

This is the 1<sup>st</sup> Affidavit of Lixin (Alex) Wang in the action  
and was made on December 12, 2017

No. S-179749  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE RECEIVERSHIP OF NETWORK INTELLIGENCE INC.**

BETWEEN:

1130489 B.C. LTD.

PETITIONER

AND:

NETWORK INTELLIGENCE INC.

RESPONDENT

**AFFIDAVIT**

I, Lixin (Alex) Wang, Businessman, of 147 Strathearn Avenue, Richmond Hill, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am Director of the Petitioner 1130489 B.C. Ltd. (“**113**”). As such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be made upon information and belief, and, as to such facts, I verily believe the same to be true.

**Background and Relationship with NI**

2. I am also a Director of Istuary Toronto Capital Inc. (“**Toronto Capital**”). Toronto Capital is a venture capital fund management company and is the general partner of Toronto Innovation Fund I Limited Partnership (“**Toronto Innovation LP**”). Toronto Innovation

LP, through its general partner Toronto Capital, has provided venture capital funding to some entities in the Istuary Groups of companies (explained further below), among other investments.

3. Toronto Capital's shareholders are: 40% Istuary Investment Management Inc., 15% Wei Wang, 15% Rao Chen, 15% Hong Lin Zhou, and 15% to myself. The four individual owners (the "**Toronto Shareholders**") run Toronto Capital – we are friends and together hold a majority stake in it.
4. The other directors of Toronto Capital are Ethan Sun (the nominee of Istuary Investment Management Inc.) and Wei Wang (who, along with me, is a nominee of the Toronto Shareholders). Toronto Innovation LP has no directors (by its nature a limited partnership does not have directors). The limited partners (aka silent partners) in Toronto Innovation LP are 29 individuals.
5. Toronto Innovation LP made a financial investment into Network Intelligence Inc. ("**NI**") as a minority investor in or about May 2016.
6. Other investors in NI, include a number of other limited partnerships, the Applicants included.
7. I have reviewed the Notice of Application of the Applicants and the Affidavit of Xia Zhang filed herein.
8. As set out in Ms. Zhang's affidavit #1 (the "**Zhang Affidavit**"), Ms. Zhang states that she represents 29 individuals who are the limited partners in Istuary Innovation Fund I Limited Partnership ("**Innovation Fund I**"), Istuary Innovation Fund II Limited Partnership ("**Innovation Fund II**"), Istuary Innovation Fund III Limited Partnership ("**Innovation Fund III**") and/or Istuary Platinum Fund III Limited Partnership ("**Platinum Fund III**") and collectively Innovation Fund I, Innovation Fund II and Innovation Fund II, the "**Minority Investor Group**").

9. I was a Director of NI from October, 2016 to June, 2017. I was appointed as a director of NI given my position with Toronto Capital, the GP of the Toronto Innovation LP, an investor in NI.
10. However, I ultimately made the decision to resign as a Director of NI after being denied information from NI regarding its financial health and after having my requests for board meetings to address the financial status of the company refused. Attached hereto and marked as *Exhibit "A"* (page 1) is a true copy of a letter of indemnification dated August 14, 2017 from Ethan Sun on behalf of NI, confirming the details of my resignation, effective May 31, 2017.
11. By the time I resigned as a director of NI, its financial condition was quite dire. In response to paragraph 5 of Ms. Zhang's Affidavit, the value of NI's assets as at July 2017, as set out in NI's unaudited financial statements was approximately \$18 million. However, these "assets" included a \$2.15 Million loan to Istuary Holding companies which, because of those companies' financial status, cannot be realized upon and almost all of the other assets are intangible assets. I note that, to book the value these assets, these statements simply capitalized the previous expenses (IP expenses and payroll) and ascribe those expenditures as value. Even so, the book value of the intangible assets of the R&D project is far different from market value on a sale.
12. Further, the financial statements indicate clearly that NI had only \$400 in its account and approximately \$15 million debt.
13. That, coupled with the defaults NI had in making its payroll and other obligations, made it evident that NI was insolvent and that all investors were at risk of losing their investment.

#### **Efforts to Preserve Investment**

14. After my resignation as director of NI, as a director of the GP of the Toronto Innovation Fund LP, an investor in NI, I continued to be supportive of any initiative that involved a sale of shares in NI, provided that the transaction was structured to provide for a cash injection to enable the company to continue its ongoing research and development, and

ultimately achieve success with taking the technology to the market to provide for a repayment to the investors.

15. To this end, in or about June, 2017, through the introduction of Shuangjie Yang (“**Belinda Yang**”), I met with Mr. Haijian Liu of Jiu Fa Investments Inc. (“**Jiu Fa**”) to discuss and promote the sale of shares. I ultimately facilitated a meeting between Ethan Sun and Mr. Liu in China in Early August to further these discussions.
16. When no offer from Jiu Fa came forward, and with NI’s financial situation rapidly deteriorating (as deposed to by other parties, there was no cash to sustain its research and development, there were significant resignations of core employees with them having their salaries in arrears by 3 months, and third party payments were overdue in millions of dollars), I contacted a number of the investors via a chat group (the “**Istuary Chat Group**”) in WeChat, a Chinese multi-purpose social media mobile application, to try to get the investors to contribute to a fund to keep NI afloat.
17. Attached hereto and marked as *Exhibit “B” (page 2)* is a true copy of list of members in the Istuary Chat Group, which is currently comprised of over 60 of the limited partners who have invested in NI. While it is not always clear to identify each party by their user name, as noted in Exhibit “B”, I have identified some members of the Istuary Chat Group as being:
  - a) Ms. Zhang, the deponent on behalf of the Minority Investors, Nancy (Hang) Wang (who I believe invested through one of the companies), Minillean Chen, and Harrison Huan, Minority Investors;
  - b) Belinda Yang;
  - c) Ethan Sun and
  - d) Yongqiang Dong, and Wei Wang, who are referenced by Ms. Zhang in her affidavit, in addition to Nancy Wang and Harrison Han, to be part of the “Negotiation Team” for the transaction with Jiu Fa, referenced at paragraph 14 of the Zhang Affidavit.

