

**IN THE SUPREME COURT OF BRITISH COLUMBIA**  
**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,**  
**c. C-36, AS AMENDED**

BETWEEN:

**MINISO INTERNATIONAL HONG KONG LIMITED, MINISO INTERNATIONAL (GUANGZHOU) CO. LIMITED, MINISO LIFESTYLE CANADA INC., MIHK MANAGEMENT INC., MINISO TRADING CANADA INC., MINISO CORPORATION and GUANGDONG SAIMAN INVESTMENT CO. LIMITED**

PETITIONERS

AND:

**MIGU INVESTMENTS INC., MINISO CANADA INVESTMENTS INC., MINISO (CANADA) STORE INC., MINISO (CANADA) STORE ONE INC., MINISO (CANADA) STORE TWO INC., MINISO (CANADA) STORE THREE INC., MINISO (CANADA) STORE FOUR INC., MINISO (CANADA) STORE FIVE INC., MINISO (CANADA) STORE SIX INC., MINISO (CANADA) STORE SEVEN INC., MINISO (CANADA) STORE EIGHT INC., MINISO (CANADA) STORE NINE INC., MINISO (CANADA) STORE TEN INC., MINISO (CANADA) STORE ELEVEN INC., MINISO (CANADA) STORE TWELVE INC., MINISO (CANADA) STORE THIRTEEN INC., MINISO (CANADA) STORE FOURTEEN INC., MINISO (CANADA) STORE FIFTEEN INC., MINISO (CANADA) STORE SIXTEEN INC., MINISO (CANADA) STORE SEVENTEEN INC., MINISO (CANADA) STORE EIGHTEEN INC., MINISO (CANADA) STORE NINETEEN INC., MINISO (CANADA) STORE TWENTY INC., MINISO (CANADA) STORE TWENTY-ONE INC., MINISO (CANADA) STORE TWENTY-TWO INC., 1120701 B.C. LTD. and BRIGHT MIGU INTERNATIONAL LTD.**

RESPONDENTS

**EIGHTH REPORT OF THE MONITOR**  
**ALVAREZ & MARSAL CANADA INC.**

**MAY 1, 2020**

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## APPENDIX

### Appendix A – Extended Post-closing CCAA Cash Flow Forecast for the period April 18 to September 4, 2020

## 1.0 INTRODUCTION

- 1.1 On July 12, 2019, on the application of Miniso International Hong Kong Limited, Miniso International (Guangzhou) Co. Limited, Miniso Lifestyle Canada Inc., MIHK Management Inc., Miniso Trading Canada Inc., Miniso Corporation and Guangdong Saiman Investment Co. Limited (collectively, the “**Petitioners**”), the Supreme Court of British Columbia (the “**Court**”) made an Order (the “**Initial Order**”) granting a stay of proceedings (the “**Stay of Proceedings**”) against or in respect of Migu Investments Inc. (“**Migu**”), Miniso Canada Investments Inc. (“**MC Investments**”), Miniso (Canada) Store Inc. (“**MC Store**”), twenty-two (22) entities named sequentially from “Miniso (Canada) Store One Inc.” to “Miniso (Canada) Store Twenty-Two Inc.” (the twenty-two entities collectively, the “**MC Store Subsidiaries**”, and together with Migu, MC Investments and MC Store, “**Miniso Canada**” or the “**Companies**”), and the JV Affiliates (as defined in the Initial Order) and their assets until July 22, 2019, pursuant to the provisions of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The proceedings brought by the Petitioners under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**” or the “**Monitor**”) was appointed as Monitor of the Companies in the CCAA Proceedings.
- 1.3 The Petitioners are part of a group of related corporations that, together, manufacture lifestyle products under the “Miniso” brand name and operate or licence an international group of retail outlets selling “Miniso” branded inventory. The Petitioners hold security from the parent companies within Miniso Canada, specifically Migu, MC Investments and MC Store. The Petitioners and Miniso Canada are not related parties as defined in the CCAA or through any common ownership.
- 1.4 On July 19, 2019, the Monitor filed the First Report of the Monitor (the “**First Report**”) that described the Monitor’s activities to date, the ongoing review of store leases, and potential lease and JV Interest disclaimers, and the proposed claims process (the “**Claims Process**”).
- 1.5 On July 22, 2019, this Honourable Court granted Orders which extended the Stay of Proceedings to September 16, 2019 and approved the commencement of the Claims Process (the “**Claims Process Order**”).
- 1.6 On August 19, 2019, the Monitor filed the Second Report of the Monitor (the “**Second Report**”) which described the Monitor’s activities to date and provided updates regarding the ongoing review

of store operations and leases, the Claims Process and Miniso Canada's interest in rights to use the Miniso brand and sell products in Chile.

