

District of BRITISH COLUMBIA  
Division No. 03 - Vancouver  
Court No. B180261  
Estate No.: 11-254119

VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF**

**WISTON INTERNATIONAL TRADE CO. LTD.**

## **PROPOSAL**

DATED FOR REFERENCE  
The 14<sup>th</sup> Day of September, 2018

PROPOSAL

FILED BY:

**WISTON INTERNATIONAL TRADE CO. LTD.**

**(the "Company")**

(See "*Definitions & Interpretation*" for meaning of defined terms.)

WHEREAS:

- A. On March 26, 2018, the Company filed a notice of intention to make a proposal under the Act.
- B. During the course of the Proposal Proceedings, the Company worked to resolve issues that negatively affected the Company's financial situation and intends to restructure its debt to Bank of Montreal.
- C. The Company is now in a position to present this Proposal to its unsecured creditors for their consideration and approval.

1. Definitions in this Proposal:

- a. "Act" or "BIA" means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended;
- b. "Administrative Fees and Expenses" means the Trustee's proper fees and expenses, including legal fees and disbursements (if any) incurred by the Trustee, and any legal fees and disbursements incurred the Trustee on or incidental to the appointment of the Trustee, before and after the filing of the Notice of Intention and appointment of the Trustee herein, and Administrative Fees and Expenses includes the Trustee's costs incurred in the negotiations in connection with the preparation of this Proposal and any subsequent proposals and any proceedings relating to, arising out of, or under this Proposal including the preparation and implementation of any Proposal and any subsequent Proposals, including bankruptcy proceedings and including advice to the Trustee relating to insolvency issues, whether before or after the appointment of the Trustee,
- c. "BMO" means Bank of Montreal;
- d. "Company" means Wiston International Trade Co. Ltd., the insolvent debtor;
- e. "Claims" means the claims of all Unsecured Creditors but not Excluded Creditors;

- f. Company's Legal Expenses means and any legal fees and disbursements incurred by the Company on or incidental to the appointment of the Trustee, before and after the filing of the Notice of Intention, and Administrative Fees and Expenses includes costs incurred in the negotiations in connection with the preparation of this Proposal and any subsequent proposals and any proceedings relating to, arising out of, or under this Proposal including the preparation and implementation of any Proposal and any subsequent Proposals, including bankruptcy proceedings and including advice to the Company relating to insolvency issues, whether before or after the appointment of the Trustee,
- g. "Court Approval" means: (i) the approval by the Supreme Court of British Columbia for this Proposal by order of the court having received the report of the Trustee and other relevant information from the Company or any interested Creditor, and (ii) the expiry of all appeal periods in relation to such order of the court;
- h. "CRA" means Canada Revenue Agency;
- i. "Creditors" means the Preferred Creditors and Unsecured Creditors of the Company;
- j. "Excluded Creditors" means holders of Related Party Claims and BMO
- k. "First Meeting of Creditors" means the meeting of Creditors at which the Proposal, including any amendments thereto, will be tabled and voted upon;
- l. "Levy" means the levy payable to the Superintendent of Bankruptcy pursuant to Section 147 of the BIA;
- m. "NOI Filing Date" means March 26, 2018, the date on which the Notice of Intention to Make a Proposal was filed by the Company with the Office of the Superintendent of Bankruptcy;
- n. "Post Filing Goods and Services" means, in respect of this Proposal, the goods supplied or services rendered to the Company, with the approval of the Company, after the NOI Filing Date;
- o. Related Party Claims means the claims of Heilong Jiang Far East Wood Co. and Huigang (Andrew) Sun;
- p. "Preferred Creditors" means those persons with claims that are provable and proved under the BIA and which are required by Section 136 of the BIA to be paid in priority to claims of Unsecured Creditors;
- q. "Proven Claim" means the proven claim of a Preferred Creditor or Unsecured Creditor;
- r. "Trustee" means G. Powroznik Group Inc., a licensed Trustee, of G-Force Group, or its duly appointed successor or successors appointed under, or in connection with, the carrying out of this Proposal;

