



Estate No. 31-2438755

**TO THE CREDITORS OF
Sinorama Holidays Inc. (hereinafter referred to as “Sinorama” or the “Company”)**

Enclosed is a copy of a proposal (the “Proposal”) under Part III, Division I of the *Bankruptcy and Insolvency Act* (“BIA”), lodged with Rosen Goldberg Inc., Licensed Insolvency Trustee, (the “Trustee”) and filed with the Official Receiver on January 14, 2019.

Sinorama filed a Notice of Intention to Make a Proposal (“NOI”) on October 31, 2018 and subsequently obtained a Court Order dated November 30, 2018, extending the time for filing a Proposal until January 14, 2019.

Enclosed are the following documents:

- Notice of Proposal to Creditors
- Proposal
- Condensed Statement of Assets and Liabilities
- Listing of Creditors excluding Former Customers
- Proof of claim/proxy form
- Voting letter

Please note that the list of Former Customers can be viewed on the web-site of Rosen Goldberg Inc. (www.rosengoldberg.com/current-files.php - Sinorama).

The following report is an outline of the salient information that will be of assistance to creditors in considering and voting upon the Proposal.

We caution readers that the Trustee has not audited or investigated the books and records of Sinorama and consequently cannot render an opinion as to the accuracy of the financial information contained in this report. The information discussed in this report has been obtained from the books and records of Sinorama, discussions with management and other documents in conjunction to legal proceedings involving the Company.

Section A Introduction and Background

Sinorama, operated as a travel retailer and wholesaler specializing in tours to Asia.

In May 2018, the Travel Industry Council of Ontario (“TICO”) inspected the books and records of the Company which revealed breaches under the Ontario Travel Legislation including a shortfall in Sinorama’s working capital requirements. As a result of its failure to remedy the breaches identified by TICO, Sinorama voluntarily terminated its registration and ceased operating on August 8, 2018.



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Subsequent to the cessation of operations, TICO issued an Order freezing Sinorama's trust bank accounts. The combined balances totalled \$6,625,268 hereinafter referred to as the "Trust Funds".

The premises of the Company were abandoned subsequent to operations ceasing and the landlord subsequently terminated the lease.

Over the course of its operations, Sinorama purchased a significant portion of its travel services from Vacances Sinorama Inc. ("Vacances"), a related corporation. Vacances, a Quebec Corporation, also ceased operations in August 2018 and is currently subject to bankruptcy proceedings with PricewaterhouseCoopers Inc. as the Licensed Insolvency Trustee ("PWC").

Sinorama also has a related company that operated in British Columbia – Sinorama Travel Vancouver Inc. The travel licence of this company was suspended on August 8, 2018 by Consumer Protection BC.

Based on the records of Sinorama, at August 8, 2018, the Company had received from its customers, located in both Canada and the United States of America, deposits totalling \$14,919,026 (Cdn dollars). Of these deposits, it has been determined that:

- \$8,822,831 of deposits received were transferred to suppliers of the Company (primarily Vacances) as payment on account of future bookings for Sinorama customers on the understanding that these funds would be held in trust for Sinorama. Based on information provided, these funds were apparently utilized by Vacances; and
- \$6,102,909 of the aforementioned amount has been identified as being potential claims against the trust funds currently subject to the TICO freeze order. These creditors will hereinafter be referred to as the "Trust Claimants".

Section B Summary of Proposal

This section contains a brief summary of the Proposal, the terms of which would be effective only if:

1. All classes of creditors affected by the Proposal vote for acceptance of the Proposal by a majority in number and two-thirds in value of each class of creditors present personally or by proxy, at the meeting and voting on the resolution. The Company's secured creditors (if any) are not affected by the Proposal; and
2. The Proposal is approved by the Court, in accordance with the provisions of the BIA.



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The Proposal includes, *inter alia*, the following provisions:

The purpose of this Proposal is to provide creditors with a better return than what would otherwise be achieved in a bankruptcy.

This Proposal will be binding on Sinorama, and all Trust Claimants, Preferred Creditors and Unsecured Creditors of Sinorama.

The claims of identified Trust Claimants shall be paid from the Trust Funds and shall not be subject to the levy payable under section 147 of the Act.

The funds available for payment under this Proposal shall consist of:

- (a) Funds remaining in the Trust Funds not required to satisfy claims of Trust Claimants; and
- (b) Funds recovered from Related Corporations.

