

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.

SECOND REPORT TO COURT OF THE PROPOSAL TRUSTEE

DELOITTE RESTRUCTURING INC.

FEBRUARY 5, 2024

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January 28, 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) This second report to Court of the Proposal Trustee (the "**Second 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

- 7) The purpose of this Second Report is to provide information to this Honourable Court in respect of:
 - a) The activities of the Company and Proposal Trustee since the First Report;
 - b) An analysis of the Company's actual cash receipts and disbursements from December 18, 2023 to January 28, 2024 as compared to the cash flow forecast for the period from December 18, 2023 to February 25, 2024 (the "**December 18 Cash Flow Forecast**");
 - c) The Company's updated cash flow forecast for the period from January 29, 2024 to March 31, 2024 (the "**January 29 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 First Extension Order from February 10, 2024 to March 26, 2024 (the "**Second Stay Extension Request**"); and

- f) The Proposal Trustee's recommendation regarding the application.

TERMS OF REFERENCE

- 8) In preparing this Second 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 Second Report.
- 9) Certain of the information referred to in this Second 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.
- 10) All monetary amounts contained in this Second Report are expressed in Canadian dollars, unless otherwise indicated.
- 11) The First Report, Second 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

- 12) The Proposal Trustee has undertaken the following activities since the date of the First Report:
- a) Continued to monitor the Company and track actual cash flow as against the December 18 Cash Flow Forecast and reviewed the supporting information;
 - b) Reviewed the pending unconditional sales transactions for three residential units in the Prima Project and ensured the disclosure statement to be provided to purchasers was updated to reflect the NOI Proceedings;
 - 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 to initiate a process for known creditors to prove claims, as discussed in more detail later in this Second 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 January 29 Cash Flow Forecast and reviewed and discussed the related assumptions; and
- h) Established and maintained a trust account for the NOI Proceedings.

ACTUAL VERSUS PROJECTED CASH FLOW FROM DECEMBER 18, 2023 TO JANUARY 28, 2024

- 13) The actual receipts and disbursements of the Company from December 18, 2023 to January 28, 2024 as compared to the December 18 Cash Flow Forecast are summarized in the following table and is attached hereto as Appendix 'A'.

Period	Forecast		Actual		Variance	
	Week 1 to 6	Week 1 to 6	Week 1 to 6	Week 1 to 6	Week 1 to 6	Week 1 to 6
Date - beginning of period	12/18/2023	12/18/2023	12/18/2023	12/18/2023	12/18/2023	12/18/2023
Date - end of period	1/28/2024	1/28/2024	1/28/2024	1/28/2024	1/28/2024	1/28/2024
Opening available cash balance	\$ 404,190	\$ 404,190	\$ 404,190	\$ 404,190	\$ 0	\$ 0
Receipts						
Proceeds from unit sales	-	-	-	-	-	-
Advances from shareholder	18,300,000	17,800,000	17,800,000	17,800,000	(500,000)	(500,000)
Rental income	7,630	10,074	10,074	10,074	2,444	2,444
CRA GST collected	-	-	-	-	-	-
Interest income	-	10,745	10,745	10,745	10,745	10,745
Total Receipts	18,307,630	17,820,819	17,820,819	17,820,819	(486,811)	(486,811)
Disbursements						
Wages	3,905	8,866	8,866	8,866	(4,961)	(4,961)
Contract sales personnel	16,485	11,209	11,209	11,209	5,276	5,276
Utilities on unsold units	2,400	3,692	3,692	3,692	(1,291)	(1,291)
Insurance	-	-	-	-	-	-
Office supplies	500	339	339	339	161	161
CRA payroll source remittances	1,489	1,489	1,489	1,489	(0)	(0)
CRA GST paid	170,208	170,208	170,208	170,208	-	-
Sales commissions on unit sales	-	-	-	-	-	-
Strata fees on unsold units	38,610	-	-	-	38,610	38,610
Management fees (Valley West)	1,000	1,118	1,118	1,118	(118)	(118)
Deficiency repairs	106,595	95,647	95,647	95,647	10,948	10,948
Post construction and sales costs	7,853	17,105	17,105	17,105	(9,252)	(9,252)
Accounting fees	368	735	735	735	(367)	(367)
Banking fees	25	39	39	39	(14)	(14)
Contingency	19,893	-	-	-	19,893	19,893
Total Operating Disbursements	369,332	310,447	310,447	310,447	58,885	58,885
Professional fees						
Trustee's fees and legal costs	75,000	25,108	25,108	25,108	49,892	49,892
Company legal fees	50,000	49,727	49,727	49,727	273	273
Professional fee retainers	50,000	50,000	50,000	50,000	-	-
Total Professional Fees	175,000	124,835	124,835	124,835	50,165	50,165
Total Disbursements	544,332	435,282	435,282	435,282	109,050	109,050
Net cash flow	17,763,298	17,385,537	17,385,537	17,385,537	(377,761)	(377,761)
Closing available cash balance	\$ 18,167,488	\$ 17,789,727	\$ 17,789,727	\$ 17,789,727	\$ (377,761)	\$ (377,761)

