

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

### IN THE SUPREME COURT OF BRITISH COLUMBIA

# IN THE MATTER OF THE AMENDED PROPOSAL OF ANDERSON SQUARE HOLDINGS LTD. OF THE CITY OF RICHMOND IN THE PROVINCE OF BRITISH COLUMBIA

## SUPPLEMENTAL REPORT OF PROPOSAL TRUSTEE ON PROPOSAL (Section 59(1) and paragraph 58(d) of the Bankruptcy and Insolvency Act)

Deloitte Restructuring Inc. (the "**Proposal Trustee**"), in its capacity as the Proposal Trustee acting in the proposal proceedings of Anderson Square Holdings Ltd. (the "**Company**"), an insolvent company, hereby reports to the Court as follows:

- 1. That on June 19, 2024, the Proposal Trustee filed its Report of Proposal Trustee on Proposal dated June 18, 2024 (the "**Report on Proposal**") with the Court. Any capitalized terms herein that are not otherwise defined have the meaning ascribed to them in the Report on Proposal.
- 2. That subsequent to the filing of the Report on Proposal, the Proposal Trustee was informed by the Company of a dispute between the two directors of the Company (the "Directors") which resulted in the adjournment of the application scheduled for July 3, 2024 to approve the Company's amended proposal dated May 30, 2024 (the "Amended Proposal"). The Proposal Trustee prepares this Supplemental Report of Proposal Trustee on Proposal (the "Supplemental Report"), to be read in conjunction with the Report on Proposal, to provide the Court with an update on the challenges faced by the Company and the reasons for the delay for the Proposal Trustee's application to Court to approve the Amended Proposal.
- 3. That on June 28, 2024, a representative of the Company informed the Proposal Trustee of a dispute between the Directors who include Mr. Keung Sun (Sunny) Ho ("**Mr. Ho**") and Mr. Jia An (Jeremy) Liang ("**Mr. Liang**").
- 4. That the Proposal Trustee understands that all disbursements required the signatures of both Directors and, since late May 2024, Mr. Ho had refused to approve or sign-off on any disbursements of the Company. As a result, since late May 2024, the Company has been unable to make any direct payments to any creditors or other parties and has been unable to meet the terms of the Amended Proposal. The Amended Proposal required, among other things, that Funds for Distribution (as defined in the Amended Proposal) would be paid to the Proposal Trustee and be distributed to the unsecured creditors within 15 days of the Court granting a sanction order approving the Amended Proposal.
- 5. That the Proposal Trustee discussed and reviewed the Company's plan for a related party, Three Road Plaza Inc. ("Three Road"), to facilitate the necessary disbursements of the Company on an interim basis to ensure business operations were not affected. Three Road agreed to facilitate the necessary payments on behalf of the Company with the understanding that Three Road would be

compensated in full, with no interest payable, for the advances to the Company that were preapproved by the Proposal Trustee. Counsel for the Pre-Sale Buyers and Anderson Plaza were consulted regarding the plan and the Proposal Trustee received their approval to proceed. A summary of the advances pre-approved by the Proposal Trustee and paid by Three Road on behalf of the Company totaled \$811,555 (including taxes) for the period from July 22, 2024 to September 13, 2024 (the "**Three Road Advances**"). The details of the Three Road Advances are included in the table attached hereto as **Exhibit 'A'**.