The funds available for payment are to be paid in the following priority:

- (i) The fees and costs, including legal fees and disbursements, of the Proposal Trustee;
- (ii) The claims, if any, in Part VI of this Proposal, in priority to the Unsecured Creditors;
- (iii) The balance of the Proceeds shall be paid to Unsecured Creditors, without interest, and without penalty, on a pro rata basis.

Claims of Unsecured Creditors and Trust Claimants must be filed with the Proposal Trustee on or before April 2, 2019. Claims of Unsecured Creditors and Trust Claimants not received by the Proposal Trustee by April 2, 2019 shall be forever extinguished and barred and all such claimants shall be deemed to have fully and finally released all such claims.

For clarity, the creditors are referred to and should review the Proposal itself.

Section C Financial position and evaluation of assets

According to the sworn Statement of Affairs, the Company's assets consist of the following:

	Estimated Realizable Value
Cash in bank subject to a freeze order	\$6,615,268



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As noted in Section A of this report, the initial amount identified as Trust Claimant was \$6,102,909. The Trustee has determined that the trips of certain Trust Claimants may have been completed prior to August 8, 2018. To the extent that Sinorama has provided the trips fulfilled there would be no claim against the Trust Funds thus increasing the amount available to unsecured creditors.

Section D Interim Receiver

Not applicable.

Section E Conduct of the Company

The Trustee is currently conducting a review of the affairs and the financial affairs of the Company to identify any transactions which could be considered preferences or transfers at undervalue.

Under the terms of the Proposal, Sinorama will consent to the appointment of an independent third party accounting firm to conduct a review into the affairs of Sinorama, if requested by a creditor or the estate inspectors, if any.

The Trustee has filed an unsecured claim in the estate of Vacances in the amount of \$8,822,831, subject to the right of revising the claim if it is determined that Sinorama has a valid trust claim against any funds held or recovered by Vacances. PWC was also requested to provide certain accounting information. However, as PWC is currently conducting its review of Vacances, PWC has undertaken to provide a report once the report is completed in due course.

The Trustee will provide an update at the meeting of creditors.

Section F Creditors' Claims

According to the Statement of Affairs, creditors consist of:

	Amount
Trust Claimants	\$6,102,909
Secured	Nil
Preferred	Nil
Unsecured	9,717,417
Contingent	3,102,815

All claims in foreign currency have been converted to Canadian dollars for the purpose of the Statement of Affairs.



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Trust Claimants:

Under the terms of the Proposal, Trust Claimants are defined as customers of Sinorama for the purchase of travel services that have yet to be provided and whose claims can be traced to the trust funds of Sinorama currently subject to the freeze Order obtained by TICO.

The claims of Trust Claimants will not count in the voting for the Proposal.

Payment to Trust Claimants will not be subject to the levy of the Superintendent of Bankruptcy.

Unsecured creditors:

Unsecured creditors consist of two categories, as follows:

- (a) Creditors arising in the ordinary course of business; and
- (b) Customers of Sinorama for the purchase of travel services that have yet to be provided and whose funds were transferred from the Company's trust accounts to Vacances.

Contingent:

- (a) Represents interested parties creditors who have been identified as having a potential claim in the estate of Sinorama; and
- (b) A potential claim initially identified by TICO on behalf of Trust Claimants.

Section G Prior business dealings with the Company

The Trustee confirms that it has not provided previous services to Sinorama in any capacity other than as Trustee under both the NOI and Proposal. The Trustee further confirms that it does not have any knowledge of any conflict of interest situation with respect to this appointment.

Section H Informal Meeting with Major Creditors

The Trustee has met with representatives of TICO.

Section I Remuneration of Trustee

The fees and expenses, including professional fees of the Trustee, on and incidental to the proceedings arising out of the Proposal, including advice to the Company and the preparation of this Proposal, shall be paid from the Proposal funds in priority to the claims of all creditors. The Trustee's fees will be subject to the approval of the inspectors, if any, the Superintendent of Bankruptcy and the Court.



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Section J Cash-flow Statements Prepared by the Proponent

In accordance with the BIA, a cash flow statement was prepared by the Company and filed with the NOI. There have been no amendments to these statements.