- 14) The Company had an overall net negative cash flow variance of approximately \$378,000 for the six (6) week period ended January 28, 2024, which was comprised of the following more significant amounts:
- a) The \$18.3 million payment from the Company to its parent company, Anderson Plaza Holdings Inc. ("**Anderson Plaza**") on November 28, 2023 (the "**Anderson Plaza Transfer**") was transferred back by Anderson Plaza to the Company on December 22, 2023, net of the \$500,000 previously advanced by Anderson Plaza to the Company during the NOI Proceedings. The \$500,000 difference forms the \$500,000 negative permanent variance;
 - b) \$38,610 positive variance for the December strata fees (the "**December Strata Fees**") on the Unsold Units is a timing difference as the payment for the December Strata Fees was made on January 29, 2024 along with the January strata fee amounts due; and
 - c) \$49,892 positive variance for the Proposal Trustee's fees and those of its legal counsel is a timing difference.

JANUARY 29 CASH FLOW FORECAST

- 15) Management worked with the Proposal Trustee to prepare the January 29 Cash Flow Forecast using the probable and hypothetical assumptions set out in the notes to the January 29 Cash Flow Forecast. The January 29 Cash Flow Forecast is summarized below and is attached hereto as Appendix "**B**".

Period	<u>Total</u>
Date - beginning of period	<u>1/29/2024</u>
Date - end of period	<u>3/31/2024</u>
Opening available cash balance	\$ 17,789,727
<u>Receipts</u>	
Proceeds from unit sales	2,338,101
Advances from shareholder	-
Rental income	22,889
CRA GST collected	121,620
Interest income	<u>116,696</u>
Total Receipts	2,599,305
<u>Disbursements</u>	
Wages	11,715
Contract sales personnel	24,728
Utilities on unsold units	7,201
Insurance	-
Office supplies	1,500
CRA payroll source remittances	4,467
CRA GST paid	44,580
Sales commissions on unit sales	88,322
Strata fees on unsold units	148,333
Management fees (Valley West)	3,000
Deficiency repairs	80,000
Post construction and sales costs	47,430
Accounting fees	1,104
Banking fees	75
Contingency	<u>85,158</u>
Total Operating Disbursements	547,612
<u>Professional fees</u>	
Trustee's fees and costs (incl. legal counsel)	125,000
Company legal fees	90,912
Professional fee retainers	-
Total Professional Fees	<u>215,912</u>
Total Disbursements	763,524
Net cash flow	<u>1,835,781</u>
Closing available cash balance	<u>\$ 19,625,508</u>

- 16) The more significant receipts and disbursements in the January 29 Cash Flow Forecast, include the following:
- a) Approximately \$2.3 million from the sale of two (2) residential units in the normal course of business that are unconditional. One unit closed on January 29, 2024 and the other unit is scheduled to close on March 31, 2024;
 - b) Approximately \$122,000 in goods and services tax ("**GST**") collected on the sale of the two (2) residential units with the subsequent payment of \$44,580 to the Canada Revenue Agency ("**CRA**") when due in the following month (the remaining amount is not due until after March 31, 2024). 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 January 29 Cash Flow Forecast;
 - c) Approximately \$117,000 in interest income to be earned on the current funds on hand;
 - d) Approximately \$88,000 in sales commissions on the sale of the two (2) residential units;

