

Deloitte.



Court File No. S-B-230561
Vancouver Registry
Estate Number 11-3014787

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ANDERSON SQUARE HOLDINGS LTD.

THIRD REPORT TO COURT OF THE PROPOSAL TRUSTEE

DELOITTE RESTRUCTURING INC.

MARCH 21, 2024

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INTRODUCTION

- 1) On November 27, 2023 (the "**Filing Date**"), Anderson Square Holdings Ltd. (the "**Company**" or "**Anderson Square**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"). Deloitte Restructuring Inc. ("**Deloitte**") was appointed Licensed Insolvency Trustee (the "**Proposal Trustee**"). The proceedings in which the Proposal Trustee was appointed are referred to herein as the "**NOI Proceedings**".
- 2) The Company is the developer of a real estate project in Richmond, British Columbia, originally known as "ALFA" and now "Prima", which is located at 6833 Buswell Street, Richmond, British Columbia and consists of 109 residential strata lots and ten (10) commercial strata lots (the "**Prima Project**"). The unsold units in the Prima Project include forty-eight (48) unsold residential lots, eight (8) rented residential lots, and two (2) unsold commercial lots (the "**Unsold Units**"). Additional details are included later in this report.
- 3) As a result of filing the NOI, the Company was granted an automatic 30-day stay of proceedings to December 27, 2023 pursuant to Section 69(1) of the BIA (the "**Initial Stay**").
- 4) On December 20, 2023, the Proposal Trustee prepared the first report to Court of the Proposal Trustee (the "**First Report**") seeking an extension of time for the Company to make a proposal to its creditors.
- 5) On December 22, 2023, the Company applied for, and this Honourable Court granted, an Order (the "**First Extension Order**") extending the time for the Company to make a proposal to its creditors to February 10, 2024.
- 6) On February 5, 2024, the Proposal Trustee prepared the second report to Court of the Proposal Trustee (the "**Second Report**") seeking an extension of time for the Company to make a proposal to its creditors.
- 7) On February 7, 2024, the Company applied for, and this Honourable Court granted, an Order (the "**Second Extension Order**") extending the time for the Company to make a proposal to its creditors to March 26, 2024.
- 8) This third report to Court of the Proposal Trustee (the "**Third Report**") is being filed in accordance with subsection 50.4(7)(b)(ii) of the BIA, as the Company is making an application to Court for a further extension of time to make a proposal to its creditors, as provided for in subsection 50.4(9) of the BIA.

PURPOSE

- 9) The purpose of this Third Report is to provide information to this Honourable Court in respect of:
 - a) The activities of the Company and Proposal Trustee since the Second Report;
 - b) An analysis of the Company's actual cash receipts and disbursements from January 29, 2024 to March 17, 2024 as compared to the cash flow forecast for the period from January 29, 2024 to March 31, 2024 (the "**January 29 Cash Flow Forecast**");

- c) The Company's updated cash flow forecast for the period from March 18, 2024 to May 12, 2024 (the "**March 18 Cash Flow Forecast**");
- d) A further update on the Company's assets and liabilities and the request for creditors to prove their claims;
- e) The Company's application to request a further extension of the Second Extension Order from March 26, 2024 to May 10, 2024 (the "**Third Stay Extension Request**"); and
- f) The Proposal Trustee's recommendation regarding the extension application.

TERMS OF REFERENCE

- 10) In preparing this Third Report, the Proposal Trustee has relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of the Company and its directors (collectively, "**Management**") and Clark Wilson LLP ("**Clark Wilson**"), the Company's legal counsel. Although this information has been reviewed, Deloitte has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Company in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*. Accordingly, Deloitte expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in, or otherwise used to prepare this Third Report.
- 11) Certain of the information referred to in this Third Report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures as outlined by the *Chartered Professional Accountants of Canada* has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projections and the variations could be significant.
- 12) All monetary amounts contained in this Third Report are expressed in Canadian dollars, unless otherwise indicated.
- 13) The First Report, Second Report, Third Report, and other information in respect of the NOI Proceedings are posted on the Proposal Trustee's website at www.insolvencies.deloitte.ca/en-ca/pages/AndersonSquare.aspx (the "**Proposal Trustee's Website**").