18. Attached hereto and marked as *Exhibit "C"* (page 5) is a true copy of a screenshot of a message that I sent to the Istuary Chat Group on August 1, 2017. The message is in Mandarin and translates to:

"To secure the 4.0 team (NI), at least 3 months salaries are needed, the total would be \$2 million plus other expenses. If we only press Ethan, even if he could manage raising fund, it will be too late, let alone to say if he couldn't. So, we'll have to face reality, it doesn't help just talking. If we contribute \$100k each, it's almost good. I express my opinion first that I could make the contribution. Please let me know your views"

19. The only member of the Istuary Chat Group to respond was Dan Zhang (whose name on the screenshot is "mm"), an investor in NI (I do not believe, however, that she is a member of the Minority Investor Group). Ms. Zhang responded stating that "All of us in this group should express our decision on this too". Beyond that I received no other response.

### **My Involvement with 113**

20. Accordingly, I approached other parties, including Renke Nie, to see if I could find other investors to cover funding for NI so that the value of the research and development was not lost. Mr. Nie was approached by Ethan Sun before, and was aware of the projects. After finding people willing to put money into this investment, with Mr. Renke agreeing to be the majority financial contributor, 113 was incorporated on August 16, 2017 as the corporate vehicle for any such transaction that was to be undertaken with NI, to preserve the assets.
21. Mr. Rei stated that he required me to be a director, so I agreed to be a director of 113 along with Mr. Nie, and Shigang (Frank) Wang ("**Frank**").
22. However, my involvement with 113 was for logistical and practical purposes. Mr. Renke lives in China creating logistical issues due to him not being here. Frank Wang is not fluent in English.
23. Given that I was a director at one time of NI, and was now a director of 113 and Toronto Capital, I was aware of the potential that I could be in a conflict of interest. Accordingly, I

required before I would agree to be a director that there be sufficient other directors so that I could abstain from any votes or decisions to be made that could be seen to be a conflict.

24. Later, when the transaction turned out to be a lending one (the particulars of which are set out in the Mr. Nie's Affidavit #1 sworn December 11, 2017), that meant that I would abstain from being part of any decision involving 113's security or any steps taken in respect of it. Frank and Mr. Nie agreed with this. To date, they have made all decisions in respect of these proceedings.
25. Without any support from the other investors, the lack of an offer from Jiu Fa and the desperate situation at NI, I supported the lending by 113 of funding to NI with the purpose to bring the team members back and put the operation back on track. Only by doing that, did I think that the value of the company could possibly be preserved, and the interests of Toronto Capital and Toronto Innovation LP be protected.
26. This is illustrated by the fact that the other projects in development by Ethan Sun's other "Istuary" companies (namely the NB-IoT Project: Narrow Band IoT chip Lions Project: the Artificial Intelligence Enhanced Video Processing chip, the Whistler Project: Secure Network Processor Chip, and the Deep Learning Project: a video deep learning implementation system) which were promising technology projects, with good talent teams and market feedback, but no investors available to step in to fund the research and development, have all stopped, and are now worth zero, with the only realization being from the liquidation of "Istuary" equipment and furniture which is currently being done by Able Auctions. Attached as **Exhibit "D" (page 7)** is a true copy of the website from Able Auctions in that regard. It appears that there is approximately 750 pieces of equipment and furniture listed at liquidation values. For example, a Robotic Arm bought by Istuary for, I am told by Istuary employees, \$50,000 USD, has a current bid of \$1,000, and workstations have current bids of 25 cents, with the auction ending December 14, 2017 at 11:00 a.m. The Istuary Vancouver funds, of which the Applicants are LPs, invested more than \$5 million into Whistler and Deep Learning.
27. In response to paragraph 24 of Ms. Zhang's Affidavit and to the Application as a whole, without the actions of 113, NI would have run out of working capital in August, which

would have made the opportunity to recoup \$17 million invested to that date, null. NI would have just shut its doors and the technology would have been lost.

28. At that point, there had been no influx of capital since June from any of the other limited partners or external third parties, including Jiu Fa.