- e) Approximately \$148,000 in strata fees on the Unsold Units which includes the December Strata Fees and those estimated for January, February and March 2024;
 - f) \$80,000 for ongoing deficiency repairs to the building and sold and Unsold Units;
 - g) Approximately \$85,000 for a 10% contingency on operating costs and professional fees;
 - h) \$125,000 to the Proposal Trustee and its legal counsel for prior and ongoing fees related to the NOI Proceedings; and
 - i) Approximately \$91,000 to the Company's legal counsel for prior and ongoing work related to the various litigation against the Company and the ongoing NOI Proceedings.
- 17) Based on the Proposal Trustee's review of the January 29 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 Second Stay Extension Request. The Company's report and the Proposal Trustee's report on the January 29 Cash Flow Forecast are attached hereto as Appendix "B".

ASSETS

- 18) 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 \$4.6 million. One of the units has a conditional offer with a subject removal date of February 21, 2024; and
 - d) Unsold and unallocated parking stalls, the details of which the Company is in the process of providing to the Proposal Trustee.
- 19) The Proposal Trustee understands that other assets of the Company include the following:
- a) Cash on hand of approximately \$17.8 million as at January 28, 2024 which includes the return of the Anderson Plaza Transfer. 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 pending unconditional sales of three (3) residential units, one of which closed on March 29, 2024 for net sale proceeds of approximately \$853,000 (net of GST and before sales commissions). The other two (2) units are scheduled to close on March 28, 2024 and May 15, 2024 for total net sales proceeds of approximately \$2.2 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 \$1,500; and
 - d) The Lien Funds, as defined later in this Second Report.
- 20) 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 its 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

- 21) The Proposal Trustee has worked closely with Norton Rose and Clark Wilson to better understand the potential liabilities of the Company outlined in the First Report. This process has involved reviewing additional documents relating to the claims filed against the Company and obtaining updates from Clark Wilson and other legal counsel involved. Based on this additional review and analysis, the Proposal Trustee understands that Company's liabilities could potentially include the following parties:
- a) Approximately \$64.1 million owing to Anderson Plaza as of the Filing Date (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 and Anderson Plaza still needs to prove its secured claim as against the Company.
 - 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 "**Lien Proceedings**") as against the Prima Project which, along with a number of claims of lien filed by subcontractors 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 be potentially entitled to a share of the Lien Funds through a separate court process not involving the Company.
 - 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 (collectively, the "**Other Potential Creditors**"):

- i) ART Fire Protection Inc.;
 - ii) Lower Mainland Forming Inc.;
 - iii) MJF General Contractors Inc.; and
 - iv) Otezs Project Marketing Group Ltd.
- d) An unknown potential claim for the pending 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 Proposal Trustee understands that the Company terminated the Pre-Sale Contracts in 2019 and returned the deposits with interest to the Pre-Sale Litigants and there are various matters being litigated as part of these transactions. The trial in the Pre-Sale Litigation commenced on November 27, 2023 and the Pre-Sale Litigants were successful in lifting the Initial Stay under the NOI Proceedings on November 29, 2023. The Proposal Trustee understands that the trial concluded on December 21, 2023 and the parties are awaiting the judgement which was reserved.
- 22) The Proposal Trustee is not aware of any statutory claims owing to CRA or any other government agencies.
- 23) The Proposal Trustee determined that, after discussions with Norton Rose, Scott, Clark Wilson, and counsel for Anderson Plaza, it was preferable for a claims process allowing creditors to prove their claims, and in particular Anderson Plaza's secured claim, to be commenced at this stage in the NOI Proceedings, as the determination of the Anderson Plaza claim will likely impact the Proposal to be formulated by the Company. As a result, on February 5, 2024, the Proposal Trustee sent a notice to prove claim ("**Notice to Prove Claim**"), along with a blank proof of claim form, to Anderson Plaza, Scott, the Other Potential Creditors, and counsel to the Pre-Sale Litigants. The Proposal Trustee requested that the parties complete and file a proof of claim by March 8, 2024 in order to facilitate the orderly and expedient determination of claims. A copy of the Notice to Prove Claim is attached hereto as Appendix "**C**".