ACTIVITIES OF THE COMPANY AND PROPOSAL TRUSTEE

- 14) The Proposal Trustee has undertaken the following activities since the date of the Second Report:
 - a) Continued to monitor the Company and track actual cash flow as against the January 29 Cash Flow Forecast and reviewed the supporting information;
 - b) Reviewed the pending and unconditional sales transactions in the Prima Project and the status of the Unsold Units;
 - c) Performed some preliminary analysis on the potential value of the Unsold Units;

- d) Responded to various creditor enquiries;
- e) Worked with the Proposal Trustee's legal counsel, Norton Rose LLP ("**Norton Rose**"), and reviewed documents associated with the various litigation proceedings the Company is defending to determine the potential claims against the Company and followed up with creditors to prove claims, as discussed in more detail later in this Third Report;
- f) Held various discussions with Management and Clark Wilson on cash flow, creditor claims, operations, pending sales, and the potential terms of a proposal to be presented to the creditors (the "**Proposal**");
- g) Worked with Management to prepare the Company's March 18 Cash Flow Forecast and reviewed and discussed the related assumptions;
- h) Prepared this Third Report;
- i) Updated the Proposal Trustee's Website; and
- j) Established and maintained a trust account for the NOI Proceedings.

ACTUAL VERSUS PROJECTED CASH FLOW FROM JANUARY 29, 2024 TO MARCH 17, 2024

- 15) The actual receipts and disbursements of the Company from January 29, 2024 to March 17, 2024 as compared to the January 29 Cash Flow Forecast are summarized in the following table and is attached hereto as Appendix 'A'.

	Forecast	Actual	Variance
Period			
Date - beginning of period	1/29/2024	1/29/2024	1/29/2024
Date - end of period	3/17/2024	3/17/2024	3/17/2024
Opening available cash balance	\$ 17,789,727	\$ 17,789,727	\$ -
Receipts			
Proceeds from unit sales	852,615	1,540,076	687,461
Advances from shareholder	-	-	-
Rental income	15,259	15,392	133
CRA GST collected	44,580	80,270	35,690
Interest income	76,696	47,153	(29,543)
Total Receipts	989,149	1,682,891	693,741
Disbursements			
Wages	7,810	7,865	(55)
Contract sales personnel	16,485	11,104	5,381
Utilities on unsold units	4,801	2,030	2,771
Insurance	-	-	-
Office supplies	1,000	38	962
CRA payroll source remittances	4,442	2,928	1,514
CRA GST paid	44,580	43,218	1,362
Sales commissions on unit sales	28,275	49,853	(21,578)
Strata fees on unsold units	110,251	108,757	1,494
Management fees (Valley West)	2,000	714	1,286
Deficiency repairs	70,000	45,116	24,884
Post construction and sales costs	32,430	25,937	6,493
Accounting fees	736	368	369
Banking fees	50	66	(16)
Repayment to shareholder	-	-	-
Contingency	65,244	-	65,244
Total Operating Disb	388,104	297,993	90,112
Professional fees			
Trustee's fees and legal costs	124,672	49,672	75,000
Company legal fees	40,912	48,970	(8,058)
Professional fee retainers	-	-	-
Total Professional Fees	165,584	98,642	66,942
Total Disbursements	553,688	396,635	157,053
Net cash flow	435,461	1,286,256	850,795
Closing available cash balance	\$ 18,225,188	\$ 19,075,983	\$ 850,795

- 16) The Company had an overall net positive cash flow variance of approximately \$851,000 for the seven (7) week period ended March 17, 2024, which was comprised of the following more significant amounts:
- \$687,461 positive timing variance mainly for the proceeds from unit sales on the adjustment to the completion date for one residential unit from May 15, 2024 to February 20, 2024 (the "**February Unit Sale**");
 - \$35,690 positive timing variance for the GST collected from the February Unit Sale;
 - \$29,543 negative timing variance for interest income as the Company has invested \$17.0 million into a one year guaranteed investment certificate with no interest being paid until the maturity date of February 7, 2025;
 - \$65,244 positive permanent difference for the 10% contingency as this amount was overestimated and not required; and

- e) \$75,000 positive timing variance for the Proposal Trustee's fees and those of its legal counsel.

MARCH 18 CASH FLOW FORECAST

- 17) Management worked with the Proposal Trustee to prepare the March 18 Cash Flow Forecast using the probable and hypothetical assumptions set out in the notes to the March 18 Cash Flow Forecast. The March 18 Cash Flow Forecast is summarized below and is attached hereto as Appendix "B".