### **Disclosure of my interests**

29. While I believed that all of the relevant parties were well aware of my affiliation with 113, and certainly did not hide it, I do recall specifically making it clear to them, the Minority Investor Group included, that in any of my dealings or when discussion or negotiating the Jiu Fa expressions of interest, or that of any other parties (I did introduce other parties who expressed an interest in investing in NI), that I was only speaking on behalf of Toronto Capital and Toronto Innovation LP.
30. In the Istuary Chat Group I have made it clear to everyone that I facilitated the negotiation between Ethan Sun and Jiu Fa, brought in bridging capital to fund NI after no cash raised from Jiu Fa, and continued efforts to push the sale of our shares to interested parties, including Jiu Fa. As such, I believe that all of the parties knew of my involvement with 113, as limited as it is, even if they did not know 113 by name. They would refer to it as the “bridging loan” provider or financier, or in a few cases “the numbered company”.
31. Attached hereto and marked as **Exhibit “E” (page 12)** is a true copy of the screen shots of a message I sent to the Istuary Chat Group on or about September 2, 2017, which translated from Mandarin states:

“Hi every investor! In early August, Ethan Sun and I went to Shenzhen to meet the potential buyer of the chip company, Mr. Liu and his partner Mr. Lin. We had a very pleasant and frank meeting, discussing 6 to 7 hours. And we had dinner together with their DD team leader Mr. Huang. 3 or 4 days later, Mr. Huang sent me the DD list, I forwarded to Istuary Vancouver team, including financial, technical, Belinda and Brian( the then CFO). The team worked hard to prepare and have sent the link (of the data room) to Mr. Huang, and Belinda also communicated with Mr. Liu (Jiu Fa). Then both Ethan and myself urged their opinion and further questions, but no written response. I also pushed Ethan to contact Mr. Liu and other potential buyers, Ethan showed me and other LPs his

WeChat messages, showing he contacted many times but no response. Days ago, I learnt that Mr. Liu and Ethan talked to each other through phone, thoroughly communicated the current dangerous situation( of NI). While yesterday, in this WeChat group, someone talked about restart the DD. I really couldn't understand why restart after submitting the DD materials for two weeks. During this period, the Chip project team has been collapsed, with the core team leaders, both hardware and software resigned, the apparent loss of employees has been near half. And because of the malfunction of the whole group, the people left did not transfer their work properly, posed threat to the ongoing R&D and completion of the technology. Meanwhile, other companies are poaching our employees , almost all the core members have received offers from them. Some of the team members engaged lawyers to sue the company (NI), talents losing quickly. If we hadn't paid the unpaid salaries this week, the team would have gone. At this dangerous and critical point, we are still arguing who's right who's wrong and who's right needs protection? We are all investors, hands on hearts, we ask ourselves, if the team was gone last week, is there any meaning that we fight on a asset with almost zero value? Is that sad and funny? We are on the same boat, it's meaningless to talk , we need action. As one of the earliest fund investor, we have our fiduciary duty to act, not talk. So, we had no choice but to raise funds urgently to pay the salaries of the employees and other emergency expenses, in order to retain the team and protect the value of the project. During the period of raising fund, the Vancouver LPs were also invited, but now, the funding providers will have to consider not only the bridging salaries cost, but also the operational working capital. The tape out, test, optimization and commercialization of this chip will take a long way, there's a demand for additional capital for at least USD10 million and it's unknown whether it's going to be successful or not even after that. It's understandable some of the LPs chose not to participate due to the risk profile. Now the company is still facing many problems, urgently need to be solved. I keenly request everyone here look at the big picture, keep the differences and pursue the same target, supporting Ethan to sell his shares asap, in order to introduce new shareholders, fresh capital into the company, to sustain the project, to protect the interest of the investors and the employees. For the potential buyers, time is no that sufficient, but considering the reality that if no salaries paid last week the company has gone, the company will collapse again if the controlling share couldn't be sold, or new shareholders, new capital couldn't come in, the \$17million invested will be lost completely, plus our bridging loan as an add on loss. Talking further, if we fail, we investors will lose money and time, team will lose reward and fulfillment, but the Chinese Canadian community will suffer blow to our reputation For the sake of ourselves, others and the community, I keenly request everyone act, support the sale. No matter who is going to take it over, urgent cash is the key. Meanwhile, everyone please face reality and solve the current problems and protect value through the growth of the assets."

32. My intention with this message was to ensure that all investors knew that we had pushed and encouraged Mr. Sun to find purchasers without success, that there was significant risk



to the project if swift action was not taken and that the situation was dire, that the only reason that equity was preserved to this point was because the bridge financiers that I had arranged for (although not identified specifically as 113, I confirmed my affiliation with them with the constant use of ‘we’) had stepped in, and to encourage them to support a sale. Of course, if they themselves wished to buy, they could have. Certainly none of the investors came forward to say that they wished to either fund the operating or buy themselves.

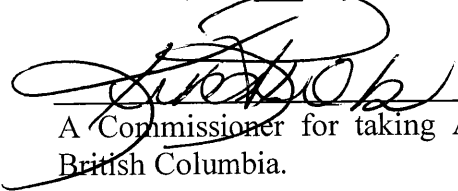
33. On or about October 7, 2017, I was received from Ms. Xia Zhang (the Applicant’s affiant), through WeChat, a Share Purchase Intent letter (In Mandarin). I was told that it was the result of her rounds of discussion with Jiu Fa. Then, in a WeChat discussion on October 7, 2017, Xia Zhang asked for details of the bridge loan financier. I advised her that there were two loans, one is USD1.2 million (the balance of which included the \$350,000 CDN under the Promissory Note, which was advanced after the loan matured) and the other is USD10 million, both secured by the assets of NI. I made it very clear in my message that I only represented the fund, and not the bridge financier. Attached hereto and marked as *Exhibit “F”* (page 19) is a true copy of a screen shot of that message, with translation.
34. The version of the proposal given to us contemplated a share sale. At the time, I advised Xia Zhang that I thought the shareholders of NI would be interested in selling the shares, given that an asset sale would require NI’s consent, which was unlikely.
35. A subsequent expression of interest from Jiu Fa was then received in mid that being the version attached as Exhibit H (page 6) to the Zhang Affidavit.
36. This version contemplated a possible purchase of the assets of NI and not the shares, in a format that was not a binding offer, or certain as to the terms. In particular, the purchase price was noted to be in the range of \$18,300,000 to \$19,500,000, but was subject to various adjustments based on confirmation of a number of items, including due diligence, assuming no liabilities of NI, including tax, employment etc., and “the value of the Assets”. In other words, there was no certainty as to purchase price at all. It was noted to be of no “legally binding” effect. And, there was no deposit contemplated until after the due diligence was complete. Any even more problematic was that it required an “exclusivity