- 6. That the Proposal Trustee understands that the Company took various steps to try and remove Mr. Ho as a director, including scheduling an Annual General Meeting for July 16, 2024 that was subsequently rescheduled to August 1, 2024 (the "August 1 AGM") to meet the proper notice requirements under the *Business Corporations Act of British Columbia*.
- 7. That the Proposal Trustee understands that the August 1 AGM proceeded as scheduled but counsel for Mr. Ho requested and was granted a further adjournment and rescheduling of the August 1 AGM due to an alleged lack of notice of the meeting and needing additional time to review other documents. The August 1 AGM was rescheduled to August 26, 2024 (the "August 26 AGM").
- 8. That the Proposal Trustee understands that the August 26 AGM proceeded as scheduled and that Mr. Ho was removed as a director of the Company. The minutes of the August 26 AGM and resolution of the Company regarding the removal of Mr. Ho are included and attached hereto as **Exhibit 'B'**.
- 9. That on May 21, 2024, the date of the Proposal Trustee's Report to Creditors (the "Report to Creditors"), there were 41 unsold residential units available for sale, and two (2) unsold commercial units available for sale. As of the date of this Supplemental Report, 38 unsold residential units remain for sale including one (1) unit having a pending offer set to close on October 24, 2024, and one (1) unsold commercial unit remains for sale.
- 10. That the Company had an available cash balance of \$20,676,959 as at May 12, 2024, of which \$17.0 million was held in a guaranteed investment certificate. The Company has generated additional net cash flow, before the Three Road Advances, of approximately \$11.0. million from May 13, 2024 to October 20, 2024. A summary of the Company's actual cash flow for this period is summarized in the table below and detailed in the table attached hereto as Exhibit 'C'.

Period Date - beginning of period		May-24 5/13/2024		Jun-24 6/1/2024		Jul-24 7/1/2024		Aug-24	Sep-24	Oct-24	Total 5/13/2024 10/20/2024	
								8/1/2024	9/1/2024	10/1/2024		
Date - end of period	5/31/2024		6/30/2024		7/31/2024		8/31/2024		9/30/2024	10/20/2024		
pening available cash balance	\$	20,676,956	\$	21,282,921	\$	23,659,370	\$	28,217,256	\$ 29,450,194	\$ 31,788,210	\$	20,676,956
otal receipts		750,615		2,516,980		4,697,963		1,271,480	2,550,170	182,942		11,970,149
otal operating disbursements		74,263		134,530		140,077		38,543	212,153	263,146		862,71
otal professional fees		70,388		6,000		2		ж.	φ.	34,524		110,91
otal Disbursements		144,650		140,530		140,077		38,543	212,153	297,670	_	973,623
let cash flow		605,965		2,376,450		4,557,886	_	1,232,937	2,338,017	(114,728)	_	10,996,52
losing available cash balance	\$	21,282,921		23,659,370	_	28,217,256		29,450,194	31,788,210	31,673,482	\$	31,673,482
hree Road pre-approved advances												811,555

- 11. That the Company is now in a position to make disbursements without further hinderance and the Proposal Trustee has received documents showing that Mr. Liang is now the sole signatory on the Company's bank account.
- 12. That although the Company should have informed the Proposal Trustee of the challenges it was facing sooner, the Proposal Trustee is of the view that the Company has made sufficient efforts to correct the challenges to ensure the Company's operations were able to continue and that the Amended Proposal could proceed.
- 13. That based on the information made available to the Proposal Trustee, the Proposal Trustee is of the opinion that the conduct of the Company would not be subject to censure.
- 14. That the Proposal Trustee remains of the view that the Company's Amended Proposal is an advantageous one for the Company's creditors and, based on financial information provided by the Company as set out in the Report to Creditors, that creditors should receive a greater distribution under the Amended Proposal than they would in a bankruptcy scenario due to the loss in unit sales proceeds and increased costs that would occur in a bankruptcy process.
- 15. That based on the information set out in the Report on Proposal and the Supplemental Report herein, the Proposal Trustee recommends to the Court that the Amended Proposal be approved.
- 16. That the Proposal Trustee notes that Anderson Plaza has filed an application appealing the Proposal Trustee's partial disallowance of the Plaza Claim (the "Plaza Appeal") which application is set to be heard on October 31, 2024. A determination of the Plaza Appeal will be necessary before the Proposal Trustee would be in a position make distributions as provided for in the Amended Proposal.
- 17. That on this day, the Proposal Trustee forwarded to the Office of the Superintendent of Bankruptcy a copy of this Supplemental Report.

All of which is respectfully submitted to the Court this 25<sup>th</sup> day of October, 2024.