Section K Estimated Realization and Recommendation

The Trustee has retained Lipman Zener Waxman (“LZW”) as its independent counsel. LZW has reviewed the issue of whether there is a valid trust claim. After discussion with counsel, the Trustee is of the view the Trust Claimants have a legitimate trust claim to the trust funds. They would appear to comply with the common law trust principles colloquially known at the “three certainties”. The trust funds appear to have been segregated rather than having been commingled which informs the Trustee’s view. The Trustee contemplates that litigation will ensue in a bankruptcy scenario with regard to challenging the trust nature of the trust funds. Notwithstanding the Trustee’s views as aforereferenced, in the event the trust is declared invalid that would result in significant additional funds being available to the unsecured creditors. The Proposal will avoid that contemplated litigation and the additional professional fees that will ensue thereby generating a higher net recovery to the general body of creditors.

If the Proposal is either rejected by the creditors or not approved by the Court, Sinorama will be deemed to have filed an assignment in bankruptcy.

The following is a comparison of the estimated realization under both a Proposal and Bankruptcy scenario.

	Estimated Net proceeds Proposal	Estimated Net proceeds Bankruptcy
Estimated funds to be available to unsecured creditors (Note 1)	\$ 512,000	\$512,000
Less: Estimated professional fees	<u>125,000</u>	<u>175,000</u>
Funds available for distribution to creditors	<u>387,000</u>	<u>337,000</u>



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Notes to Comparison:

Note 1: This amount is after payment of valid Trust Claimants but does not provide for additional funds for those identified as Trust Claimants whose obligations were fulfilled by the Company and therefore have no further claim.

On the basis of the foregoing, the unsecured creditors would receive a more favourable return by accepting the Proposal. The Trustee, subject to completing its review, therefore recommends the acceptance of the Proposal by the unsecured creditors.

Section L Procedures for dealing with the Proposal

The first meeting of creditors to consider the Proposal will be held on Monday, February 4, 2019 at 10:00 A.M. at Novotel Toronto North York Hotel, Gibson Ballroom, 3 Park Avenue, Toronto, Ontario, M2N 6L3.

To be eligible to vote at the first meeting of creditors, each unsecured creditor must complete the enclosed proof of claim and proxy/voting forms (if required) and file the completed forms with the Trustee prior to the commencement of the first meeting of creditors.

The proof of claim form filed with the Trustee must include a Schedule "A" to substantiate the quantum of the claim. The Schedule "A" may be a statement of accounts, invoice(s), vouchers or other evidence in support of the claim.

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may do so by completing and filing with the Trustee the enclosed voting letter.

Completed proofs of claim, proxy and voting letters may be filed with the Trustee by mail, hand delivery, facsimile (416-224-4300- Attention: Julie Schincariol) or email (jschincariol@rosengoldberg.com).

In completing proofs of claim, creditors with claims arising prior to October 31, 2018 should submit proofs of claims for amounts owing at that date.

Accounts subsequent to that date should not be included as all parties must make their own arrangements with the Company for all transactions subsequent to that date.



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It is expressly noted and should be clearly understood that the Trustee, Rosen Goldberg Inc., assumes no personal liability for any claims against Sinorama either before or after the filing of the Proposal.

In order for the Proposal to be accepted, a majority in number and two-thirds in value of the voting unsecured creditors present, personally or by proxy, at the first meeting of creditors or voting by voting letter is required.

Upon acceptance of the Proposal, the Trustee will apply to Court for a hearing of the application for the Court's approval of the Proposal.

Dated at Toronto, Ontario, this 18th day of January, 2019.

Rosen Goldberg Inc.

**Rosen Goldberg Inc.
Trustee**

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2438755
Estate No. 31-2438755

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

IN THE MATTER OF THE PROPOSAL OF
SINORAMA HOLIDAYS INC.
OF THE CITY OF MARKHAM,
PROVINCE OF ONTARIO

Take notice that Sinorama Holidays Inc. of the City of Markham in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.


A general meeting of the creditors will be held at Novotel Toronto North York Hotel, Gibson Ballroom, 3 Park Home Avenue, Toronto, ON M2N 6L3, on the 4th day of February 2019 at 10:00 AM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of Toronto in the Province of Ontario, this 18th day of January 2019.