Period	Total
Date - beginning of period	3/18/2024
Date - end of period	5/19/2024
Opening available cash balance	\$ 19,075,983
Receipts	
Proceeds from unit sales	1,488,482
Advances from shareholder	-
Rental income	15,259
CRA GST collected	77,040
Interest income	20,000
Total Receipts	1,600,781
Disbursements	
Wages	12,403
Contract sales personnel	16,485
Utilities on unsold units	4,801
Insurance	15,370
Office supplies	1,048
CRA payroll source remittances	2,978
CRA GST paid	111,616
Sales commissions on unit sales	60,047
Strata fees on unsold units	72,211
Management fees (Valley West)	2,000
Deficiency repairs	30,000
Post construction and sales costs	33,791
Accounting fees	1,104
Banking fees	50
Repayment to shareholder	54,758
Contingency	60,176
Total Operating Disbursements	478,838
Professional fees	
Trustee's fees and costs (incl. legal counsel)	120,000
Company legal fees	63,100
Professional fee retainers	-
Total Professional Fees	183,100
Total Disbursements	661,938
Net cash flow	938,843
Closing available cash balance	\$ 20,014,826

- 18) The more significant receipts and disbursements in the March 18 Cash Flow Forecast include the following:
- a) Approximately \$1.5 million from the projected sale of one (1) residential unit in the normal course of business that is unconditional and is scheduled to close on March 28, 2024 (the "**March Unit Sale**");

- b) Approximately \$77,000 in goods and services tax ("**GST**") to be collected on the March Unit Sale with the subsequent payment of the \$77,000 to the Canada Revenue Agency ("**CRA**") when due in the following month along with the payment to CRA of the GST collected for the February Unit Sale. No other GST paid on operating costs or professional fees, that will be collected when the GST returns are filed, has been included in the March 18 Cash Flow Forecast;
 - c) Approximately \$60,000 in sales commissions on the March Unit Sale;
 - d) Approximately \$72,000 in strata fees on the Unsold Units for March and April 2024;
 - e) Approximately \$55,000 in legal fees paid on behalf of the Company's parent, Anderson Plaza Holdings Inc. ("**Anderson Plaza**"), due to the Proposal Trustee's understanding that Anderson Plaza does not have its own bank account to make these payments. These amounts have been reflected in the March 18 Cash Flow Forecast under "Repayment to Shareholder" and will be either offset against the Company's debt of approximately \$64.1 million owing to Anderson Plaza as of the Filing Date (the "**Anderson Plaza Funding**") if the Anderson Plaza Funding is proven to be a valid secured claim or will otherwise have to be repaid to the Company through an offset against any dividends payable to Anderson Plaza if the Anderson Plaza Funding is proven as an unsecured claim in the NOI Proceedings or otherwise;
 - f) Approximately \$60,000 for a 10% contingency on operating costs and professional fees;
 - g) Approximately \$120,000 to the Proposal Trustee and its legal counsel for prior and ongoing fees related to the NOI Proceedings assuming the Proposal is filed by the Company by the end of the Third Stay Extension Request time period; and
 - h) Approximately \$63,000 to the Company's various legal counsel for prior and ongoing work related to the various litigation against the Company, conveyancing work on unit sales, and work on the ongoing NOI Proceedings.
- 19) Based on the Proposal Trustee's review of the March 18 Cash Flow Forecast and discussions with Management, there were no material assumptions which seemed unreasonable and the Company has enough funds to cover the period for the Third Stay Extension Request. The Company's report and the Proposal Trustee's report on the March 18 Cash Flow Forecast are attached hereto as Appendix "**B**".

ASSETS

- 20) Based on the information provided by Management, the Proposal Trustee understands that the Company's assets are comprised mainly of the Unsold Units in the Prima Project which currently include the following:
- a) Forty eight (48) unsold residential units which are comprised of one to three bedroom units with and without dens which are currently listed for sale with Re/Max Westcoast Realty ("**Re/Max**") for approximately \$51.3 million (before any decorating or other potential allowances and adjustments);
 - b) Eight (8) Affordable Rental Units that are currently under month-to-month leases pursuant to the Richmond Housing Agreement. The Proposal Trustee understands that, pursuant to the Richmond Housing Agreement, the Company may not, without the prior written consent of the City of Richmond, sell or transfer less than five (5) of the Affordable Rental Units to the same purchaser and the units must remain as Affordable Rental Units. The Proposal Trustee will obtain information to

