hotel – Richmond" or "OPUS Hotel, Richmond";<sup>24</sup>
  - (d) CRS' invoices are issued to ITCP c/o Scott Construction, not Club Versante;<sup>25</sup>
  - (e) Change Orders from CRS were not sent to Club Versante, or even ITCP, but rather, they were sent to MYIE, with attention to Mr. Ching<sup>26</sup>
  - (f) A dishwasher was leased from CRS by MYIE. A hand-written note indicates that Club Versante was to be billed for the lease, however, no documentation indicates that Club Versante actually was billed or paid;<sup>27</sup>
  - (g) Another dishwasher was leased from VendorLender Funding Corp. by Hotel Versante Ltd. and Mr. Ching;<sup>28</sup>

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<sup>22</sup> Ching Affidavit at Exhibit B.

<sup>23</sup> Ching Affidavit at para 14.

<sup>24</sup> Ching Affidavit at Exhibit HH, pp 251-285.

<sup>25</sup> Ching Affidavit at Exhibit HH, pp 288, 291, 293, 295 and 300.

<sup>26</sup> Ching Affidavit at Exhibit HH, pp 261, 269, 270, 273, 278 and 280.

<sup>27</sup> Ching Affidavit at Exhibit HH, pp 296-297.

<sup>28</sup> Ching Affidavit at Exhibit HH, p 298.

- (h) Emails from GHY International relating to certain F&B Assets claimed by Club Versante, were sent to "wendy@myiegroup.com" and "anita@myiegroup.com" notwithstanding the invoice itself was issued to Club Versante.<sup>29</sup> . Presumably "myie" is an acronym for "Mo Yeung International Enterprise." In addition, in an email exchange with another vendor, LIV and Company Investments Ltd. ("LIV"), there is a hand-written note on one email stating "Communications between factory rep and Club's Managing Director." The recipients on the subject email have email addresses with "@myiegroup.com."<sup>30</sup>
  - (i) Many emails were sent to Club Versante Attn: Rita Zhang, with Rita's email address being [rita@sunwins.ca](mailto:rita@sunwins.ca);<sup>31</sup>
  - (j) Mr. Ching paid for certain of the F&B Assets on his personal credit card;<sup>32</sup>
  - (k) Rita Zhang paid for certain of the F&B Assets on her personal credit card;<sup>33</sup>
  - (l) Certain of the F&B Assets claimed by Club Versante were apparently sold to Sunwins, not Club Versante or even ITCP;<sup>34</sup> and
  - (m) Ms. Ching corresponds with others regarding Club Versante and the F&B Assets from a Sunwins email account.<sup>35</sup> In fact, the Receiver's Notice of Disallowance was sent to Ms. Ching at [linda@sunwins.ca](mailto:linda@sunwins.ca).
37. The clear conclusion to be drawn from Club Versante's evidence is that, at the time the Sublet Premises was being constructed, it was essentially indistinguishable from Mr. Ching and his various companies, including ITCP and Sunwins. On the evidence presented, it appears that no funds used to construct the Sublet Premises ever originated from or passed through Club Versante's bank account, and the vast majority of the equipment purchased and work performed on Sublet Premises was invoiced to either ITCP or MYIE.

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<sup>29</sup> Ching Affidavit at Exhibit II, pp 309, 310, 312.

<sup>30</sup> Ching Affidavit at Exhibit GG, p 239.

<sup>31</sup> Ching Affidavit at Exhibit JJ, pp 331, 334, 336 and 347.

<sup>32</sup> Ching Affidavit at Exhibit JJ, pp 333 and 338.

<sup>33</sup> Ching Affidavit at Exhibit JJ, p 340.

<sup>34</sup> Ching Affidavit at Exhibit KK, pp 341, 342, 344 and 345.

<sup>35</sup> Ching Affidavit at Exhibits LL & NN, pp 354 & 367.

38. There is no evidence other than Ms. Ching's bare assertion that Club Versante installed, caused to be installed, or paid to have installed, any of the property, furnishings, machinery, trade fixtures, equipment and improvements (trade or otherwise) that exist in the Sublet Premises. Accordingly, there is no basis upon which Club Versante can claim any interest in the F&B Assets, pursuant to the terms of the Sublease.