## **DELOITTE RESTRUCTURING INC.**

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

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Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV Senior Vice-President Exhibit 'A' Three Road Advances for the period from July 22, 2024 to September 13, 2024

Payee Name	Amount	GST	PST	Total	Description		
City of Richmond	\$ 194,988	\$ -	\$ ~	\$ 194,988	2024 Property Tax for unsold 51 units		
Clark Wilson	8,705	435	608		Anderson legal fees for the period of April 2 to May 1,2024		
Deloitte Restructuring Inc.	97,539	4,877	-	102,416	Trustee, legal and Colliers fees for the period of April 20 to May 31, 2024		
IDO General Construction	5,535	277	-	5,812	Final cleaning for sold units		
Michelle Tam	9,100	455	-		Sales team salary for May and June 2024		
Miix Interiors	1,200	60	84	1,344	Furniture rental for Prima showrooms June and July 2024		
Polo Security Services Ltd.	1,750	88	-	1,838	Security services for May 2024		
Receiver General	1,464	-	-		CPP for Tak Siu Cheung		
Receiver General	118,555	-	-		GST return for June 2024		
Sam's Garage Doors Ltd.	344	17	-		Service call for main entrance gate		
Strata Plan EPS7484	72,993	-	-		Strata fee for June and July 2024		
Tak Siu Cheung	5,852	65	76		Salary for June 2024 and expense claim for M and June 2024		
Tax Owl Accounting Inc.	2,350	118	-	2,468	Accounting services for May and June 2024		
Receiver General	34,790	-	-	34,790	GST Return for May 2024		
Clark Wilson	50,440	2,520	3,520	56,479	Legal fees for June and July 2024		
Eugenia Chan	6,500	325	-	6,825	Salary for May and June 2024		
MPT Engineering Co. Ltd	560	28	-	588	End of maintenance period field review with City		
					of Richmond and contractors.		
Polo Security Services Ltd.	1,600	80	-	1,680	Security services for June 2024		
Tak Siu Cheung	3,633	182	254	4,069	Reception Desk for Main Lobby for Prima Building.		
Michelle Tam	4,725	-	236	4,961	July 2024 salary		
Polo Security Services Ltd.	1,750	-	88		Security services for July 2024		
Tak Siu Cheung	3,932	-	-	3,932	Salary for July 2024		
Receiver General	1,464	-	-		CPP for Tak Siu Cheung for July 2024		
FZ & Associates	5,000		250	5,250	Deposit for Accounting Services		
Tak Siu Cheung	600	30	42	672	Showroom furniture Rental for August 17 to		
Tak Siu Cheung	2,075	110	34	2 210	September 16 2024		
Tak Siu Cheung	3,932	110			June 21 to July 28 2024 Expense claim		
A&D Coastal Plumbing and Heating Inc	13,260	663	-		Salary for August 2024 Prima Parkade Repairs on existing hydronic		
Add Coastal Plumbing and heating Inc	13,200	603	-	13,923	heating and chilled piping		
Clark Wilson LLP	7,089	354	496	7 940	Legal fees for August 2024		
Clyde & Co LLP	12,048	1,446	- 490		Legal fees for July 2 to Aug 8 2024		
Deloitte Restructuring Inc.	21,350	1,440			For professional services rendered from June 1		
	21,550	1,007		22,417	2024 to June 30 2024		
Strata Plan	30,950	-	-	30,950	August 2024 strata fee for unsold units		
S.I.R. Ltd	63,630	2,968	-		Deficiency work for the period from Feb 16 to May 31, 2024		
Total	\$ 789,703	\$ 16,164	\$ 5,688	\$ 811,555			
	4,03,703	<u>φ 10/104</u>					

Exhibit 'B' The Company's August 26, 2026 Meeting Minutes and Resolution

### MINUTES OF THE ANNUAL MEETING OF SHAREHOLDERS

of

### ANDERSON PLAZA HOLDINGS INC.

#### (the "Company")

### held at 500N-5811 Cooney Rd, Richmond, BC V6X 3M1 British Columbia

#### on August 26, 2024

Tony Kwan – corporate counsel
Jia An (Jeremy) Liang
nil
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Tony Kwan, Corporate Counsel to the Company acted as Chairman and Tony Kwan acted as Recording Secretary of the meeting without objection. Tony convened the meeting at 10:00 am and waited until 10:30 am to start the meeting.