Rosen Goldberg Inc. - Licensed Insolvency Trustee


5255 Yonge Street, Suite 804
Toronto ON M2N 6P4
Phone: (416) 224-4200 Fax: (416) 224-4330

IN THE MATTER OF THE PROPOSAL OF
SINORAMA HOLIDAYS INC.
OF THE CITY OF MARKHAM,
PROVINCE OF ONTARIO

PROPOSAL

Sinorama Holidays Inc. ("Sinorama" or the "Debtor"), the above-named debtor, hereby submits the following Proposal under the *Bankruptcy and Insolvency Act*:

**PART I
INTERPRETATION**

1. In this Proposal, capitalized terms have the following meanings:
 - (a) "Act" means the *Bankruptcy and Insolvency Act*, as it may be amended from time to time;
 - (b) "Business Day" means any day other than a Saturday or a Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
 - (c) "Claim" means any indebtedness, liability, action, cause of action, suit, debt, due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of Sinorama to any person whether liquidated, unliquidated, fixed contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date, but excludes a proceeding seeking relief in the nature of an investigation order and, or, other non-monetary relief;
 - (d) "Court" means Superior Court of Justice, in Bankruptcy and Insolvency;
 - (e) "Court Approval Date" means the date on which the Court makes the Final Order;
 - (f) "Creditor" means any person who holds one or more Claims;
 - (g) "Creditors' Meeting" means the special meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
 - (h) "Due Date" means the date upon which the personal income tax return, for the year in which the Proposal is filed and subsequent years as set out in the Income Tax Act;
 - (i) "Effective Date" means the date on which all conditions contained in Part XI hereof have been satisfied;
 - (j) "Employees" means all of the employees of Sinorama;

- (k) “Event of Default” has the meaning given to it in Part VIII;
- (l) “Filing Date” means the date on which Sinorama filed its Notice of Intention to Make a Proposal under the Act;
- (m) “Final Order” means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having expired and no appeal having been filed, or any appeal therefrom having been dismissed and such dismissal having become final;
- (n) “Maturity Date” means the date on which all payments to the Proposal Trustee have been made, provided that no event of default has occurred that has not been cured or waived;
- (o) “Post Filing Goods and Services” means in respect of the Proposal the goods supplied, services rendered and other consideration given to Sinorama subsequent to the Filing Date;
- (p) “Preferred Creditor” means any Creditor entitled to receive payment of any amount owed to it in priority to other Creditors as provided in section 136 of the Act;
- (q) “Proposal” means this Proposal made pursuant to the Act, as further amended or supplemented from time to time;
- (r) “Proposal Period” means the period between the Final Order and the Maturity Date;
- (s) “Proposal Trustee” means Rosen Goldberg Inc., the Licensed Insolvency Trustee acting in this Proposal;
- (t) “Related Corporations” means the relationship with Sinorama Travel Vancouver Inc. and Vacances Sinorama Inc., as defined pursuant to section 4(2) of the Act.
- (u) “Secured Creditor” means any Creditor who has valid security against various assets of the Debtor with respect to its Claim;
- (v) “Unsecured Creditor” means those persons with Claims, except for those Claims:
 - (i) that have been finally and conclusively disallowed;
 - (ii) that may be contingent or unliquidated and found by the Trustee or the Court (as may be applicable), not to be provable;
 - (iii) that are claims by Secured Creditors; or
 - (iv) that are claims by Preferred Creditors.
- (w) “Trust Claimants” means the claims of customers of Sinorama for the purchase of travel services that have yet to be provided and whose claims can be traced to the trust funds of the Debtor previously frozen by an Order obtained by the Travel Industry Council of Ontario (“TICO”).

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- (x) "Trust Funds" means funds of Sinorama held in various trust bank accounts subject to the freezing order obtained by TICO on August 8, 2018, pursuant to the *Travel Industry Act* (Ontario).

Headings

2. The divisions of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

Number, etc.

3. In this Proposal, where the context requires, a word importing the singular includes the plural and vice versa, and a word importing gender includes the masculine, feminine and neuter genders.

Date for Action

4. In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

Successors and Assigns

5. This Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, personal representatives, successors and assigns of all persons named or referred to herein including, without limitation, all Creditors.

Accounting Principles

6. Accounting terms not otherwise defined have the meanings assigned to them in accordance with generally accepted Canadian accounting principles.