### **The LIV Assets**

39. At Exhibit GG to the Ching Affidavit, Club Versante appends seven cheques that it issued to LIV for a total amount of \$100,453.14, along with a number of invoices, purportedly for lighting installation, fabrics and certain tables and chairs. Certain of the invoices were issued to Club Versante,<sup>36</sup> whereas others were issued to Hotel Versante Ltd.<sup>37</sup> or Sunwins.<sup>38</sup>
40. To the extent that Club Versante is able to identify specific F&B Assets that were purchased from LIV by Club Versante with Club Versante's cheques included at Exhibit GG to the Ching Affidavit, the Petitioners concede that those assets are Club Versante's property (the "**LIV Assets**").

## **PART 5 LEGAL BASIS**

### **Club Versante has not proven that it owns the F&B Assets**

41. The onus of proving a claim in any insolvency proceeding is on the claimant.<sup>39</sup> The claimant must prove its claim on a balance of probabilities,<sup>40</sup> and claims made by related parties are typically subject to closer scrutiny by the court officer. The proof of claim submitted by the claimant must be sufficient to enable the court office to make an informed decision on the merits.<sup>41</sup>
42. The Proof of Claim and the evidence submitted in the Ching Affidavit fail to satisfy the evidentiary onus that it bears.

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<sup>36</sup> See Ching Affidavit at Exhibit GG, pp 187, 191 – 196, 208, 213-216, 218-221, 223-224, 226, 236-238

<sup>37</sup> See Ching Affidavit at Exhibit GG, pp 197-201, 209.

<sup>38</sup> See Ching Affidavit at Exhibit GG, p 227, 234.

<sup>39</sup> See e.g. BIA s. 81(3), s. 124, *Bank of Montreal v. Scott*, 2013 SKQB 64 at para 18.

<sup>40</sup> *Polar Products Inc. v. Hongkong Bank of Canada*, 1992 CarswellBC 514, [1992] B.C.W.L.D. 2147 at para 8.

<sup>41</sup> *Conian Developments Inc. (Re)*, 2025 BCSC 2674 at 35.

43. The Proof of Claim is a 700+ page document dump that does not clearly or cogently demonstrate that Club Versante owns the F&B Assets. The Receiver correctly denied the Proof of Claim. Similarly, the evidence submitted in the Ching Affidavit on this appeal, which is nearly 400 pages in length, is also deficient.
44. The PCMA provides that ITCP will act as agent for Club Versante and Bygenteel in respect of the construction and build-out of the Sublet Premises, and that ITCP will “not be deemed the owner of FFE or interior improvements.” Club Versante and Bygenteel agreed to fund and be solely responsible for the funding of the construction costs for the Sublet Premises; however, no evidence has been submitted demonstrating that Club Versante actually paid for the construction work done on the Sublet Premises, which includes any removable tenant improvements.
45. While the PCMA provides that ITCP will not be *deemed* to be the owner of FFE or interior improvements, the evidence proffered by Club Versante demonstrates that (a) ITCP was the contractual counterparty with Scott Construction for the work on the Sublet Premises, which includes provision of the kitchen equipment purchased from CRS, (b) ITCP paid all of Scott Construction's invoices;<sup>42</sup> and (c) Club Versante had no interest in the Sublet Premises at the time the PCMA was executed and during the majority of the buildout of the Sublet Premises because the Sublease wasn't executed until August 1, 2021.<sup>43</sup>
46. In other words, ITCP is the *actual* owner of the FFE and improvements provided under the PCMA. As noted above, the Petitioners hold valid and enforceable security against ITCP. The mortgage granted by ITCP in respect of the hotel property includes all fixtures attached to the lands.<sup>44</sup> Furthermore, the Petitioners are judgment creditors of ITCP, Hotel Versante Ltd., Sunwins/MYIE and Mr. Ching.
47. The PCMA specifically provides that “[ITCP] acknowledges that funds received for trade payments are administered on behalf of [Club Versante and Bygenteel] and shall not be comingled for unrelated purposes.”<sup>45</sup> In light of this restriction on co-mingling of funds, it should be a simple exercise to obtain records demonstrating the flow of funds from Club

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<sup>42</sup> Ching Affidavit at pp 51-52.

<sup>43</sup> Ching Affidavit at Exhibit A.