period” for 120 days, meaning that no other alternative transactions could be pursued at all. I had understood that due diligence had been completed back in August, 2017. As such, that Jiu Fa could still not make a more definitive offer, or commit to any essential terms, and yet try to NI’s hands at this perilous time, I was frustrated.

37. By this time, I was aware that the Employment Standards Branch had issued a letter indicating that it was investigating if NI was a common employer to Ethan Sun’s other Istuary companies and, if it was, it could be subject to a claim of over \$3.5M by August 25, 2017, and I believed more to come for employee claims after that until October 5, 2017 when all the employees were laid off, I believe, and that the debt was possibly as much as \$10M. That debt could be the subject of a lien against all the assets of NI, meaning that it would be unlikely that anyone, 113 included, would continue to provide funding for the day to day operations as that debt would have to be paid first.
38. I again advised Xia Zhang, that as a representative of Toronto Innovation LP, while the parties may agree to the sale of the shares, the sale of the assets was much more problematic because of the risks from ESB and the suppliers, and the need for consent of NI.
39. On or about October 16, 2017, Xia Zhang invited a number of parties to a meeting to discuss negotiations with Jiu Fa. I attended this meeting and advised that I was doing so in my capacity as representative of Toronto Innovation LP and not of 113. Again, I did not hide my involvement with 113. I advised the parties that if they have any questions or concerns regarding 113, they could approach Frank Wang. I understand that both Ms. Zhang and Jiu Fa have approached Frank in that respect and am advised by Frank that he encouraged them at that time to make an offer if they wished to do so. I am also advised by Frank that no one did.
40. I also fully disclosed the letter that had been received from the Employment Standards Branch and expressed my concern with the risk it posed to NI, given that there was no confidence based on Jiu Fa’s expression of interest that a definitive deal would come in enough time to solve NI’s financial problems.

41. On or about October 18, 2017, I then met with some of the Minority Investors and Murphy & Company, the lawfirm that had been retained in respect of the Jiu Fa investment opportunity. I also, again, mentioned the Employment Standards Branch letter, but the lawyer from Murphy & Co said that employees of other companies could not go after NI's assets, but that he would have to talk to an employment lawyer about that as he did not seem to understand the issue with the common employer designation.

SWORN BEFORE ME at the City of  
Vancouver, in the Province of British  
Columbia, this 13 day of December, 2017.

  
A Commissioner for taking Affidavits within  
British Columbia.



LIXIN (ALEX) WANG

**KIMBERLEY A. ROBERTSON**  
*Barrister & Solicitor*  
1600 - 925 WEST GEORGIA ST.  
VANCOUVER, B.C. V6C 3L2  
(604) 685-3456

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**Letter of Indemnification**

**Date: August 14, 2017**

**Re. Network Intelligence Inc. (the "Corporation")**

**To: Mr. Lixin Wang**

I confirmed the following:

- Mr. Lixin Wang was nominated by one of our investors, Istuary Toronto Capital Inc. and he was appointed as a director of Acom Networks Inc. on October 12, 2016.
- The board was restructured from 5 directors to 3 directors on March 13, 2017;
- Mr. Lixin Wang officially resigned as a director on June 23<sup>rd</sup>, 2017;
- With the significant changes of the circumstance since May 31, 2017, Mr. Lixin Wang shall be deemed to cease to be a director from May 31, 2017.

As a sole director and the CEO the Corporation, I acknowledge during Mr. Lixin Wang's appointment period as a Director of the Corporation that:

- 1) Mr. Lixin Wang was not involved in the daily operations of the Corporation and never made any decision or policy for the Corporation;
- 2) Mr. Lixin Wang and the fund he represented requested many times for board meetings, but there was no board meetings called or held during the period he was the director.

Therefore, the Corporation will indemnify any potential liabilities for Mr. Lixin Wang during his appointment as a director of the Corporation.