PART II PURPOSE AND EFFECT OF THIS PROPOSAL

Purpose of Proposal

7. The purpose of this Proposal is to provide creditors with a better return than what would otherwise be achieved in a bankruptcy.

Persons Affected

8. This Proposal will, as of the Effective Date, be binding on Sinorama, and all Trust Claimants, Preferred Creditors and Unsecured Creditors of Sinorama.

**PART III
CLAIMS OF TRUST CLAIMANTS AND SECURED CREDITOR**

9. The claims of identified Trust Claimants of Sinorama shall be paid from the Trust Funds and shall not be subject to the levy payable under section 147 of the Act.

10. The Claims of the Secured Creditors, if any, of Sinorama shall be dealt with in accordance with the arrangements made between Sinorama and its Secured Creditors.

**PART IV
UNSECURED CREDITOR CLAIMS**

Payment of Unsecured Claims

11. Subject to paragraph 12, the funds available for payment to unsecured creditors to be remitted to the Proposal Trustee (the "Proceeds") shall consist of:
 - (a) Funds remaining in the Trust Funds not required to satisfy claims of Trust Claimants; and
 - (b) Funds recovered from Related Corporations.

The Proceeds to be received by the Proposal Trustee shall be paid in the following priority:

- (i) The fees and costs, including legal fees and disbursements, of the Proposal Trustee;
- (ii) The claims, if any, in Part VI of this Proposal, in priority to the Unsecured Creditors;
- (iii) The balance of the Proceeds shall be paid to Unsecured Creditors, without interest, and without penalty, on a pro rata basis.

Effect of Payment

12. Unsecured Creditors will accept the payments provided in Part IV of this Proposal, in complete satisfaction of all their Claims and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of Sinorama. Upon the making of all payments provided for in this Part IV, any and all such claims, certificates of pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without costs to Sinorama.

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Claims Bar Date

13. Claims of Unsecured Creditors and Trust Claimants must be filed with the Proposal Trustee on or before April 2, 2019. Claims of Unsecured Creditor and Trust Claimants not received by the Proposal Trustee by April 2, 2019 shall be forever extinguished and barred and all such claimants shall be deemed to have fully and finally released all such claims.

PART V POST FILINGS

14. The Debtor covenants and agrees to keep all filings, remittances and instalments, if any, to Canada Revenue Agency current for the post filing returns.

PART VI PREFERRED CLAIMS AND MANDATORY PAYMENTS

Crown Claims

- 15 Unless Her Majesty consents, Sinorama shall pay in full, within six months after the Court Approval Date, all amounts that were outstanding at the Filing Date that are of a kind that could be subject to a demand under:
- (a) subsection 224(1.2) of the *Income Tax Act*;
 - (b) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
 - (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

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Set Off

16. Sinorama acknowledges that Her Majesty the Queen will have the right to exercise its right of set off with respect to any income tax or HST refunds pertaining to the period prior to the Proposal.

Preferred Claims

17. Preferred Claims, without interest, are to be paid in full in priority to all Claims of Unsecured Creditors including, without limitation, any entitlement of Unsecured Creditors to the payments to be made under Part IV of this Proposal.

Payment of Fees

18. All proper fees and expenses of the Proposal Trustee and reasonable legal and other professional fees of and incidental to the proceedings and transactions arising out of this Proposal and in connection with the preparation of this Proposal, and the administration of this Proposal, including advice to Sinorama in connection therewith, will be paid from the Proposal Funds in priority to the claims in respect to Part VI and unsecured creditors.

Employees' Claims

19. All payments payable to former or current employees of Sinorama for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if Sinorama became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of traveling salesmen, disbursements properly incurred by those salesmen during the same period.

**PART VII
EVENTS OF DEFAULT**

20. The following events will constitute Events of Default for the purpose of section 63 of the Act and otherwise under this Proposal:
- (a) the non-payment of the amounts to the Proposal Trustee pursuant to paragraph 10; or
 - (b) the enforcement by any Secured Creditor of its security over all the assets of Sinorama.

**PART VIII
TRUSTEE**

Confirmation of Appointment

21. The Proposal Trustee shall be the trustee under this Proposal and all monies payable under this Proposal, unless otherwise provided herein, shall be paid over to the Proposal Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.