<sup>44</sup> Affidavit #1 of Wen Yong Wang, affirmed January 22, 2024 at Exhibit C, see definitions of “ITC ASP2”, “ITC Bar” and “ITC Remainder”, Exhibit D s. 1.1(b).

<sup>45</sup> Ching Affidavit at Exhibit B; at para 8.

Versante or Bygenteel to ITCP and, in turn, to Scott Construction, to pay for the construction work done on the Sublet Premises on Club Versante's behalf. Absolutely no such evidence has been provided, and accordingly, Club Versante has not met its burden to establish a right remove any of the F&B Assets that were allegedly obtained under the PCMA. Club Versante's claim to the F&B Assets must fail.

48. At paragraph 34 of its Notice of Application, Club Versante boldly states:

Other parties related to Club Versante may have advanced funds directly to suppliers of the food and beverage assets to Club Versante. Club Versante may continue to owe money to those parties, including Bygenteel. However, none of those parties have claimed any interest in the F&B Assets.

49. Mr. Ching is or was a director of Club Versante, ITCP, Hotel Versante Ltd., and Sunwings/MYIE.<sup>46</sup> Ms. Ching is a director and officer of Club Versante and Bygenteel.<sup>47</sup> No party is better situated than Club Versante to advise whether any related parties paid for the F&B Assets, and whether Club Versante continues to owe any such party any money

50. The Petitioners respectfully submit that this paragraph in the Notice of Application is an implied admission from Club Versante that it has never paid for the F&B Assets that it now claims that it owns, particularly given the complete absence of any evidence suggesting otherwise.

51. The fact that no other party has claimed an interest in the F&B Assets is irrelevant. The most likely parties that would claim an interest in the F&B Assets are all entities that are controlled by Mr. Ching and are significant judgment debtors to the Petitioners.

**Work done on the Sublet Premises is not removable without causing material damage**

52. Even if it is accepted that Club Versante paid for the F&B Assets (which the Petitioners expressly deny), a significant amount of the improvements installed in the Sublet Premises are not removable, but rather, are fixtures that are affixed to premises for the better use

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<sup>46</sup> Fourth Report at paras 27-28; First Supplement at para 14.

<sup>47</sup> Ching Affidavit at para 1.

of the building as part of the freehold, and could not be removed from the Sublet Premises without causing significant damage. The Sublease expressly requires Club Versante to repair any damage caused by removing its property from the Sublet premises.<sup>48</sup>

53. The Scott Construction records document precisely the kind of plumbed, wired, and structurally integrated systems that British Columbia courts have consistently treated as fixtures.
54. Fixtures are chattels that become attached to real property and pass with the transfer of title to real property.<sup>49</sup> The Petitioners accept that certain fixtures that are installed by a tenant in a leased premises can be classified as "trade fixtures", and in such cases, the trade fixtures can be removed from the leased premises at the end of the term of the lease.
55. The test for determining whether an asset is a trade fixture is as follows:<sup>50</sup>
  - (a) whether the asset is affixed to the ground by the tenant;
  - (b) whether the asset is used for the purpose of a trade or commerce; and
  - (c) whether the asset can be removed without material damage to the premises.
56. First, any assets that are affixed to the leased premises were affixed by ITCP, not Club Versante. As a result, any such affixed assets fail the first branch of the trade fixture test.
57. In addition, and in any event, much of the work performed by Scott Construction, and many of the F&B Assets listed at Exhibit FF to the Ching Affidavit appear to be assets that cannot be removed from the Sublet Premises without causing significant damage to the premises itself. Any such assets fail the third branch of the trade fixture test.
58. For example, and as noted above, the Project 1834 job cost reports for the Sublet Premises (described as the "Level 12 Bar") include significant expenditures for mechanical work, electrical work, wall and ceiling construction, flooring installation and painting.<sup>51</sup>

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<sup>48</sup> Ching Affidavit at Exhibit A, section 6.6.1.

<sup>49</sup> *P.S. Sidhu Trucking Ltd. v Elima Enterprises Ltd.*, 2020 BCSC 1062 at para 78.

<sup>50</sup> *2105582 Ontario Ltd. (Performance Plus Golf Academy) v. 375445 Ontario Limited (Hydeaway Golf Club)*, 2017 ONCA 980 at para 38.