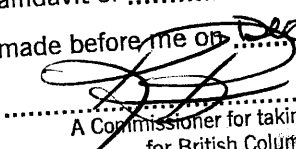
**Network Intelligence Inc.**

By: \_\_\_\_\_

Name: Yi An Sun

Title: Director

This is Exhibit "A" referred to in the  
affidavit of Alex Wang  
made before me on Dec 13 2017

  
A Commissioner for taking Affidavits  
for British Columbia

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Xia Zhang (Wife of Shengli Mu)

Nancy Wang

Harrison Huan

Yongqiang Dong

Wei Wang

Belinda Yang

This is Exhibit " B " referred to in the 2  
 affidavit of Alex Wang  
 made before me on Dec 13, 2017

Commissioner for taking Affidavits  
 British Columbia

- 道法自...
- 志沉
- Joyce...
- 福里
- Grant...
- 恩南...
- 吴家福
- Anyi...
- Shreena
- Winnie
- 心语(...
- Sherry
- Michael
- Joe C
- Mandy
- 陈钰 B...
- Steve...
- Ron
- 左曦
- 李曉波
- 宁静致远
- Eva
- 常钰
- Julia z...
- Vivian...
- 林 V
- Zhao-...
- Michael
- Joe C
- Mandy
- 陈钰 B...
- Steve...
- Ron
- 左曦
- 李曉波
- 宁静致远

Minlan (Joyce) Chen

Ethan (Yi An) Sun

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| Eva     | 常钰     | 孙一桢     | Vivian... |
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| Joe C   | Mandy  | 陈钰 B... | Steve...  |
| Ron     | 左巍     | 李晓波     | 宁静致远      |
| 大海      | 杨雪梅    | 子冈      | tony b... |
| 太平洋     |        |         | yuanLin   |

**Sarah Nelligan (3199) - 17Flr**

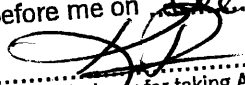
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**Subject:** FW: WeChat message1

The translation below:

“To secure the 4.0 team (NI), at least 3 months salaries are needed, the total would be \$2 million plus other expenses. If we only press Ethan, even if he could manage raising fund, it will be too late, let alone to say if he couldn't. So, we'll have to face reality, it doesn't help just talking. If we contribute \$100k each, it's almost good. I express my opinion first that I could make the contribution. Please let me know your views.”

“保住4.0团队，需要至少三个月工资，加上杂费，大概200万加元。如果我们只是压老孙，别说他万一融不到钱，就算融到也恐怕太晚了。所以，我们要面对现实，图说无益。我们每人出十万，基本就够了。我先表态，我可以出。大家说吧。”

This is Exhibit " C " referred to in the  
affidavit of Alex Wang  
made before me on Dec 13 2017  
  
A Commissioner for taking Affidavits  
for British Columbia



与，我们取后确认签字！

保住4.0团队，需要至少  
 三个月工资，加上杂  
 费，大概200万加元。  
 如果我们只是压老孙，  
 别说他万一融不到钱，  
 就算融到也恐怕太晚  
 了。所以，我们要面对  
 现实，图说无益。我们  
 每人出十万，基本就够  
 了。我先表态，我可以  
 出。大家说吧。



mm

群里的人都表个态哦



harrison





7

Get help selling your business assets or collectables  
604.881.2253 (tel:6048812253)/1.888.599.2253 (tel:18885992253)

ISTUARY INNOVATIONS OFFICE AUCTION

« PREV (/AUCTION?)

Thu. Dec. 14, 2017 | 11:00 AM

AAUCTIONID=414C557F-B8A4-4D8B-

Preview: Wednesday December 13th, 11:00 AM to 4:00 PM

9CCE-FF76D491AD3F)

8th Floor, 1125 Howe St., Vancouver, BC

(https://www.google.ca/maps/place/1125+Howe+St,+Vancouver,+BC+V6Z+2K8/@49.278875,-123.1283545,17z/data=!

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NEXT » (/AUCTION?)

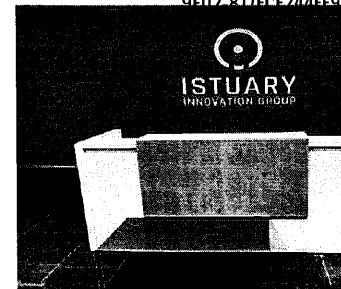
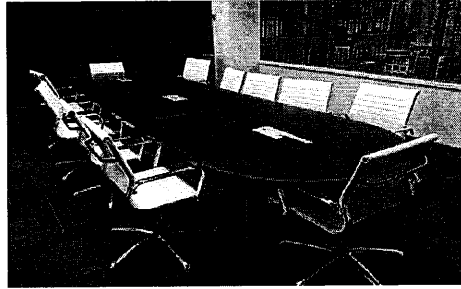
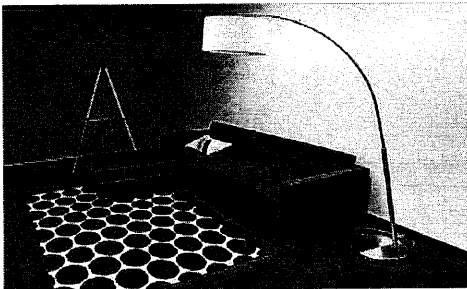
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Complete office including:

Lavish executive offices, with high end boardroom furniture, sofas and executive desks.

Bullpen workstations.

Private offices with meshback chairs and dark wood furnishings.

Lots of computer equipment, monitors, televisions, whiteboards and more.

Dark wood boardroom tables with white leather seating.

Robotic arm.

Classrooms and lunchrooms.

and more.

\*notes

- no first time internet bidders will be approved during the auction - we take the time to call all first time bidders & this can't be done while we are auctioning

- all items must be removed by Auction day until THURSDAY DECEMBER 14TH, 2017 4:00pm and FRIDAY DECEMBER 15TH, 2017 8:30am - 4pm (our staff is dedicated to setting up the next auction after that time), our staff do not assist you in loading - please bring help if you need it and any boxes etc.