- determine the potential value of the Affordable Rental Units closer to when the Proposal is formulated;
- c) Two (2) unsold commercial units which are currently listed for sale for approximately \$4.8 million, one (1) of which had a conditional offer which collapsed on February 21, 2024 due to a lack of financing; and
 - d) Unsold and unallocated parking stalls, the details of which the Company is in the process of providing to the Proposal Trustee.
- 21) The Proposal Trustee understands that other assets of the Company include the following:
- a) Cash on hand of approximately \$19.1 million as at March 18, 2024 which includes the return of the Anderson Plaza Transfer (as defined in the Second Report). These funds are expected to remain with the Company potentially subject to a secured claim being advanced by Anderson Plaza;
 - b) An accounts receivable for the March Unit Sale which is expected to close on March 28, 2024 for net sale proceeds of approximately \$1.5 million (net of GST and before sales commissions);
 - c) A five (5) year vendor take back mortgage dated August 25, 2023 for \$300,000 related to the sale of a unit in July 2023 with an annual interest rate of 3.5% and monthly payments of approximately \$1,500 (the "**VTB Mortgage**"); and
 - d) The Lien Funds, as defined later in this Third Report.
- 22) The Proposal Trustee has held preliminary discussions with Colliers International Ltd. in regards to the value of the Unsold Units and will complete its review and analysis of the assets and the estimated orderly liquidation value and forced sale values of the Unsold Units as part of the Proposal Trustee's assessment of the Proposal and comparison of the returns to the creditors between the Proposal and a bankruptcy of the Company.

LIABILITIES AND NOTICE TO PROVE CLAIMS

- 23) The Proposal Trustee has worked closely with Norton Rose and Clark Wilson to better understand the potential liabilities of the Company. This process has involved reviewing additional documents relating to the claims filed against the Company, obtaining updates from Clark Wilson and other legal counsel involved, and sending out notices to prove claims to all known creditors of the Company on February 5, 2024 requesting that the parties complete and file a proof of claim by March 8, 2024 (the "**Notice to Prove Claim**"). Based on this additional review and analysis, the Proposal Trustee understands that the Company's liabilities could potentially include the following parties:
- a) Approximately \$64.1 million owing to Anderson Plaza for the Anderson Plaza Funding which the Proposal Trustee understands relates to funds advanced to the Company from Anderson Plaza to fund the construction of the Prima Project. The Proposal Trustee understands that a number of lenders loaned money to Anderson Plaza which formed the Anderson Plaza Funding to the Company. Mortgages have been registered against the unsold units of the Project in favour of Anderson Plaza as security for the loans. Despite several requests and follow ups by Norton Rose to legal counsel for Anderson Plaza, Anderson Plaza has still not provided the Proposal Trustee with its anticipated secured proof of claim as against the Company (the

"Anderson Plaza Claim"). The Proposal Trustee is advised that the Anderson Plaza Claim will be provided on or before March 22, 2024.

- b) An unknown claim amount from Scott Construction Inc. ("**Scott**"), the original general contractor for the Prima Project, due to alleged damages as a result of delays and other issues caused by the Company. Scott filed an action to prove its lien claim under the *Builder's Lien Act, SBC 1997 c.45* (the "**BLA**") as against the Prima Project (the "**Lien Proceedings**") which, along with a number of claims of lien filed by sub-contractors and sub-subcontractors of Scott, were removed from title when the Company posted the sum of approximately \$5.4 million into Court on December 15, 2020 (the "**Lien Funds**") pursuant to a Court Order dated September 23, 2020 (the "**Lien Order**"). The Proposal Trustee understands that the Company has filed counterclaims against Scott as well. Several of the Potential Lien Claimants, as defined in the First Report, have now been determined to have no direct claims against the Company as they were included in the Lien Order and would potentially be entitled to a share of the Lien Funds through a separate court process not involving the Company. Norton Rose has been in contact with Scott's legal counsel, but Scott has not filed a proof of claim as against the Company to date.
- c) Unknown potential claims from the following parties, some of which were included as Potential Lien Claimants in the First Report, that appear to have started actions directly against the Company outside of the Lien Proceedings:
 - i) ART Fire Protection Inc. ("**ART**") appears to have no direct claim as against the Company and any claim would be covered by the Lien Funds. Despite the Notice to Prove Claim, ART has not filed a proof of claim as against the Company to date;
 - ii) Lower Mainland Forming Inc. ("**LMF**") appears to have a claim as against the Lien Funds and/or other potential claims directly against the Company. The Proposal Trustee understands that the Company paid approximately \$438,000 into its solicitor's trust account on trust terms pursuant to a court order under the BLA to discharge the claim of lien LMF registered against the Company's property. LMF has not filed a proof of claim as against the Company to date, and Norton Rose and counsel for LMF have engaged in preliminary discussions as to the appropriate process for resolving that claim against trust property in which the Company has a contingent interest;
 - iii) MJF General Contractors Inc. ("**MJF**") appears to have no direct claim as against the Company and any claim would be covered by the Lien Funds. Despite the Notice to Prove Claim, MJF has not filed a proof of claim as against the Company to date; and
 - iv) Otezs Project Marketing Group Ltd. ("**Otezs**") appears to have a potential claim as against the Company related to marketing services provided. Despite the Notice to Prove Claim, Otezs has not filed a proof of claim as against the Company to date.
- d) A claim for approximately \$13.1 million relating to the litigation against the Company and the Directors (the "**Pre-Sale Litigation**") by thirty-five (35) parties (the "**Pre-Sale Litigants**") relating to thirty-two (32) presale contracts entered into in 2015 and 2016 for units in the Prima Project (the "**Pre-Sale Contracts**"). The Pre-Sale Litigants were successful in their trial and were awarded a judgement for approximately \$13.1 million on February 9, 2024 as against the Company (the "**Pre-Sale Judgement**"). The Proposal Trustee understands that the Company has filed a notice of appeal in respect of the Pre-Sale Judgement but is not aware of the timing