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

- 24) The Company is seeking a second extension of the First Extension Order from February 10, 2024 to March 26, 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 potential Anderson Plaza secured 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 terms of the Proposal to be presented to its creditors.
- 25) The Proposal Trustee considered the following factors and has the following comments in regards to the Company's Second 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. 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 Company also arranged for the return of the Anderson Plaza Transfer.

- b) If the Company will be able to make a viable proposal if the Second 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 Second Stay Extension Request was granted.
 - i) The Proposal Trustee is not aware of any creditors becoming materially prejudiced if the Second Stay Extension Request was granted.
- 26) Based on the above assessment and the circumstances currently facing the Company, the Proposal Trustee is supportive of the Second Stay Extension Request.

RECOMMENDATION

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

All of which is respectfully submitted to this Honourable Court this 5th day of February, 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 December 18, 2023 to
January 28, 2024**

Appendix B

January 29 Cash Flow Forecast and Related Reports

Anderson Square Holdings Ltd.
 Projected Cash Flow Statement
 For the Period from January 29, 2024 to March 31, 2024
 All amounts in CAD
 Page 1 of 2

Period	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Total
Date - beginning of period	1/29/2024	2/5/2024	2/12/2024	2/19/2024	2/26/2024	3/4/2024	3/11/2024	3/18/2024	3/25/2024	1/29/2024
Date - end of period	2/4/2024	2/11/2024	2/18/2024	2/25/2024	3/3/2024	3/10/2024	3/17/2024	3/24/2024	3/31/2024	3/31/2024
Opening available cash balance	1	\$ 17,789,727	\$ 18,497,427	\$ 18,491,927	\$ 18,409,427	\$ 18,409,427	\$ 18,281,438	\$ 18,281,438	\$ 18,281,438	\$ 17,789,727
Receipts										
Proceeds from unit sales	2	852,615	-	-	-	-	-	-	1,485,486	2,338,101
Advances from shareholder		-	-	-	-	-	-	-	-	-
Rental income	3	7,630	-	-	7,630	-	-	-	7,630	22,889
CRA GST collected	4	44,580	-	-	-	-	-	-	77,040	121,620
Interest income		36,696	-	-	40,000	-	-	-	40,000	116,696
Total Receipts		941,520	-	-	47,630	-	-	-	1,610,156	2,599,305
Disbursements										
Wages	5	3,905	-	-	3,905	-	-	-	3,905	11,715
Contract sales personnel	6	8,243	-	-	8,243	-	-	-	8,243	24,728
Utilities on unsold units		2,400	-	-	2,400	-	-	-	2,400	7,201
Insurance		-	-	-	-	-	-	-	-	-
Office supplies		500	-	-	500	-	-	-	500	1,500
CRA payroll source remittances	5	1,489	-	-	1,489	-	-	-	1,489	4,467
CRA GST paid	4	-	-	-	44,580	-	-	-	-	44,580
Sales commissions on unit sales	2	28,275	-	-	-	-	-	-	60,047	88,322
Strata fees on unsold units		72,169	-	-	38,082	-	-	-	38,082	148,333
Management fees (Valley West)	7	1,000	-	-	1,000	-	-	-	1,000	3,000
Deficiency repairs	7	35,000	-	-	35,000	-	-	-	10,000	80,000
Post construction and sales costs	7	17,430	-	-	15,000	-	-	-	15,000	47,430
Accounting fees		368	-	-	368	-	-	-	368	1,104
Banking fees		25	-	-	25	-	-	-	25	75
Contingency	8	27,104	500	7,500	25,027	-	-	-	25,027	85,158
Total Operating Disbursements		197,908	500	7,500	175,619	-	-	-	166,085	547,612
Professional fees										
Trustee's fees and costs (incl. legal counsel)	9	-	-	75,000	-	-	-	-	50,000	125,000
Company legal fees	10	35,912	5,000	-	-	-	-	-	50,000	90,912
Professional fee retainers		-	-	-	-	-	-	-	-	-
Total Professional Fees		35,912	5,000	75,000	-	-	-	-	100,000	215,912
Total Disbursements		233,820	5,500	82,500	175,619	-	-	-	266,085	763,524
Net cash flow		707,700	(5,500)	(82,500)	(127,989)	-	-	-	1,344,071	1,835,781
Closing available cash balance		\$ 18,497,427	\$ 18,491,927	\$ 18,409,427	\$ 18,281,438	\$ 18,281,438	\$ 18,281,438	\$ 18,281,438	\$ 19,625,508	\$ 19,625,508