<sup>51</sup> See e.g. Ching Affidavit at Exhibit T, "Level 12 Bar".

Each of these types of work interface with HVAC, electrical, or structure that would cause significant damage to the Sublet Premises if removed.<sup>52</sup>

59. The asset list at Exhibit FF lists items such as custom stainless steel cladding, a ventless exhaust system, shelving, sinks and faucets, and a mop closet among other assets that cannot be removed from the Sublet Premises without causing material damage to the premises itself.<sup>53</sup> As a result, they are fixtures, not trade fixtures, and therefore form part of the real property.
60. To the extent that any assets listed at Exhibit FF to the Ching Affidavit are chattels or are trade fixtures that can be removed from the Sublet Premises without causing material damage, the Petitioners maintain that Club Versante has failed to prove ownership of those assets for the reasons provided above (with the exception of the LIV Assets).

#### **The Chings' companies are suspiciously intertwined**

61. The Chings have a long history of contesting the Petitioner's enforcement efforts in these receivership proceedings.
62. An earlier dispute related to the entitlement of the allocation of sale proceeds arising from the sale of parking stalls that had been assigned to the hotel (the "**P5 Parking Stalls**", and such proceeds being the "**Parking Proceeds**").
63. On December 9<sup>th</sup> and 11<sup>th</sup> 2025, the Petitioners appeared before Fitzpatrick, J. seeking an Order declaring that they were entitled to the Parking Proceeds. Bygenteel and Mr. Ching opposed the relief sought by the Petitioners, and sought a declaration that an unregistered sublease granted in favour of Bygenteel enjoyed priority over the Petitioners' registered mortgage.
64. Fitzpatrick, J. granted the Petitioners' application (reasons indexed as 2026 BCSC 294), and made several observations regarding the relationship between the various entities controlled by Mr. and Ms. Ching. For example:

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<sup>52</sup> Ching Affidavit, para. 11; Exhibits D-X.

<sup>53</sup> For example, in *James Hastings Ltd. v. Canadian Imperial Bank of Commerce*, 1985 CarswellBC 2583, [1986] B.C.W.L.D. 366 (BC Co. Ct.); aff'd, the court held that removal of sinks, stoves and fridge units in kitchenette areas in motel rooms would leave a "gaping area".

- (a) Despite evidence that Bygenteel had assigned its interest in the P5 Parking Stalls to Club Versante, for unknown reasons, Club Versante did not appear at the application, or assert that it holds any interest in the P5 Parking Stalls under the its sublease;<sup>54</sup>
  - (b) It was curious as to why Bygenteel would be entitled to an assignment of 84 parking stalls (being the P5 Parking Stalls) used by Hotel Versante as a result of its purchase of one strata lot in another part of the hotel complex development;<sup>55</sup>
  - (c) Mr. and Ms. Ching had not provided any evidence as to the circumstances leading to the Bygenteel Assignment or the Club Versante Lease (as defined in Fitzpatrick, J.'s reasons) beyond the fact that those agreements were entered into;<sup>56</sup>
  - (d) Mr. Ching and Ms. Ching opposed the relief sought by the Petitioners, acting in concert through their companies to benefit Bygenteel only,<sup>57</sup> despite the fact that Mr. Ching was a guarantor for the loans owing to the Petitioners, for which there would be a significant shortfall;
  - (e) There were serious questions in respect of the lack of any substantial consideration being paid by either Bygenteel or Club Versante for their rights to the P5 Parking Stalls;<sup>58</sup> and
  - (f) There were serious questions as to whether Mr. Ching and Ms. Ching enter into and assign various agreements at will depending on the circumstances and what interests are being served at any one time.<sup>59</sup>
65. Fitzpatrick, J. made no findings with respect to the above-noted observations; however, she concluded her thoughts on the matter as follows:

[92] There are many questions that arise in relation to the Bygenteel Agreements, however, no clear answers emerge.

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<sup>54</sup> *Fox Island Development Ltd. v Kensington Union Bay Properties Nominee Ltd.*, 2026 BCSC 294 at para 66 [**Fox Island**]

<sup>55</sup> Fox Island at para 57.

<sup>56</sup> Fox Island at para 74.

<sup>57</sup> Fox Island at para 77.