of any such appeal. Norton Rose has been in contact with counsel to the Pre-Sale Litigants and an expected proof of claim from the Pre-Sale Litigants has not yet been provided.

- 24) The Proposal Trustee is not aware of any statutory claims owing to CRA or any other government agencies.
- 25) The Proposal Trustee has received no proof of claims pursuant to the Notice to Prove Claims and confirms that creditors would have up until the time called for a meeting of creditors on the Proposal to file a proof of claim under the BIA. The Proposal Trustee and Norton Rose were expecting to receive the Anderson Plaza Claim by this point, given that the determination of that claim will likely determine whether a proposal will be filed by the Company and/or the nature of any such proposal, but understand from counsel for Anderson Plaza that there has been issues with the principals of Anderson Plaza being out of the country and difficult to reach. As outlined previously, counsel for Anderson Plaza have advised they expect their client's proof of claim will be delivered on or before March 22, 2024.

COMPANY'S REQUEST FOR A THIRD EXTENSION OF THE STAY OF PROCEEDINGS

- 26) The Company is seeking a third extension of the Second Extension Order from March 26, 2024 to May 10, 2024 to provide additional time to:
 - a) Allow the Proposal Trustee time to finalize a claims process to determine, among other things, the validity of the Anderson Plaza Claim, which determination will likely affect the nature and content of the Proposal anticipated to be filed in these NOI Proceedings; and
 - b) Continue to work with the Proposal Trustee around the general terms of the Proposal to be presented to its creditors.
- 27) The Proposal Trustee considered the following factors and has the following comments in regards to the Company's Third Stay Extension Request:
 - a) If the Company appears to be acting in good faith and with due diligence.
 - i) The Company appears to be acting in good faith and with due diligence and is continuing to market and sell the Unsold Units in the normal course, with a positive cash flow.

The Company continues to work cooperatively with the Proposal Trustee with respect to its financial affairs, maintaining its cash flow records and financial reporting, and providing information regarding its assets and liabilities.

The Proposal Trustee has some concern with the amount of time it has taken Anderson Plaza to file the Anderson Plaza Claim, but understands the claim will be received on or before March 22, 2024 and has been delayed primarily as the result of difficulties confirming instructions from the principals of Anderson Plaza who are out of the country.
 - b) If the Company will be able to make a viable proposal if the Third Stay Extension Request was granted.

- i) The Proposal Trustee understands that the Company is intending to make a proposal to its creditors that would exceed what they could expect to receive if the Company were to become bankrupt; and
 - c) If any creditors would be materially prejudiced if the Third Stay Extension Request was granted.
 - i) The Proposal Trustee is not aware of any creditors becoming materially prejudiced if the Third Stay Extension Request was granted.
- 28) Based on the above assessment and the circumstances currently facing the Company, the Proposal Trustee is supportive of the Third Stay Extension Request.