22. The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of Sinorama.
23. Any payments made by the Proposal Trustee to Creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

PART IX INSPECTORS

Appointment of Inspectors

24. At the Creditors' Meeting, the Unsecured Creditors will be entitled to appoint one or more, but not exceeding five (5) inspectors in total. The inspectors will have the following powers, but will have no personal liability to Sinorama or other Creditors:
 - (a) the power to extend the dates of payments provided under this Proposal;
 - (b) the power to waive any default in the performance of any provision of this Proposal;
 - (c) the power to advise the Proposal Trustee in respect of such matters as may be referred to the inspectors by the Proposal Trustee; and
 - (d) the power to advise the Proposal Trustee concerning any dispute that may arise to the validity of Claims of Preferred Creditors and Unsecured Creditors under this Proposal.

PART X CONDITIONS PRECEDENT

25. The performance of this Proposal by Sinorama shall be conditional upon the fulfillment or satisfaction of the following conditions within thirty (30) Business Days following the issuance of the Final Order:
 - (a) all approvals and consents to the Proposal that may be required have been obtained;
 - (c) the Final Order has been issued and the time for bringing any appeal therefrom has expired;
 - (c) no order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued; and
 - (d) all agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by Sinorama in a form satisfactory to him and the Proposal Trustee.

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PART XI
MISCELLANEOUS

Consents, Waivers and Agreements

26. On the Effective Date, all Unsecured Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Unsecured Creditor will be deemed to have waived any default by Sinorama in any provision, express or implied, in any agreement existing between the Unsecured Creditor and Sinorama that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

Further Actions

27. Sinorama and the Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated hereby.

Performance

28. All obligations of Sinorama under this Proposal will commence as of the Effective Date. All obligations of Sinorama under this Proposal will be fully performed for the purposes only of section 65.3 of the Act upon Sinorama having made the payments to the Proposal Trustee provided for herein.

Binding Effect

29. The provisions of this Proposal will be binding on the Creditors and Sinorama, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Order after all appeal periods have expired.

Review

30. Sinorama will consent to the appointment of an independent third party accounting firm to conduct a review into the affairs of Sinorama, if requested by a creditor or the estate inspectors.

PART XI
RELEASE

31. Upon the Effective Date, each and every present and former director of Sinorama (the "Released Party"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action that arose before the commencement of the proceedings under the Act, in respect

of the potential statutory liabilities of the former, present and future directors, but provided that nothing herein shall release or discharge any Released Party from claims that:

- (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors;
- (b) are based on allegations or misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors.

PART XII
ANNULMENT OF PROPOSAL

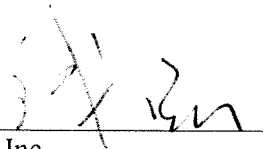
Annulment

32. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

PART XIII
MODIFICATION

33. Sinorama may propose amendments to the Proposal at any time prior to the conclusion of the Creditors' Meeting provided that any such amendment does not reduce the rights and benefits given to the Unsecured Creditors pursuant to the Proposal before such amendment and that any and all amendments shall be deemed to be a part of and incorporated into the Proposal.

Dated at Toronto, Ontario, this 11th day of January, 2019



Sinorama Holidays Inc.
Per: Hong Qian



IN THE MATTER OF THE PROPOSAL OF
SINORAMA HOLIDAYS INC.
OF THE CITY OF MARKHAM,
PROVINCE OF ONTARIO

Condensed Statement of Assets and Liabilities:

Assets

Cash on bank subject to a freeze order - Estimated Realizable Value \$6,615,268

Creditor claims

Trust Claimants	\$6,102,909
Secured	Nil
Preferred	Nil
Unsecured	9,717,417
Contingent	3,102,815

Notes:

Trust Claimants:

Under the terms of the Proposal, Trust Claimants are defined as customers of Sinorama for the purchase of travel services that have yet to be provided and whose claims can be traced to the trust funds of Sinorama currently subject to the freeze Order obtained by TICO.

The claims of Trust Claimants will not count in the voting for the Proposal.

Payment to Trust Claimants will not be subject to the levy of the Superintendent of Bankruptcy.

Unsecured creditors:

Unsecured creditor consist of two categories, as follows:

- (a) Creditors arising in the ordinary course of business; and
- (b) Customers of Sinorama for the purchase of travel services that have yet to be provided and whose funds were transferred from the Company's trust accounts to Vacances.