- 1.7 On August 22, 2019, this Honourable Court granted an Order to add 1120701 B.C. Ltd. ("**1120**") as a Respondent to the CCAA Proceedings and authorized the Monitor to act as required in relation to the closing of the Amended and Restated Asset Purchase Agreement for the SA Assets.
- 1.8 On September 12, 2019, the Monitor filed the Third Report of the Monitor (the "**Third Report**") which, amongst other things, provided updates in respect of the JV Investors, the proposed Supplier's Charge in favour of Miniso Trading Canada Inc. ("**Miniso Trading**") and the extension of the Stay of Proceedings.
- 1.9 On September 16, 2019, this Honourable Court granted an Order (the "**September 16 Order**") that extended the Stay of Proceedings to November 18, 2019, granted a Supplier's Charge of up to \$4 million, and authorized the Monitor to execute real property lease amendments on behalf of the Respondents. This Honourable Court also granted the 1120 Claims Process Order.
- 1.10 On September 27, 2019, the Monitor filed the Fourth Report of the Monitor (the "**Fourth Report**") which provided an update on the Claims Process in respect of the JV Investors, the proposed plan of compromise and arrangement, the asset sale transactions in Peru and Argentina, and the proposed claim adjudication process (the "**Adjudication Process**").
- 1.11 On October 1, 2019, this Honourable Court granted an Order approving the Adjudication Process (the "**Adjudication Process Order**").
- 1.12 On October 11, 2019, the Monitor filed the Fifth Report of the Monitor (the "**Fifth Report**") which provided an update on the Claims Process and the receipt of certain late filed claims, the proposed transaction (the "**Acquisition Agreement**") pursuant to which the Petitioners, and a related entity, would acquire substantially all of the assets of Miniso Canada by way of a credit bid and a cash payment, which cash payment would fund distributions under a Plan of Compromise, Arrangement and Reorganization (the "**Plan**") that certain of the MC Store Subsidiaries (the "**Migu Plan Companies**") proposed to their creditors, information regarding the proposed meeting of creditors on November 1, 2019 (the "**Meeting**"), and the Monitor's observations regarding the Plan and the Meeting.
- 1.13 On October 15, 2019, this Honourable Court granted an Order approving the acceptance of certain late filed claims and an Order approving the Meeting (the "**Meeting Order**").

- 1.14 On November 1, 2019, the Meeting was held and the Plan (amended on November 1, 2019) was approved by the Required Majority in accordance to the CCAA. On the same day, the Monitor filed the Sixth Report to the Court (the “**Sixth Report**”) detailing the results of the Meeting, the terms of the finalized Acquisition Agreement and the leases and contracts to be acquired by the purchasers pursuant to the respective acquisitions.
- 1.15 On November 6, 2019, this Honourable Court granted various orders, including an Order sanctioning the Plan (the “**Sanction Order**”), an Approval and Vesting Order for the Acquisition Agreement between the Migu Vendor Companies and Miniso Lifestyle Canada Inc. (“**Lifestyle**”) (the “**Lifestyle AA Order**”), an Approval and Vesting Order for the Acquisition Agreement (the “**QC Acquisition Agreement**”) between MC Investments and 9360-3876 Quebec Inc. (“**QC Purchaser**”) (the “**QC AA Order**”), an Order assigning the leases and contracts to Lifestyle and the QC Purchaser respectively (the “**Assignment Order**”), and an Order extending the Stay until January 31, 2020, allowing the Monitor to execute agreements on behalf of the JV Affiliates in relation to the acquisitions and amending the Claims Process Order in order to remove the deadline for the Monitor to issue Notices of Revision or Disallowance (“**NORDs**”) in respect of the claims against Non-Migu Plan Companies (the “**November 6 Order**”).
- 1.16 On January 31, 2020, this Honourable Court granted various orders including an order to change the names of any of the Respondents or the JV affiliates (as defined in the Initial Order), an order authorizing the Monitor to distribute Plan funds that were withheld for a potential claim from the Canada Revenue Agency (the “**Withheld Funds**”), an order adding Bright Migu International Ltd. (formerly known as Miniso International Ltd., herein “**Miniso International**”) as a respondent, and a subsequent claims process order for the newly added respondent (the “**International Claims Process Order**”). Additionally, this Honourable Court granted an extension to the stay of proceedings through to May 6, 2020.
- 1.17 The Initial Order along with select application materials and other documents filed in the CCAA Proceedings are posted on the Monitor’s website at [www.alvarezandmarsal.com/minisocanada](http://www.alvarezandmarsal.com/minisocanada).