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 5th day of February, 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:  Per: 
 Jeff Keable, CPA, CA, CIRP, LIT, CBV Senior Vice-President
 Jia An Liang Director

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 is being sought 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 January 29, 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 and three residential units are under subject-free contracts and are scheduled to close January 31, 2024, March 28, 2024 and May 15, 2024. The commissions related to these sales are included separately in disbursements on closing.
- 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 not on the other operating costs.
- 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 A contingency of 10% has been added for any disbursements and professional fees.
- 9 Proposal Trustee's fees and costs include the estimated fees of the Proposal Trustee's independent legal counsel.
- 10 The Company has ongoing fees for its legal counsel representing it 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

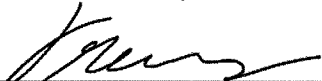
The Management of Anderson Square Holdings Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 5th day of February 2024, consisting of weekly projections for the period of January 29, 2024 to March 31, 2024.

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 5th day of February 2024.


Anderson Square Holdings Ltd.
Debtor

Jia An Liang
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 5th day of February 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 2nd day of February 2024, consisting of weekly projections for the period of January 29, 2024 to March 31, 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,

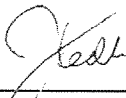
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given 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 5th day of February 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 5th day of February 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

Appendix C

Notice to Creditors to Prove Claim



Deloitte Restructuring Inc.
Level 19 -410 West Georgia St
Vancouver BC V6B 0S7
Canada

February 5, 2024

To the Creditors of
Anderson Square Holdings Ltd.

Tel: 780-401-3913
Fax: 780-421-3782
www.deloitte.ca

Dear Sirs/Mesdames:

**RE: IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL BY
ANDERSON SQUARE HOLDINGS LTD.**

As you are aware, on November 27, 2023, Anderson Square Holdings Ltd. (the “**Company**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, and Deloitte Restructuring Inc. consented to act as the Licensed Insolvency Trustee (the “**Proposal Trustee**”) under the NOI. On December 22, 2023, an Order was granted by the Court extending the stay of proceedings and the time for the filing of a proposal (the “**Proposal**”) by the Company to February 10, 2024. The Company intends to apply to the Court for a further extension of the stay of proceedings and time for filing of a Proposal for an additional 45 days.

Take notice that in order to vote on the Proposal at the first meeting of creditors you must prove your claim prior to the date of the first meeting of creditors, which the Proposal Trustee expects to schedule shortly after the anticipated Proposal to be filed in this matter. In order to facilitate the orderly and expedient determination of claims, the Proposal Trustee asks that you prove your claim on or before March 8, 2024. If you do not prove your claim before the first meeting of creditors, the Proposal Trustee may proceed with the administration of the Proposal without regard to claims which have not been proven.

Enclosed is a blank Form 31, Proof of Claim, for completion and return to the Proposal Trustee’s office by March 8, 2024. The completed Form 31, along with supporting documentation, can be returned to the Proposal Trustee’s office by regular mail, facsimile, or e-mail to the attention of Chris Knox.

If you have any questions regarding the above, please contact Chris Knox at (780) 401-3913 or at cknox@deloitte.ca.

Yours truly,

Deloitte Restructuring Inc.
In its capacity as Trustee under the Notice of Intention
to Make a Proposal by Anderson Square Holdings Ltd.
and not in its personal capacity

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

Enclosure

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

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(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

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of Anderson Square Holdings Ltd. of the City of Richmond in the Province of British Columbia and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 27th day of November 2023, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts.)

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

FORM 31 --- Concluded
In the Matter of the Proposal of
Anderson Square Holdings Ltd.
of the City of Richmond, in the Province of British Columbia

- E. CLAIM BY WAGE EARNER OF \$ _____
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,
- G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____.

Witness

Creditor

Phone Number: _____

Fax Number : _____

E-mail Address : _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.