RECOMMENDATION

- 29) Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the Company's Third Stay Extension Request.

All of which is respectfully submitted to this Honourable Court this 21st day of March, 2024.

DELOITTE RESTRUCTURING INC.

In its capacity as Proposal Trustee of
Anderson Square Holdings Ltd.
and not in its personal or corporate capacity



Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Appendix A

**Actual Versus Projected Cash Flow from
January 29, 2024 to March 17, 2024**

Anderson Square Holdings Ltd.
 Projected Cash Flow Statement
 Actual Versus Forecast Amounts For the Period from January 25, 2024 to March 17, 2024
 All amounts in CAD

Period	Forecast 1		Forecast 2		Forecast 3		Forecast 4		Forecast 5		Forecast 6		Forecast 7		Forecast Total				
	Actual	Variance	Actual	Variance	Actual	Variance	Actual	Variance	Actual	Variance	Actual	Variance	Actual	Variance	Actual	Variance			
Date - beginning of period	1/29/2024	1/29/2024	2/5/2024	2/5/2024	2/12/2024	2/12/2024	2/19/2024	2/19/2024	2/26/2024	2/26/2024	3/4/2024	3/4/2024	3/11/2024	3/11/2024	3/17/2024	3/17/2024	1/29/2024		
Date - end of period	2/4/2024	2/4/2024	2/11/2024	2/11/2024	2/18/2024	2/18/2024	2/25/2024	2/25/2024	3/3/2024	3/3/2024	3/10/2024	3/10/2024	3/17/2024	3/17/2024	3/17/2024	3/17/2024	3/17/2024		
Opening available cash balance	\$17,789,727	\$ -	\$18,497,427	\$ -	\$18,593,664	\$ 96,237	\$18,491,927	\$ -	\$18,584,468	\$ 92,541	\$18,409,427	\$ -	\$18,564,995	\$ 154,568	\$18,409,427	\$ -	\$17,789,727	\$ 117,789,727	
Receipts																			
Proceeds from unit sales	852,615		854,112	1,498														852,615	
Advances from shareholder																			
Rental income	7,690		7,696	67														15,382	
CHA GST collected	44,580		44,580															44,580	
Interest income	36,696		36,696															76,696	
Total Receipts	941,520		943,084	1,564														989,149	
Disbursements																			
Wages	3,905		3,905	(3,932)														7,810	
Contract sales personnel	8,243		8,243	2,861	(2,861)													16,485	
Utilities on unsold units	2,400		2,400	(4,961)														4,801	
Insurance																			
Office supplies	500		475															1,000	
CHA GST paid	1,489		1,489															2,978	
CHA parcel source remittances																			
Slates on pre-sales on unit sales	28,275		28,275															56,550	
Slates fees on unsold units	71,169		71,169															142,338	
Management fees (Valley West)	1,000		1,000															2,000	
Deficiency repairs	35,000		34,975															70,000	
Post construction and sales cost	17,430		17,423	2,402	(2,402)													34,855	
Accounting fees	368		368	(368)														736	
Banking fees	25		25															50	
Repayment to shareholder																			
Contingency	27,104		27,104	500														54,208	
Total Operating Disb	197,908		193,235	94,673	500	9,196	(8,696)	7,500	9,481	(1,981)	7,500		21,578	(21,578)	175,619	53,842	121,777	388,104	
Professional fees																			
Trustee's fees and legal costs																			
Company legal fees	35,912		35,912																
Professional fee retainers																			
Total Professional fees	35,912		35,912																
Total Disbursements	233,820		199,147	94,673	5,000	9,196	(3,696)	82,500	20,073	62,427			33,578	(33,578)	175,619	53,842	121,777	496,672	
Net cash flow	707,700		803,937	86,237	(5,500)	(8,196)	(8,500)	(82,500)	(20,073)	62,427			696,578	(696,578)	(127,989)	(24,181)	93,299	(99,652)	396,635
Closing available cash balance	\$18,097,427		\$18,593,664	\$ 96,237	\$18,491,927	\$ -	\$18,584,468	\$ 92,541	\$18,409,427	\$ -	\$18,564,995	\$ 154,568	\$18,281,438	\$ -	\$18,281,438	\$ -	\$17,789,727	\$ 117,789,727	\$ 850,795