Contingent:

- (a) Represents interested parties creditors who have been identified as having a potential claim in the estate of Sinorama; and
- (b) A potential claim initially identified by TICO on behalf of Trust Claimant

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CHEN, CHUN	UNIT 421-10, PARK LAWN ROAD, ETOBICOKE, ONTARIO. M8V 0H9 Toronto ON M8V 0H9		1,681.63
CHEN, YING HUA	22 REMBRANDT DR Markham ON L3R 5W1		1,894.66
CHU, CLARA TSUI LING	88 EDWARD JEFFREYS AVENUE Markham ON L6E 1E6		6,370.00
Jing, Wenjia	3675 av. des Cerisiers Brossard QC J4Z 3S8		441,200.00
Kennedy Steeles Holdings Limited	7077 Kennedy Road, Suite 2A Markham ON L3R 0N8		334,704.81
LAM, FIONA KWOK KUEN	36 KERRIGAN CRESCENT Unionville ON L3R 7T6		7,008.00
LI, XINYI	50 CHARLES STREET EAST, SUITE 4703 Toronto ON M4Y 0C3		800.49
LIN, BIN FANG	8 DAME GRUEV DR MARKHAM ON L6E 0M4		6,716.00
LO, YUI SHAN	549 CABOTO TRAIL Markham ON L3R 5S2		6,278.00
PENG, JIAHUI	18 UPTOWN DR., SUITE 801 MARKHAM ON L3R 5M5		1,879.33
REN, YONG CHANG	3 COLVESTONE ROAD Toronto ON M2L 1X2		849.95
Travel Industry Council of Ontario Jeffery Levine	c/o McMillan LLP 4400-181 Bay Street Toronto ON M5J 2T3	Contingent claim of \$2,500,000	68,083.82
TSE, TING SUEN KAREN	517-39 GALLERIA PARKWAY MARKHAM ON L3T 0A6		3,373.68
TU, CHAN HUNG	80 MAGPIE CRESCENT WOODBRIIDGE ON L4H 2A4		1,858.77
Various customer deposits	Various Various cities ON		14,925,740.00
WEI, SHITING	1202-20 GARNETT JAMES ROAD Toronto ON M8V 3Z1		972.61
WONG, HELENA KIT MUI	212 VALLEYMEDE DR RICHMOND HILL ON L4B 3S4		7,500.00
YU, XIAOSHU	2501-60 TOWN CENTRE COURT SCARBOROUGH ON M1P 0B1		1,056.85

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ZHOU, WENCHAO	87 WORTHING AVENUE Markham ON L3S 3Y2		1,844.64
Total			15,819,813.24

SUPPLEMENTARY MAILING LIST

Sinorama Holidays Inc.

Superintendent of Bankruptcy – Toronto Division Office, 25 St. Clair Avenue East, Suite 600, Toronto, Ontario M4T 1M2

Superior Court of Justice in Bankruptcy, Registrar in Bankruptcy, 330 University Avenue, 7th Floor, Toronto, Ontario M5G 1R7

Ministry of Finance, 33 King Street West, P.O. Box 620, Oshawa, Ontario, L5J 1N3

Lipman Zener & Waxman, 1220 Eglinton Avenue West, Toronto, Ontario, M6C 2E3: Attention: Sean Zeitz

Blakes, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9: Attention: Chris Burr

Office de la Protection Du Consommateur – Government du Quebec, 400, boul. Jean-Lesage, bur 450, Quebec, Quebec, G1K 8W4

Consumer Protection British Columbia, #307-3450 Uptown Blvd., Victoria, British Columbia, V8Z 0B9

Mitchell Gattuso, 1010 Sherbrooke West, Suite 2200, Montreal, Quebec, H3A 2R7: Attention: Brian Mitchell

Estate Number:31-2438755

PROOF OF CLAIM

In the matter of the bankruptcy (or the proposal or the receivership) of Sinorama Holidays Inc. of Markham, Ontario and the claim of _____ creditor.

All correspondence regarding this claim should be sent to the following address: _____

- SEE No. 1** I, _____ (name of creditor or representative of the creditor), of _____ (full address), do hereby certify:
- SEE No. 2** 1. that I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor)
- SEE No. 3** 2. That I have knowledge of all the circumstances connected with the claim referred to below.
- SEE No. 4** 3. That the debtor was, at the date of the bankruptcy (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the _____ day of _____, _____, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account, or affidavit or solemn declaration must specify the vouchers or other evidence in support of the claim.)
- SEE No. 5** 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.)
- 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.)

