Court File No. B250371
Estate No. 11-3246593
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF OLYMPIC DISTRIBUTORS LTD.

SUPPLEMENTAL REPORT TO THE PROPOSAL TRUSTEE'S FIRST REPORT TO COURT

MCEOWN AND ASSOCIATES LTD.

SEPTEMBER 18, 2025

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Appendices

A. INTRODUCTION AND PURPOSE

1. The purpose of this supplemental report is to provide the Court with further information including:

    a. the activities of the Company since the Proposal Trustee's First Report to Court dated August 5, 2025 (the "**First Report**"); and

    b. the Proposal Trustee's recommendation regarding the Company's application to request an extension of the stay of proceedings and time to file a proposal from September 23, 2025 to October 31, 2025.

2. This is a supplemental report and should be read in conjunction with the First Report.

3. Unless otherwise stated, capitalized terms in this Report have the same meanings given to them in the First Report.

B. ACTIVITY SINCE THE FIRST REPORT

4. On August 8, 2025, the Honourable Madam Justice Sharma made an Order extending the stay of proceedings and the time for filing a proposal by the Company to September 23, 2025 (the "**Initial Stay Extension Order**") attached hereto as Appendix "A".

5. The Proposal Trustee supported the Company's request for the Initial Stay Extension Order in order to provide additional time for the Company to:

    a. provide further documents and information to the Proposal Trustee regarding the value of the Company's assets, including an updated appraisal;

    b. provide further documents and information to the Proposal Trustee regarding the Company's unsecured creditors and other debts so

these claims can be assessed and a future claims process be put in place as part of the NOI Proceedings;

c. continue to work with OD International Ltd. and the Proposal Trustee to finalize the terms of the Proposed Transaction; and

d. seek Court approval of the Proposed Transaction.

C. ACTIVITIES OF THE COMPANY AND PROPOSAL TRUSTEE

6. Since the First, the Proposal Trustee has continued to monitor the Company and track actual cash flow as against the August 5 Cash Flow Forecast.

7. Based on information provided by Management, the Proposal Trustee is satisfied that the Company can meet its post-filing obligations as they become due during the period of September 17, 2025 to November 30, 2025, as set out in updated Statement of Projected Cash Flow attached and marked as Appendix "B" (the "**September 17 Cash Flow Forecast**).

8. The Proposal Trustee anticipates that it will provide its report on the September 17 Cash Flow Statement and file a copy of the statement with the OSB.

9. As of September 17, 2025, the Company's cash on hand is $51,296.

10. The Proposal Trustee understands based on information provided by Management and Watson Goepel that, since the Initial Stay Extension Order, the Company has taken the following additional steps to advance the Proposed Transaction:

a. on September 15, 2025, OD International and the Company agreed on a purchase price of $950,000 for the Company's assets;

b. also on September 15, 2025, the Company commissioned Joiner Sales Corp. to prepare an updated appraisal of the Company's assets, and will be providing a copy of the updated appraisal to the Proposal Trustee to support the purchase price of the Proposed Transaction;

c. the Company and its legal counsel are now finalizing the documentation for the Proposed Transaction in the form of an Asset Purchase Agreement;

d. Watson Goepel has been in regular contact with representatives of the Company's senior secured creditor, Beem, and subsequently Beem's counsel regarding the status of the NOI Proceedings and the Proposed Transaction. The Company understands that Been will support the Proposed Transaction on the condition that it is paid $950,000 from the proceeds of the sale;

e. the Proposal Trustee is advised that OD International has secured sufficient financing to pay the purchase price of the Proposed Transaction in cash on closing (subject to Court approval), and the Proposal Trustee has requested proof of funding; and

f. the Company has provided further information to the Proposal Trustee regarding the sales process undertaken to market and sell its assets prior to the NOI Proceedings.

D. COMPANY'S REQUEST FOR A FURTHER EXTENSION OF THE STAY OF PROCEEDINGS

11. The Proposal Trustee continues to be of the view that the purchase price of the Proposed Transaction likely represents a significantly greater recovery to the Company's creditors than they would receive if the Company were bankrupt and its assets immediately liquidated (subject to the Proposal Trustee's receipt and review of the updated appraisal report).