For further information please call: (604) 881-2253 or 1-800-910-1211

Items Subject to Additions & Deletions - Auction date and times may change.

This is Exhibit "D" referred to in the affidavit of Alex Wang made before me on Dec 13, 2017. A Commissioner for taking Affidavits for British Columbia

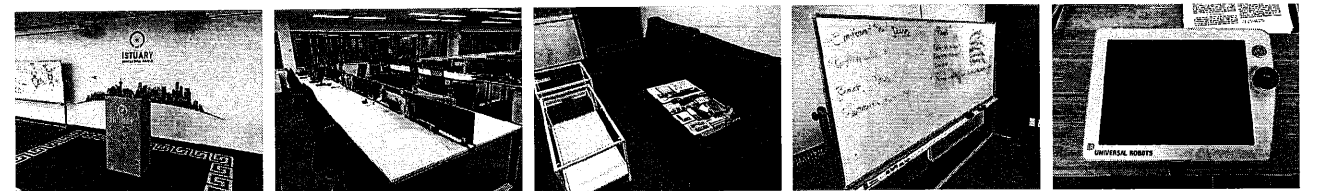
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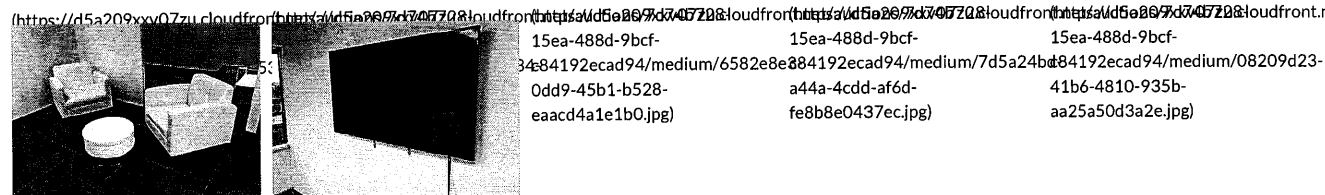
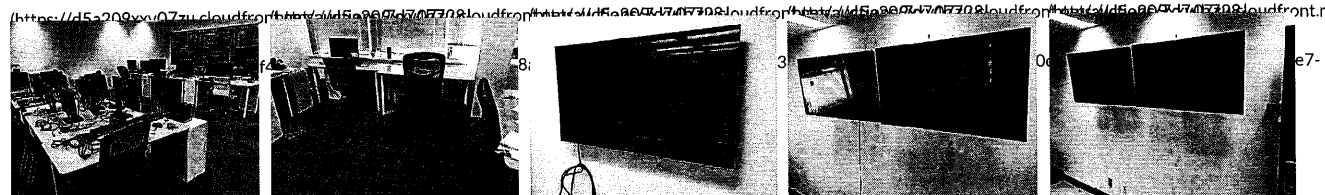
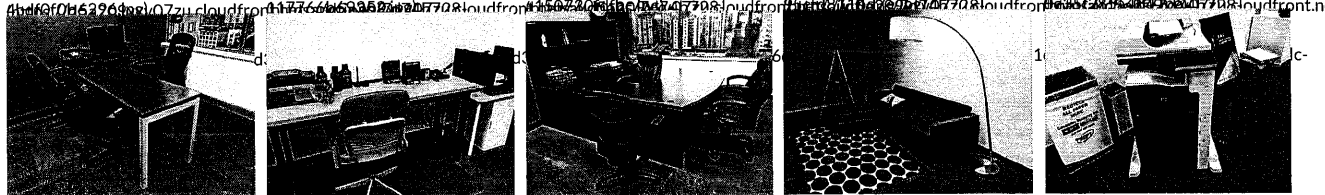
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10



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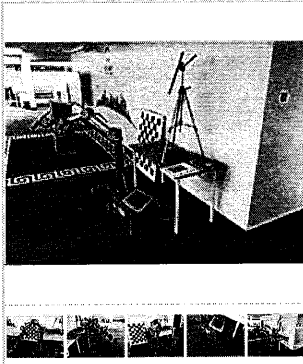
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ITEM | / ISTUARY INNOVATIONS OFFICE AUCTION - Onsite Vanc... / UNIVERSAL ROBOTS UR5 FLEXIBLE ROBOTIC ARM WITH D...

634 UNIVERSAL ROBOTS UR5 FLEXIBLE ROBOTIC ARM WITH DIGITAL TOUCHSCREEN DISPLAY, CALIBRATION BAORD &

Currency: CAD Category: Office Start Price: NA Estimated At: NA



CURRENT BID  
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ENTER YOUR MAXIMUM ABSENTEE BID ?