Appendix B


March 18 Cash Flow Forecast and Related Reports


Period	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Total
Date - beginning of period	3/18/2024	3/25/2024	4/1/2024	4/8/2024	4/15/2024	4/22/2024	4/29/2024	5/6/2024	5/13/2024	3/18/2024
Date - end of period	3/24/2024	3/31/2024	4/7/2024	4/14/2024	4/21/2024	4/28/2024	5/5/2024	5/12/2024	5/19/2024	5/19/2024
Opening available cash balance	1	\$ 19,075,983	\$ 18,913,793	\$ 20,291,218	\$ 20,291,218	\$ 20,291,218	\$ 20,291,218	\$ 20,014,826	\$ 20,014,826	\$ 19,075,983
Receipts										
Proceeds from unit sales	2	-	1,486,984	-	-	-	1,498	-	-	1,488,482
Advances from shareholder		-	-	-	-	-	-	-	-	-
Rental income	3	-	7,630	-	-	-	7,630	-	-	15,259
CRA GST collected	4	-	77,040	-	-	-	-	-	-	77,040
Interest income		-	10,000	-	-	-	10,000	-	-	20,000
Total Receipts		-	1,581,653	-	-	-	19,127	-	-	1,600,781
Disbursements										
Wages	5	4,594	3,905	-	-	-	3,905	-	-	12,403
Contract sales personnel	6	-	8,243	-	-	-	8,243	-	-	16,485
Utilities on unsold units		-	2,400	-	-	-	2,400	-	-	4,801
Insurance		-	7,685	-	-	-	7,685	-	-	15,370
Office supplies		48	500	-	-	-	500	-	-	1,048
CRA payroll source remittances	5	-	1,489	-	-	-	1,489	-	-	2,978
CRA GST paid	4	34,576	-	-	-	-	77,040	-	-	111,616
Sales commissions on unit sales	2	-	60,047	-	-	-	-	-	-	60,047
Strata fees on unsold units		36,211	-	-	-	-	36,000	-	-	72,211
Management fees (Valley West)	7	-	1,000	-	-	-	1,000	-	-	2,000
Deficiency repairs	7	-	15,000	-	-	-	15,000	-	-	30,000
Post construction and sales costs	7	3,791	15,000	-	-	-	15,000	-	-	33,791
Accounting fees		368	368	-	-	-	368	-	-	1,104
Banking fees		-	25	-	-	-	25	-	-	50
Repayment to shareholder	8	44,758	-	-	-	-	10,000	-	-	54,758
Contingency	9	14,745	18,566	-	-	-	28,865	-	-	60,176
Total Operating Disbursements		139,090	134,228	-	-	-	205,520	-	-	478,838
Professional fees										
Trustee's fees and costs (incl. legal counsel)	10	-	60,000	-	-	-	60,000	-	-	120,000
Company legal fees	11	23,100	10,000	-	-	-	30,000	-	-	63,100
Professional fee retainers		-	-	-	-	-	-	-	-	-
Total Professional Fees		23,100	70,000	-	-	-	90,000	-	-	183,100
Total Disbursements		162,190	204,228	-	-	-	295,520	-	-	661,938
Net cash flow		(162,190)	1,377,426	-	-	-	(276,393)	-	-	938,843
Closing available cash balance		\$ 18,913,793	\$ 20,291,218	\$ 20,291,218	\$ 20,291,218	\$ 20,291,218	\$ 20,014,826	\$ 20,014,826	\$ 20,014,826	\$ 20,014,826

This cash flow forecast is prepared in accordance with Subsection 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on Cash-Flow Statement.

Dated this 21st day of March, 2024

DELOITTE RESTRUCTURING INC.
 In its capacity as Licensed Insolvency Trustee in the matter of the Notice of Intention to Make a Proposal of Anderson Square Holdings Ltd. and not in its personal capacity

Per:  Jeff Keeble, CPA, CA, CFP, LIT, CBV
 Senior Vice-President

Per:  Jia An Liang
 Director

**Anderson Square Holdings Ltd.
Projected Cash Flow Statement
For the Period from March 18, 2024 to May 19, 2024
All amounts in CAD
Page 2 of 2**

**District of: Vancouver
Division No.: 03-Vancouver
Court No.: 11-3014787
Estate No.: 11-3014787**

Background and Assumptions:

This cash flow forecast (the "Cash Flow") has been prepared by management of Anderson Square Holdings Ltd. ("ASH" or the "Company") pursuant to the Notice of Intention to Make a Proposal (the "NOI") filed by the Company on November 27, 2023 pursuant to section 50.4 of the Bankruptcy and Insolvency Act (the "Act"). Deloitte Restructuring Inc. has consented to act as the Licensed Insolvency Proposal Trustee (the "Proposal Trustee") under the NOI. On December 22, 2023, a Court Order was granted extending the time for the Company to make a proposal to its creditors to February 10, 2024 and a further extension was granted to March 26, 2024. The Cash Flow includes the probable and hypothetical assumptions of management as set out in the below notes and the Proposal Trustee expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of the Cash Flow. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.