SEE No. 6 5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of Section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

SEE No. 7 6. That the following are the payments that I have received from, 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 (3) 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(1) of the Act: (Provide details of payments, credits and transfers at undervalue.)

(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.

SEE No. 8 Dated at _____, this _____ day of _____, _____

Signature of Witness

Signature of Creditor

Telephone: _____ Fax: _____ E-Mail: _____

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

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 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

NOTE: If a copy of this Form is sent electronically by means such as email, the name of and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

**IF YOU HAVE ANY QUESTIONS ABOUT COMPLETING YOUR PROOF OF CLAIM FORM,
PLEASE CONTACT THE TRUSTEE'S OFFICE AT: (416) 224-4225**

GENERAL PROXY

In the matter of the bankruptcy (or of the proposal) of: _____

I/We _____ (name of creditor), of _____ (name of city or town), a creditor in the above matter, hereby appoint _____ of _____, to be my/our proxy in the above matter (excepting only as the receipt of

dividends), with (or without) power to appoint another proxy in his or her place.

SEE No. 9 Dated at _____, this _____ day of _____, _____

Signature of Witness

Signature of Creditor

PLEASE READ THIS CAREFULLY BEFORE YOU PREPARE YOUR PROOF OF CLAIM

1. The person making this claim must personally sign this form. **The signature must be witnessed.**
2. If you are signing this form on behalf of a corporation or other person you must state the title or capacity in which you are acting, such as "credit manager", "accountant", "controller", "authorized agent", etc. This form must be signed by the person making the declaration.
3. You must have knowledge of the circumstances connected with the claim.
4. Please fill in the date of the bankruptcy as shown on the Notice to Creditors. **The proof of claim is incomplete unless you include a statement (marked "Schedule A").** The balance on this statement must be complete and agree with the balance claimed by you as of the date of bankruptcy. It must show the date, number and amount of all invoices or charges, together with the date, number and amount of all credits or payments. A "balance forward" or one line figure **does not** meet the disclosure requirements for proofs of claim issued by the Superintendent of Bankruptcy.

5. Please check (x) the type of claim which applies to you. ****PLEASE DO NOT LEAVE THIS SECTION BLANK****

If you have a regular unsecured claim, then please check (x) beside the phrase "I do not claim a right to a priority".

A priority claim is only granted to specific creditors under Section 136 of the *Bankruptcy and Insolvency Act*. Please review the legislation to determine if you are eligible to make such a claim in this estate.

If you have a **SECURED CLAIM**, you must:

(a) insert the value that you feel your security is worth, **and**

(b) prove that you are secured by attaching a copy of your security document (chattel mortgage and a copy of your financing statement issued under the *Personal Property Security Act*, etc.). If you hold a mortgage over real estate, please provide the trustee with a copy of the mortgage document.

6. If you are related to the bankrupt, please cross out the word "not". If you are related by blood or marriage to the bankrupt, then you should consider yourself a related person. If the bankrupt is a corporation, you would be considered to be related to it if you were a shareholder, or if your company was controlled by the same shareholders as the bankrupt corporation.

7. You **must** provide the **full** details of all payments and credits received from or allowed to the debtor during the period indicated.

8. The proof of claim is **INCOMPLETE** unless it has been **dated, signed and witnessed**.

9. If you wish to appoint a proxy, the proxy form must be completed and signed by the creditor. If the creditor is a corporation, the proxy must be signed in the corporate name and not necessarily by the individual signing the proof of claim form. If a corporation grants a voting proxy to an individual, the proxy section should be both signed, dated and witnessed. The *Bankruptcy and Insolvency Act* permits a proof of claim to be made by a duly authorized agent of a creditor, but this does not give a person power to vote at the first meeting of creditors or to act as the creditor's proxy unless the **GENERAL PROXY** section has been completed.

GENERAL INFORMATION

A creditor may vote either in person or proxy.

A debtor may not be appointed as proxy to vote on behalf of a creditor.

The trustee may be appointed as proxy to vote on behalf of a creditor.

A corporation may vote by an authorized agent at a meeting of creditors.

In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy section of the proof of claim.