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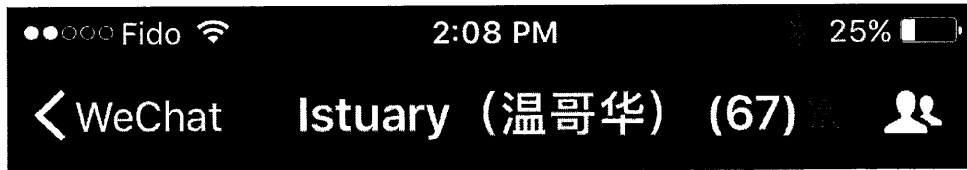
11

Sept 2, 2017 10:58 AM

各位投资人，大家好！  
8月上旬我和孙总飞到深圳与芯片潜在收购方刘总及他中国合伙人林总在深交所大厦见面，大家谈得非常愉快和坦诚，前后磋商（包括国内买壳合作等）6、7个小时。并与刘总和他们国内尽调团队的黄总共进晚餐。3、4天以后，黄总发给我尽调清单，我转给温哥华溢思得瑞的财务、技术、Belinda、陈钰诸位。公司团队加班准备材料，已于两周多以前将材料的网上链接发给黄总、Belinda



This is Exhibit "E" referred to in the affidavit of Alex W. ... made before me on Dec 13, 2017  
A Commissioner for taking Affidavits for British Columbia



周多以前将材料的网上链接发给黄总，Belinda也与刘总进行了沟通。其后我和孙总都催问对方意见和进一步问题，未得书面反馈。我在中国是曾敦促孙总抓紧与刘总及其他可能的买家联系，孙总也向我和部分投资人出示了他的微信记录，显示多次主动联系未果。前几日得知孙、刘两位已经直接通话联络，充分沟通了目前情况的危急。昨天群里又再提启动尽调，我实在不理解，尽调报告都提交了两周多，怎么还启动呢？在此期间，芯片团队分崩离析，团队软硬件技术骨干





●●○○ Fido

2:08 PM

25%

&lt; WeChat Istuary (温哥华) (67)



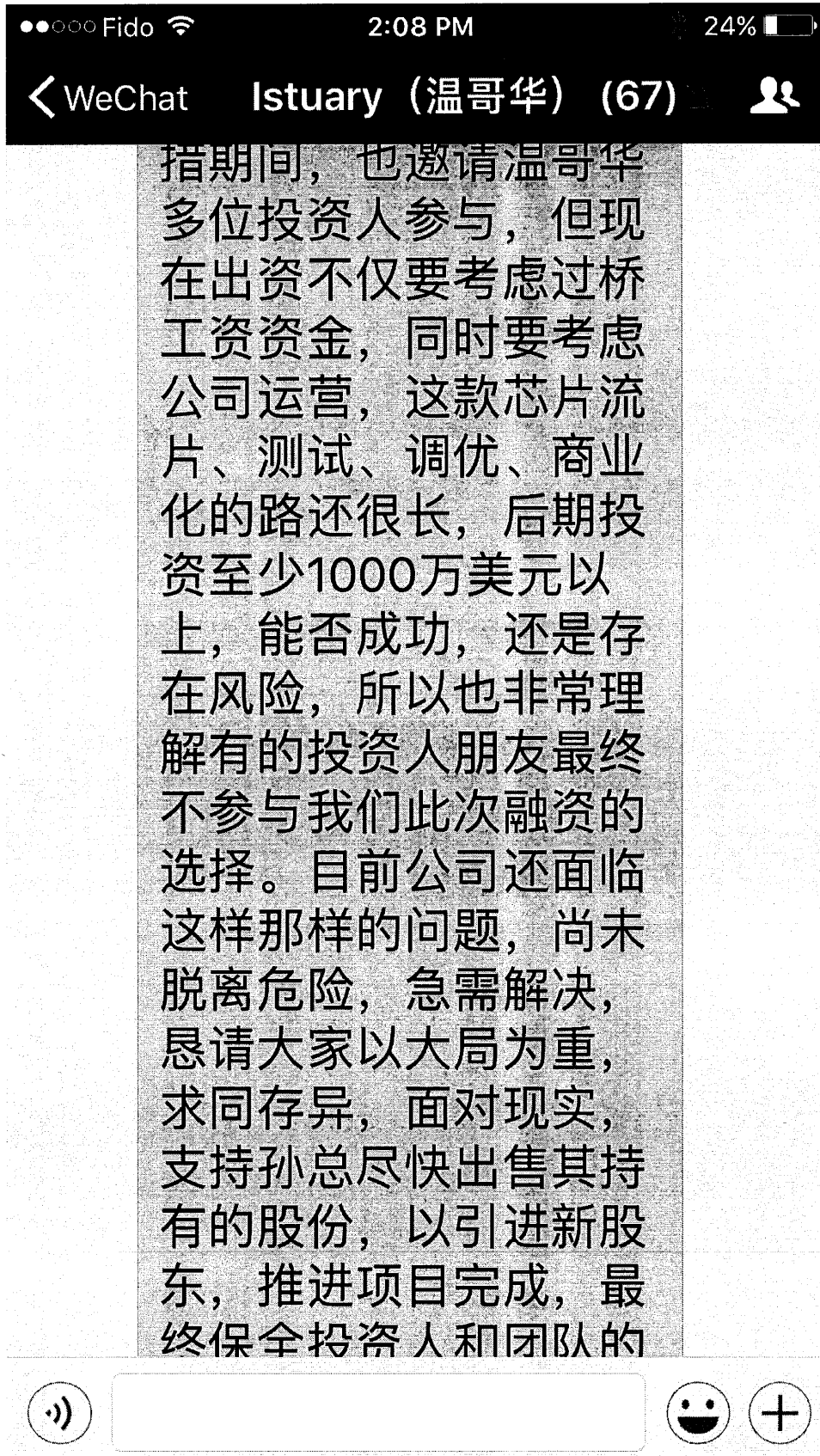
职，人员仅表面流失近一半。因集团运转失灵，离职人员并未做妥善交接，对后续研发和技术完整带来潜在威胁。同时，外部公司挖人严重，几乎所有核心骨干都收到offer。团队部分员工聘请律师准备起诉公司，人员流失加速。如果本周没有补发工资的话，许多员工跟我讲，团队就不复存在了。在这种危难时刻，我们还在讨论谁对谁错，谁来尽调，谁的权益如何保障，信来函往，大家都是投资人，扪心自问，如果团队上周已经不复存在，我们