Notes to Cash Flow:

- 1 The opening cash is based on the cash balances in the Company's bank accounts as of March 18, 2024.
- 2 The Company's assets consist mainly of 48 unsold residential units, 8 residential rental units and 2 unsold commercial units in a 15 story high-rise building that it developed and built in Richmond, British Columbia. The unsold units are all listed for sale. One residential unit is under a subject-free contract scheduled to close on March 28, 2024. The commission related to this sale is included separately in disbursements on closing. The Company also has a Vendor Take Back mortgage agreement dated August 25, 2023 relating to a residential unit from which it receives a monthly payment towards the agreement.
- 3 The Company rents out eight of the residential units on a month-to-month basis as affordable housing units pursuant to a Housing Agreement dated August 25, 2015 as between the Company and the City of Richmond as part of the conditions of the development approval.
- 4 GST amounts collected and paid only relate to the sale of units and no GST is included in the cash flow for other receipts or disbursements.
- 5 The Company has one full-time employee who is paid once per month along with the Canada Revenue Agency for the related payroll source deductions.
- 6 The Company has contracts with two sales people who run the sales office on-site and are paid once per month.
- 7 The Company is still incurring costs for post-construction work and deficiency claims and is paying these in the normal course.
- 8 The parent company, Anderson Plaza Holdings Inc. ("Plaza"), does not have its own bank account and the legal expenses of Plaza are being paid through the Company account and recorded as repayment to shareholder.
- 9 A contingency of 10% has been added for any disbursements and professional fees.
- 10 Proposal Trustee's fees and costs include the estimated fees of the Proposal Trustee's independent legal counsel.
- 11 The Company has ongoing fees for its various legal counsel assisting it in the construction related and other litigation, conveyancing of units, and in the NOI proceedings.

District of: British Columbia
Division No. 03 - Vancouver
Court No. 11-3014787
Estate No. 11-3014787

FORM 30
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Anderson Square Holdings Ltd.
of the City of Richmond, in the Province of British Columbia


The Management of Anderson Square Holdings Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 21st day of March 2024, consisting of weekly projections for the period of March 18, 2024 to May 19, 2024.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 21st day of March 2024.



Anderson Square Holdings Ltd.
Debtor

Jia An Liang, Director

Name and title of signing officer

Name and title of signing officer

District of: British Columbia
Division No. 03 - Vancouver
Court No. 11-3014787
Estate No. 11-3014787

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Anderson Square Holdings Ltd.
of the City of Richmond, in the Province of British Columbia

Purpose:

Cash Flow statement is being prepared solely to comply with subsections 50.4(2) of the Bankruptcy and Insolvency Act

Projection Notes:

See Cash Flow attachment

Assumptions:

See Cash Flow attachment

Dated at the City of Vancouver in the Province of British Columbia, this 21st day of March 2024.



Anderson Square Holdings Ltd.

District of: British Columbia
Division No. 03 - Vancouver
Court No. 11-3014787
Estate No. 11-3014787

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Anderson Square Holdings Ltd.
of the City of Richmond, in the Province of British Columbia

The attached statement of projected cash flow of Anderson Square Holdings Ltd., as of the 21st day of March 2024, consisting of weekly projections for the period of March 18, 2024 to May 19, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 21st day of March 2024.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



Level 19 - 410 West Georgia Street
Vancouver BC V6B 0S7
Phone: (604) 669-4466 Fax: (604) 602-1583

District of: British Columbia
Division No. 03 - Vancouver
Court No. 11-3014787
Estate No. 11-3014787

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Anderson Square Holdings Ltd.
of the City of Richmond, in the Province of British Columbia

Purpose:

Cash Flow statement is being prepared solely to comply with subsections 50.4(2) of the Bankruptcy and Insolvency Act

Projection Notes:

See Cash Flow attachment

Assumptions:

See Cash Flow attachment

Dated at the City of Vancouver in the Province of British Columbia, this 21st day of March 2024.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



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