<sup>58</sup> Fox Island at para 78

<sup>59</sup> Fox Island at para 76.

[93] All that remains to be said about the Bygenteel Agreements is that they raise more questions than they provide answers as to their business purpose and efficacy and their validity.

66. Similarly, the documentation provided by Club Versante and the Chings regarding the F&B Assets raise their own questions. In particular, the Receiver was first alerted to the possibility that Club Versante may not assert ownership to the F&B Assets when Ms. Ching's #1 Affidavit contained a letter of intent between Bygenteel and Citation Property Holdings Inc. in relation to a sale of the F&B Assets to Citation for \$1,000,000 (the "Citation LOI").<sup>60</sup>
67. The assets included in the Citation LOI appeared to substantially correspond with the asset listings provided by Mr. Ching in the April 2025 F&B Information.<sup>61</sup> The Citation LOI listed Bygenteel as vendor, not Club Versante.<sup>62</sup>
68. Bygenteel (like Club Versante in the P5 Parking dispute) has not asserted any interest in the F&B Assets despite being listed as one of the "Owners" under the PCMA, and despite Club Versante purportedly being owed approximately \$5.3 million from Club Versante as at December 31, 2024.<sup>63</sup>
69. Further, Ms. Ching provided copies of ITCP's deposit books to support Club Versante's claim to the F&B Assets,<sup>64</sup> and purports to have knowledge of how ITCP used funds advanced by the Petitioners,<sup>65</sup> despite not providing any evidence that she ever had any involvement in ITCP's business or operations.
70. The evidence provided by Club Versante gives rise to more questions than answers. The Receiver correctly disallowed the Proof of Claim. Club Versante's appeal should be dismissed in its entirety.

## **PART 6 MATERIAL TO BE RELIED ON**

71. Affidavit #2 of Linda Ching-Lin (Linda) Ching, made March 16, 2026;

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<sup>60</sup> First Supplement at para 19.

<sup>61</sup> First Supplement at para 20.

<sup>62</sup> First Supplement at para 20.

<sup>63</sup> Ching Affidavit at para 16, Exhibit DD.

<sup>64</sup> Ching Affidavit at Exhibits Z, AA.

<sup>65</sup> Ching Affidavit at para 17.

- 72. Affidavit #1 of Wen Yong Wang, made January 22, 2024;
- 73. Fourth Report of the Receiver dated December 12, 2025; and
- 74. First Supplement to the Fourth Report of the Receiver, dated December 15, 2025.

The application respondent has filed in this proceeding a document that contains the application respondent's address for service.

The application respondent has not filed in this proceeding a document that contains an address for service. The application respondent's ADDRESS FOR SERVICE is: set out the application respondent's address(es) for service in compliance with Rule 4 1 (1) of the Supreme Court Civil Rules and any additional address(es) under Rule 4 1 (2) that the application respondent wishes to include.

April 23, 2026  
Dated

Kaleve *Articled Student*  
Signature of  lawyer for application respondents  
DLA Piper (Canada) LLP (Colin Brousson)  
Lawyer for the Petitioners

No. S-240493  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**  
BETWEEN:

FOX ISLAND DEVELOPMENT LTD. and ADVANCED VENTURE  
HOLDING CO., LTD.

PETITIONERS

AND:

KENSINGTON UNION BAY PROPERTIES NOMINEE LTD. (FORMERLY  
KNOWN AS 34083 YUKON INC.) KENSINGTON UNION BAY  
PROPERTIES LIMITED PARTNERSHIP, KENSINGTON UNION BAY  
PROPERTIES GP LTD., INTERNATIONAL TRADE CENTER  
PROPERTIES LTD., SUNWINS ENTERPRISE LTD., MO YEUNG CHING  
ALSO KNOWN AS MICHAEL CHING, MO YEUNG PROPERTIES LTD.,  
SFT DIGITAL HOLDINGS 30 LTD., HOTEL VERSANTE LTD., BEEM  
CREDIT UNION, MORTEQ LENDING CORP., CHUN YU IU, 1307510  
B.C. LTD., JEFFREY RAUCH, HEUNG KEI SUNG, AND RCC HOLDINGS  
LTD.

RESPONDENTS

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**APPLICATION RESPONSE**

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