

CANADA
Province of Ontario
Division No.: 09- Toronto
Court No.: 31-3110955
Estate No.: 31-3110955

**IN THE MATTER OF THE BANKRUPTCY OF
LING'S SELECTION COSMETICS LIMITED
OF THE CITY OF SCARBOROUGH
IN THE PROVINCE OF ONTARIO**

**TRUSTEE'S PRELIMINARY REPORT TO CREDITORS
ON THE BANKRUPTCY ADMINISTRATION**

Section A – Background

On July 31, 2024, Ling's Selection Cosmetics Limited (the “**Company**”) filed an assignment in bankruptcy with the Office of the Superintendent of Bankruptcy (the “**OSB**”) and on the same day, the OSB issued a Certificate of Appointment naming MNP Ltd. as the Licensed Insolvency Trustee (“**Trustee**”) of the Company and setting the date for the First Meeting of Creditors to take place virtually on August 19, 2024, at 10:00 AM.

The Designated Officer of the Company in this bankruptcy administration is Ms. Sau Ling Cheung (“**Ms. Cheung**”), a Director, Officer and Shareholder of the Company.

The Company was originally incorporated as Chilli & Pepper Thai Restaurant Limited on December 2, 1992, under the *Ontario Business Corporations Act*. On May 10, 2002 it changed its name to that of the Company. It operated as a retail cosmetic store pursuant to a lease commencing on September 1, 2019 at 4438 Sheppard Ave E, Unit 121, Scarborough, Ontario (the “**Premises**”). The Company had operated unprofitably since inception at the Premises. The operating losses were funded primarily by Ms. Cheung who was no longer prepared to advance further funding. A mutual release with respect to the lease for the Premises was executed on January 19, 2024, with an effective date of January 31, 2024, at which time operations of the Company ceased.

Section B - Evaluation of Assets

According to the Statement of Affairs, the Company estimated the liquidation value of its assets to be \$2,500.00 with respect to the Company’s removable assets which are being held by the Company’s director for safekeeping. The Company’s assets are subject to a security agreement issued to The Toronto-Dominion Bank (“**TD Bank**”).

Section C – Conservatory and Protective Measures

The Trustee has taken possession of certain books and records required for the administration of the bankruptcy. The Trustee did not take possession of the assets subject to TD Bank’s security.

Section D – Secured Creditors

According to a search conducted of the security registrations under Personal Property Security Act (Ontario) (“PPSA”), TD Bank is the only registered secured creditor with respect to all of the assets of the Company. To date the Trustee has not received a proof of claim from TD Bank.

Section E - Provable Claims

To date, the Trustee has not received any claims.

The following summarizes the claims:

Creditor Type	Per Statement of Affairs	Proven & Filed to August 18, 2024
Secured	\$ 216,189.40	Nil
Preferred	Nil	Nil
Unsecured	\$ 60,002.00	Nil
Total	\$ 276,191.40	Nil

Section F – Legal Proceedings, Reviewable Transactions & Preference Payments

The Trustee has not commenced any legal proceedings on behalf of the Estate. The Trustee has reviewed the Company’s bank transactions for the past year and has not found any preferential payments or reviewable transactions.

Section G – Remuneration of Trustee

The Trustee’s fees will be based on a time and hourly basis. The Trustee has received a retainer from Ms. Cheung, in the amount of \$16,385.00 with respect to the basic administration of the bankruptcy.

Section H - Anticipated Realization and Projected Distribution

The Trustee does not anticipate any distribution to unsecured creditors at this time.

Dated August 19, 2024.

MNP Ltd.

Licensed Insolvency Trustee

Per:



Deborah Hornbostel CPA, CA, CIRP, LIT, CFE