- s. "Trustee's Proper Fees" means the time charges incurred, at normal hourly rates, by the Trustee or its duly appointed successor or successors appointed under or in connection with the carrying out of this Proposal; and
  - t. "Unsecured Creditors" means those persons with unsecured claims that are proved in respect of debts and liabilities present or future to which the Company was subject at the NOI Filing Date or to which the Company may become subject by reason of any obligations incurred before the NOI Filing Date, including for certainty all claims that would be treated as unsecured claims of the Company in a bankruptcy of the Company, except for those claims:
    - i. that have been finally and conclusively disallowed by the Trustee or found by the Court not to be provable claims;
    - ii. that are by Preferred Creditors; or
    - iii. that are for Administrative Fees and Expenses.
2. Notwithstanding anything to the contrary in this Proposal, and in accordance with Section 60(1) of the BIA, payment of all Administrative Fees and Expenses shall be made in priority to all Creditors' claims; and payment of the Company's Legal Expenses shall be paid in priority over all Creditors' claims but subject to the payment of the Administrative Fees and Expenses.
  3. Preferred Creditors shall be paid in full as set forth in Section 136(1) of the BIA in priority to all claims of Unsecured Creditors; and in particular the payment of the claims of all employees or former employees shall be made forthwith after Court Approval at least equal to the amounts they would be qualified to receive under section 136 (1) (d) of the BIA.
  4. Post Filing Goods and Services shall be paid in full by the Company in the ordinary course of business as they become due or as may be arranged by the Company an any Post Filing Creditor.
  5. After the NOI Filing Date, all newly arising obligations of the Company to CRA for Goods and Services Tax and other amounts required to be withheld by the Company on behalf of CRA shall be paid in full as they fall due.
  6. Unless the Crown consents, all claims of Her Majesty in right of Canada or of a province coming within Section 60(1.1) of the Act shall be paid in full within six months after Court Approval of this Proposal.
  7. The Related Party Claims will be postponed until all other claims have been satisfied and will not participate in the Proposal.
  8. Payment of all amounts to be paid by the Company pursuant to paragraphs 2 to 6 and 9 of this Proposal will be paid from the funds provided pursuant to paragraph 10 of this Proposal.

9. Subject to the Lévy and subject to payment of all amounts due and owing pursuant to paragraphs 2 to 6 of this Proposal, the Company will pay to its Trustee for distribution to its Creditors as follows:
  - a. to each of the Unsecured Creditors the first \$1,000 of its Proven Claim in cash, within six months of Court Approval, or where such claim is less than \$1,000, will pay such claims in full;
  - b. the remainder of the principal amount of all any unsecured Proven Claim in two installments but without any interest, bonus, penalties or other additional amount.
    - i. fifty (50) cents within six (6) months after Court Approval of the Proposal; and
    - ii. fifty (50) cents within one (1) year after Court Approval of the Proposal.
10. Prior to Court Approval of the Proposal, \$10,000 will be provided to the Trustee for the payments due and owing by the Company under the Proposal.
11. The funds for the payments due under the Proposal are not available to the Company from its assets and accordingly will be made out of future earnings or advances from the principals of the Company.
12. No interest shall be charged by Creditors after the NOI Filing Date.
13. At the First Meeting of Creditors to be held to consider this Proposal the Creditors may appoint one or more, but not exceeding five, Inspectors to advise the Trustee in respect of such matters as may be appropriate, including:
  - a. to advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors in this Proposal;
  - b. to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee; and
  - c. to extend the time for any payment or distribution required to be made pursuant to this Proposal.
14. This Proposal may be amended by the Company at any time prior to or at the First Meeting of Creditors provided that any such amendments shall be considered by the Company to be in the best interests of the Creditors. This Proposal may be amended or further amended by the Company after the First Meeting of Creditors:
  - a. if the amendment is considered by the Trustee and the Inspectors to be non-substantive in nature or in the interest of all of the Creditors, with the approval of the Inspectors only;
  - b. if the amendment is considered by the Inspectors to be in the interests of all of the Creditors, with the approval of the Inspectors only; or

c. upon a vote conducted by the Trustee at a further meeting of Creditors and upon approval of the Court where the Trustee is of the view that the approval of the court is required.

15. The Trustee and Inspectors shall be exempt from any personal liability in fulfilling their duties or exercising any powers conferred on them hereunder, or generally in carrying out the terms of this Proposal, and each of them shall be liable only for any wilful and wrongful act, default or neglect.

16. Any claims against the directors of the Company by its Creditors, where such claims arose before the NOI Filing Date and relate to the obligations of the Company where the directors of the Company are by law liable in their capacity as directors for the payment of such obligations, shall be satisfied in full and discharged upon payment by the Company in full of all amounts payable to Preferred Creditors and Unsecured Creditors hereunder.

17. The Trustee, the Inspectors and counsel to the Trustee and the Company shall be exempt from Personal liability in fulfilling the duties or exercising the powers conferred on them hereunder or generally in carrying out the terms of this proposal and shall only be liable for willful and wrongful acts defaults or neglects.

18. The Trustee, the Company or the Inspectors may apply to the Court for directions from time to time.

19. Huigang (Andrew) Sun confirms that he has read and understands this Proposal.

Dated at the City of \_\_\_\_\_ Toronto, Sep 14, 2018 \_\_\_\_\_, this 14<sup>th</sup> day of September, 2018.

**Wiston International Trade Co. Ltd.**

Per:

\_\_\_\_\_  
Authorized Signatory

**Huigang (Andrew) Sun**