的资产讨论方案，还有意义吗？安静下来想一想，不觉得可笑可悲吗？在一条严重漏水的船上同舟共渡，讨论谁撞的船，谁应该在头等舱，谁该开船、谁该补漏，已无任何意义，只有行动。作为芯片项目最早的投资基金，我们承担着信托责任，必须对投资人负责，最大的负责不是讨论，而是行动。所以我们无奈之下联合起来，紧急筹集资金，给员工发工资，支付紧急费用，以保住团队，保存项目价值。筹措期间，也邀请温哥华多位投资人参与，但现







裕，但公司就这现状，如果上周没发工资，公司已经没了；如果未来十天不完成控股权出售，新股东和资金进入，公司同样会崩盘，整个项目原先沉淀的1700万美元将损失殆尽，无非再多牺牲我们的过桥资金而已。再多说一层，我们投资人损失的是金钱和精力，团队损失的是成就和回报，而项目失败在加拿大华人社区的影响是巨大的，直接涂黑我们加拿大华人科技创新、科技投资的形象和声誉，后果不堪设想。为己计，为他人计，为海外



●●○○ Fido

2:08 PM

24%

 WeChat

Istuary (温哥华) (67)



说一层，我们投资人损失的是金钱和精力，团队损失的是成就和回报，而项目失败在加拿大华人社区的影响是巨大的，直接涂黑我们加拿大华人科技创新、科技投资的形象和声誉，后果不堪设想。为己计，为他人计，为海外华人计，恳请大家行动起来，协助支持此次资产出售，不管是谁来接盘，抓紧拍钱才是硬道理。同时恳请大家面对现实，从今后资产发展，保值增值中解决现有问题。

Sep 2, 2017, 10:45 AM



Xia Zhang: \_\_\_\_-10-06-17-1\_170.docx (a Microsoft doc document)

(Oct 7, 2017 2:50 PM)

Xia Zhang: 卖方完成收购意向书需要短期借款的具体细节：包括金额，借款方名称，质押条款等。请提供借款协议和质押协议（如有）

Xia Zhang: To complete the acquisition letter of intent, the seller will need the details on the short-term lending loans including: \$ amount, lender name, security terms etc. Please provide the lending agreements and security agreements (if there is / are any)

(Oct 7, 2017 3:24 PM)

Alex Wang: 两笔。一笔120万美元。第二笔1000万美元。公司资产质押。太多细节我无权提供。目前我们仅代表基金在谈。融资方不在咱们所能代表之列

Alex Wang: Two loans. One loan is at the amount of USD\$ 1.2 million, the second one is at the amount of USD\$ 10 million. The loans are secured by the company's asset. I do not have authority to provide further details. At the moment, we are only representing our fund in this matter. We could not represent the lender.

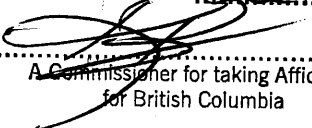
Xia Zhang: 也就是说即便我们谈了offer, 你也没办法让融资方退出？

Xia Zhang: So does it mean that, even if we are negotiating the acquisition letter of intent offer, you could not ask the lender to back-off?

(Oct 7, 2017 3:34 PM)

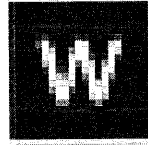
Alex Wang: 我跟人家谈。会努力！

Alex Wang: I will talk to the lender. I will try!

This is Exhibit " F " referred to in the affidavit of Alex Wang made before me on Dec 13 2017  
  
A Commissioner for taking Affidavits for British Columbia



\_\_\_\_\_-10-06-17-1  
\_170.docx



14K

金苹果 Colleen



卖方完成收购意向书需要短期借款的具体细节：包括金额，借款方名称，质押条款等。请提供借款协议和质押协议（如有）

金苹果 Colleen

两笔。第一笔120万美金。第二笔1000万美金。公司资产质押。太多细节我无权提供。目前

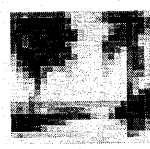


两笔。第一笔120万美  
 元。第二笔1000万美  
 元。公司资产质押。太  
 多细节我无权提供。目  
 前我们仅代表基金在  
 谈。融资方不在咱们所  
 能代表之列。



也就是说即便我们谈了  
 offer, 你也没办法让融  
 资方退出?

我跟人家谈。会努力!



但是如果买方继续推进



No. S-179749  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE RECEIVERSHIP OF NETWORK  
INTELLIGENCE INC.**

BETWEEN:

1130489 B.C. LTD.

PETITIONER

AND:

NETWORK INTELLIGENCE INC.

RESPONDENT

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**AFFIDAVIT**



Barristers & Solicitors  
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Vancouver, British Columbia  
V6C 3L2

Phone: (604) 685-3456

Attention: Kimberley A. Robertson