Notice having been sent to all the directors and shareholders of the Company for this and the previous meeting and a quorum of shareholders not being present at the previous meeting on August 19, 2024, the August 26, 2024 meeting was declared to be duly constituted pursuant to section 11.7(b) and 11.8 of the Company's Articles.

The Chairman advised that the meeting had been called to finalize the business of the Annual General Meeting to be held on August 26, 2024.

**UPON MOTION IT WAS RESOLVED** that the Company's Annual General Meeting be held on August 26, 2024 at 500N-5811 Cooney Rd, Richmond, BC V6X 3M1.

**UPON MOTION IT WAS RESOLVED** that August 26, 2024 be determined as the record date for the Annual General Meeting pursuant to Section 171 of the *Business Corporations Act*.

The Chairman reported that the Company's financial statements as of December 31, 2023 had been previously circulated to the shareholders. The Chairman noted that he had received an inquiry about certain financial and corporate document from Sunny Ho and his legal counsel followed by a response from Jeremy counsel

addressed to Sunny's counsel. The Chairperson noted that most if not all of the legal and sale documents requested by Sunny had been previously provided to the Company and PLLR will seek instructions from the director as to what documents should be provided to Sunny given the re-sending of documents would be costly and onerous to provide. The Chairperson also noted that there is no vote on the financial statements and they are received at the meeting for discussion.

Jeremy reported on behalf of the Directors. Jeremy said the AGM was needed as there were many decisions of the Company that needed resolution. Deloitte has been appointed as the proposal trustee under the *Bankruptcy and Insolvency Act* to oversee the financial dealings of the Company. But because the Company decisions required both existing directors to consent and Sunny was either slow or non responsive to requests from Deloitte, Jeremy was concerned that the overall operations of the Company would be stalled. Jeremy reported that many expenses of the Company including wages required the signature of 2 directors and Sunny was either slow or unresponsive to request to sign cheques.

As there was only 1 shareholder present, the Chairman did not see a need to vote by polling. Instead, the Chairman stated he would accept voting by a show of hands.

A motion was presented to fix the number of directors of the Company for the ensuing year at one. The motion was moved by Jeremy. There was no further discussion and by a show of hands of a shareholder representing 70% of the issued shares of the Company in favor of the motion, the Chairman declared that the motion fixing the number of directors at 1 has been duly carried.

A motion was presented to nominate and elect the sole director of the Company. It was proposed by Jeremy that Jia An (Jeremy) Liang be nominated as the sole director of the Company. There were no other nominations and no further discussion. By a show of hands of a shareholder representing 70% of the issued shares of the Company in favor of the motion, the Chairman declared that the motion electing Jia An (Jeremy) Liang as the sole director of the Company has been duly carried.

The Chairman did not present a motion to waive the appointment of the Auditors of the Company as this motion requires the unanimous approval of the shareholders and not all shareholders were present at the AGM. So this motion cannot be carried. Under the BC Business Corporations Act, it is up to shareholders to request an auditor for the Company to be appointed.

Under other business, the Chairman noted that he did believe in the past the Company appointed officers of the Company. The Chairman confirmed for the year 2023, no shareholder has brought any motion to appoint officers of the Company so there will be no officers of the Company for the upcoming year.

The Chairman also noted that although the BC Business Corporations Act only requires that any shareholder who requests a copy of the minutes of the AGM be so provided, as a courtesy to the other shareholder of the Company, a copy of the minute of the AGM will be provided in due course to Sunny Ho. There was no objection from Jeremy.

There being no further business to come before the meeting, UPON MOTION the meeting adjourned.