12. The Company is seeking an extension of the stay of proceedings and time to file a proposal from September 23, 2025 to October 31, 2025 to provide additional time to:

a. finalize the Asset Purchase Agreement for the Proposed Transaction;

b. receive the updated appraisal report of the Company's assets from the appraiser to support the purchase price of the Proposed Transaction;

c. provide sufficient time for the Proposal Trustee to review and provide its opinion on the Proposed Transaction;

d. seek Court approval of the Proposed Transaction and provide appropriate notice of the sale approval application on all interested parties; and

e. complete the Proposed Transaction (subject to Court approval).

13. The Proposal Trustee considered the following factors and has the following comments in regards to the Company's stay extension request:

a. the Company appears to be acting in good faith and with due diligence in pursuing the Proposed Transaction, and is cooperating with the Proposal Trustee on other issues including providing information regarding the nature of its assets and potential creditor claims;

b. since filing the NOI, the Company has kept current with its post filing obligations with the exception of payments to the secured creditors which are stayed pursuant to the provisions of the BIA;

c. the Proposal Trustee is advised that the Company will make an application to the Court for approval of the Proposed Transaction once its terms have been finalized; and

d. the Proposal Trustee is not aware of any creditors becoming materially prejudiced if the stay extension request was granted.

14. The Proposal Trustee anticipates that it will likely support the Proposed Transaction, subject to a final review and assessment of the appraised value of the Company's assets.

15. Based on the above assessment and the circumstances currently facing the Company, the Proposal Trustee is of the opinion that if the extension sought is granted the Company will be able to complete the Proposed Transaction which will maximize the recovery to the stakeholders.

E. RECOMMENDATION

16. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the Company's stay extension request.

DATED at the City of Vancouver, British Columbia, this 18th day of September 2025.

McEown and Associates Ltd.
In its capacity as Proposal Trustee of
Olympic Distributors Ltd.

Per: John D. McEown, CPA, CA, CIRP, LIT

Appendix "A"

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OF OLYMPIC DISTRIBUTORS LTD.

ORDER MADE AFTER APPLICATION

BEFORE JUSTICE SHARMA) THE 8th DAY OF AUGUST, 2025

ON THE APPLICATION of the applicant, Olympic Distributors Ltd. (the "**Company**"), coming on for hearing at Vancouver, British Columbia on the 8th day of August, 2025; AND ON hearing Thomas M. Hanson, counsel for the Company; AND pursuant to the *Bankruptcy and Insolvency Act*, the British Columbia *Supreme Court Civil Rules*, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS that:

1. The time for service of the Notice of Application herein be and is hereby abridged and the Notice of Application is properly returnable today and service thereof upon any interested party is dispensed with.

2. The stay of proceedings and time for filing a proposal by the Company is hereby extended to September 23, 2025.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Thomas M. Hanson
Counsel for Olympic Distributors Ltd.

By the Court.

Registrar IN BANKRUPTCY

Appendix "B"

Olympic Distributors Ltd.
Statement of Projected Cash Flow
September 17 to November 30, 2025

	Sep17-30	October	November	Total
Projected Cash Inflows				
Sales	$ 40,000	$ 150,000	$ 180,000	$ 370,000
Projected Cash Outflows				
Inventory Purchases	15,000	75,000	80,000	170,000
Rent (Premises)	-	3,500	3,500	7,000
Payroll (Salaries & Benefits)	7,000	9,300	9,300	25,600
Office Expenses	1,250	2,000	2,000	5,250
Supplies	150	100	100	350
Licenses & Fees	100	200	200	500
Insurance	1,200	800	800	2,800
Repairs & Maintenance	500	200	200	900
Telephone & Utilities	-	200	200	400
Administrative Expenses	750	500	500	1,750
Professional Fees	10,000	5,000	5,000	20,000
	35,950	96,800	101,800	234,550
Net Cash Inflow (Outflow)	**4,050**	**53,200**	**78,200**	**135,450**
Opening Cash Position on Sep 17, 2025	**51,296**	**55,346**	**108,546**	**51,296**
Closing Cash Position	**$ 55,346**	**$ 108,546**	**$ 186,746**	**$ 186,746**

This Statement of Projected Cash Flow of Olympic Distributors Ltd. is prepared in accordance with the requirements of S. 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the reasonableness of the Statement of Projected Cash Flow.

McEown & Associates Ltd.
Trustee in the Matter of the Notice of Intention to Make a Proposal of ~~Olympic~~ Distributors Ltd.

Per: John McEown

Olympic Distributors Ltd.

Per: Jong Lai Jang