## **2.0 PURPOSE OF THE EIGHTH REPORT**

- 2.1 This is the eighth report of the Monitor (the “**Eighth Report**”) and has been prepared to provide this Honourable Court with information regarding the following:
- a) Distribution of the Withheld Funds;
  - b) Updates in respect of the Acquisition Agreement and certain post-closing matters with Lifestyle;

- c) A comparison of actual cash receipts and disbursements to the Revised CCAA Cash Flow Forecast and the Post-Closing CCAA Cash Flow Forecast for the period from January 18, 2020 to April 17, 2020;
- d) The extended Post-Closing CCAA Cash Flow Forecast for the period from April 18 to September 4, 2020 (the “**Revised Extended Post-Closing CCAA Cash Flow Forecast**”);
- e) An update on the Claims Process for Bright Migu International Ltd. (the “**International Claims Process**”);
- f) The status of the asset sale transactions in Chile, Peru and Argentina;
- g) The status of the 1120 Funds (subsequently defined),
- h) The extension of the Stay of Proceedings to September 4, 2020 (the “**Fourth Stay Extension**”);
- i) Other matters; and
- j) The recommendations of the Monitor.

2.2 The Eighth Report should be read in conjunction with the Monitor’s application materials dated May 1, 2020, and other materials filed in the CCAA Proceedings (collectively, the “**Filed Materials**”), as background information contained in the Filed Materials has not been included herein to avoid unnecessary duplication. Capitalized terms which are not defined herein have meaning given to them in the Filed Materials and the Plan.

### 3.0 TERMS OF REFERENCE

3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of the Companies (“**Management**”) and the Petitioners. Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management, the Petitioners or otherwise provided by the Companies. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.

3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management and/or the Petitioners. 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.

- 3.3 Unless otherwise stated, all monetary amounts contained in this Eighth Report are expressed in Canadian dollars.

#### **4.0 ACTIVITIES OF THE MONITOR SINCE THE SEVENTH REPORT**

- 4.1 Since the Seventh Report and up to and including the date of this Eighth Report, the Monitor's activities have included the following:

- a) Communicated with and attended to various inquiries from trade creditors, landlords, JV Investors and other stakeholders;
- b) Collected and reviewed Proof of Claim submissions from creditors of Miniso International and issued NORDS;
- c) Distributed the Withheld Funds to creditors of the Migu Plan Companies;
- d) Continued monitoring of disbursement approvals and cash flow reporting;
- e) Attended to various inquiries from creditors in relation to the Plan, and the International Claims Process; and
- f) Considered the treatment of the 1120 Funds and engaged in discussions with the Monitor's counsel, the Petitioner's counsel, counsel to certain JV Investors, and counsel to the SA Purchaser regarding same.

#### **5.0 THE PLAN OF ARRANGEMENT**

- 5.1 On January 31, 2020, this Honourable Court authorized the distribution of the Withheld Funds totaling \$8,146.47 to creditors of the Migu Plan Companies from the Plan filed October 15, 2019.
- 5.2 The funds were distributed to 26 creditors thus completing the implementation of the Plan.
- 5.3 With payment of the Withheld Funds, the distribution percentage to Affected Creditors (excluding Convenience Creditors) is 7.35% of the \$7.4 million of admitted claims.

#### **6.0 THE ACQUISITION AGREEMENT**

- 6.1 Subsequent to the Lifestyle AA Order, the Monitor worked closely with Lifestyle towards the closing of the Acquisition Agreement.
- 6.2 Following the closing of the transaction, Lifestyle worked with the debit/credit card processing firm, TD Merchant Banking, over three months to migrate all the debit/credit card systems from the Companies to Lifestyle. Until March 2020 the Monitor had been collecting card sales receipts from the Migu Plan Companies' bank accounts and reimbursing the funds collected to Lifestyle.

The migration of the debt/credit card systems is now complete, and the Monitor does not anticipate collecting future sales receipts on behalf of Lifestyle.

- 6.3 In accordance with the Acquisition Agreement, the Monitor is also in the process of settling expenses incurred by the Migu Plan Companies prior to the closing of the transaction. While the Monitor believes most of these expenses have been settled, the Monitor anticipates some pre-closing invoices may surface over the coming months. Additionally, certain sales tax liabilities are anticipated to be paid once all required sales tax remittances are completed in the coming weeks.