Certified true and accurate on behalf of the Board

Jia An (Jeremy) Liang - Director

{100201-03689820.4}

# RESOLUTIONS OF THE SOLE VOTING SHAREHOLDER OF ANDERSON SQUARE HOLDINGS LTD. (the "Company")

The undersigned, being the sole shareholder of the Company, HEREBY CONSENTS to and adopts in writing the following resolutions to have the same force and effect as if they had been passed at a general meeting of the Company:

- (a) The holding of an annual general meeting of the Company shall be waived.
- (b) Keung Sun Ho shall be removed as a director of the Company.
- (c) The number of directors of the Company shall be decreased from two (2) to one (1).
- (d) Jia An (Jeremy) Liang be appointed as the sole director for the Company for the coming year, or until his successor(s) are elected or appointed.

The undersigned agrees that copies of these resolutions containing such signature shall be admissible in court without further authentication and notwithstanding the date of execution, shall be deemed to be executed as of the date set forth below.

DATED effective as of August 26, 2024.

ANDERSON PLAZA HOLDINGS INC.

Per:

Director

Exhibit 'C' Detailed Actual Cash Flow for the Period from May 13, 2024 to October 20, 2024

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# Anderson Square Holdings Ltd. Actual Cash Flow For the Period from May 13, 2024 to October 20, 2024 All amounts in CAD

Period	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Total
Date - beginning of period	5/13/2024	6/1/2024	7/1/2024	8/1/2024	9/1/2024	10/1/224	5/13/2024
Date - end of period	5/31/2024	6/30/2024	7/31/2024	8/31/2024	9/30/2024	10/20/2024	10/20/2024
Opening available cash balance	\$ 20,676,956	\$ 21,282,921	\$ 23,659,370 \$	28,217,256	\$ 29,450,194	\$ 31,788,210	\$ 20,676,956
Receipts							
Proceeds from unit sales	708,435	2,377,970	4,677,147	1,242,600	2,541,892	2,223	11,550,267
Rental income	-	6,779	8,277	8,277	8,277	8,229	39,840
CRA GST collected	35,940	122,870		n -	-	150,467	309,277
Interest income	6,240	9,361	12,539	20,603	-	22,023	70,766
Total Receipts	750,615	2,516,980	4,697,963	1,271,480	2,550,170	182,942	11,970,149
Disbursements							
Wages	3,932	-	2	-	-	3,932	7,865
Contract sales personnel	4,778	-	-	-		9,555	14,333
Utilities on unsold units	-	-	(37)	-	-	1,280	1,243
CRA payroll source remittances	1,464	-	-	-	97	1,464	3,025
CRA GST paid	1,464	47,732		•	139,058	102,831	291,085
Sales commissions on unit sales	22,327	85,104	139,430	38,528	72,995	-	358,385
Strata fees on unsold units	34,786		-	-	-	29,088	63,873
Management fees (Valley West)	-	-	662	-	-	-	662
Post construction and sales costs	5,114	1,680	-	-	-	4,368	11,162
Accounting fees	368	-	-	-	-	-	368
Banking fees	31	13	22	15	3	16	100
Contingency	-	-	-	-	-	-	-
Total Operating Disbursements	74,263	134,530	140,077	38,543	212,153	263,146	862,711
Professional fees							
Trustee's fees and costs (incl. legal counsel)	68,388	-	-	-	5	-	68,388
Company legal fees	2,000	6,000			-	34,524	42,524
Total Professional Fees	70,388	6,000	-		1	34,524	110,912
Total Disbursements	144,650	140,530	140,077	38,543	212,153	297,670	973,623
Net cash flow	605,965	2,376,450	4,557,886	1,232,937	2,338,017	(114,728)	10,996,526
Closing available cash balance	\$ 21,282,921	23,659,370	28,217,256	29,450,194	31,788,210	31,673,482	\$ 31,673,482
Three Road pre-approved advances							811,555
Closing available cash balance							
after Three Road pre-approved advances							\$ 30,861,927