## **7.0 CASH FLOW VARIANCES FOR PERIOD ENDED APRIL 17, 2020**

- 7.1 Subsequent to the Closing Date, as all the active employees at the Companies were transferred to either Lifestyle or the QC Purchaser, the Monitor took control of the Companies' bank accounts at the Toronto-Dominion Bank, while also maintaining its own trust accounts at the Royal Bank of Canada for the settlement of any pre-closing expenses on behalf of the Companies.
- 7.2 The Companies' actual cash receipts and disbursements as compared to the Extended Post-Closing CCAA Cash Flow Forecast for the period from January 18, 2020 to April 17, 2020 which includes the funds held at both the Toronto-Dominion Bank and Royal Bank of Canada, are summarized below:



<b>Miniso Canada</b> <b>Combined Revised CCAA Cash Flow Forecast and Extended CCAA Cash Flow Forecast</b> <b>For the 13-week period ended April 17, 2020</b> <b>(C\$000s)</b>			
13-Week Period Ended	Budget 17-Apr	Actual 17-Apr	Variance 17-Apr
<b>Receipts</b>			
Collected on behalf of Lifestyle and Quebec Purchaser	\$ -	\$ 1,434	\$ 1,434
Total Post Closing Sales	-	1,434	1,434
Other receipts	-	21	21
<b>Total Receipts</b>	-	1,455	1,455
<b>Disbursements</b>			
Pre-closing store operating disbursements	\$ 85	\$ 82	(3)
Payroll, benefits and payroll taxes	-	1	1
Rent and property taxes	6	-	(6)
Professional fees	223	147	(76)
Other general and administrative costs	-	2	2
GST/PST/HST/QST	100	23	(77)
Segregated Funds	-	-	-
Return of sales proceeds to Lifestyle Inc.	733	2,000	1,267
Contingency	-	-	-
<b>Total Disbursements</b>	1,147	2,254	1,108
<b>Net Cash Flow</b>	<b>(1,147)</b>	<b>(799)</b>	<b>347</b>
<b>Cash Position</b>			
Opening Cash Position	1,440	1,440	-
DIP funding	-	-	-
<b>Closing Cash Position</b>	<b>\$ 293</b>	<b>\$ 641</b>	<b>\$ 347</b>

7.3 The Companies experienced a net favourable cash flow variance of \$347,000 over the period ended April 17, 2020. The principal components of the variance are described as follows:

- Sales receipts up to April 17, 2019 were \$1,434,000 higher than forecast due to delays in migrating the TD Merchant Banking systems to Lifestyle;
- Other receipts totaling \$21,000 included the return of a retainer from McMillan LLP consisting of \$18,000, with the remainder being interest income on the respective accounts;
- As noted earlier, the Monitor had been collecting sales receipts on behalf of Lifestyle while the credit/debit card processing machines were being set up by TD Merchant Banking. Up to April 17, 2020, the Monitor collected \$1,434,000 on behalf of Lifestyle and had paid \$2 million to Lifestyle including \$576,000 collected prior to January 17, 2020;

- d) Professional fees were lower than forecast by \$77,000 in part due to lower activity levels and a timing difference related to the payment of \$33,000 in professional fee payments for the February and March period which was paid in late April; and
- e) Sales tax payments were lower than forecast by \$77,000 as anticipated tax payments have been delayed while returns are continuing to be processed by Lifestyle.

## 8.0 THE REVISED EXTENDED POST-CLOSING CCAA CASH FLOW FORECAST

8.1 Further to the Extended Post-Closing CCAA Cash Flow Forecast ending April 30, 2020, the Monitor has prepared an extension of the Cash flow forecast for the period from April 18, 2020 to September 4, 2020 (the “**Revised Extended Post-Closing Period**”), using the probable and hypothetical assumptions set out in the notes to the Extended Post-Closing CCAA Cash Flow Forecast. A copy of the Extended Post-Closing CCAA Cash Flow Forecast along with its notes and assumptions are attached hereto as **Appendix A** and is summarized below.

<b>Miniso Canada</b> <b>Revised Extended Post-Closing CCAA Cash Flow Forecast</b> <b>For the period from April 17, 2020 to September 4, 2020</b> <b>(C\$000s)</b>						
Period Ending	30-Apr-20	31-May-20	30-Jun-20	31-Jul-20	04-Sep-20	Total
<b>Receipts</b>						
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Receipts</b>	-	-	-	-	-	-
<b>Disbursements</b>						
Pre-closing store operating disbursements	-	10	-	-	-	10
Professional fees	33	50	50	50	50	233
GST/PST/HST/QST	-	63	-	-	-	63
Return of sales proceeds to Lifestyle	-	-	-	-	-	-
<b>Total Disbursements</b>	33	123	50	50	50	306
<b>Net Cash Flow</b>	<b>(33)</b>	<b>(123)</b>	<b>(50)</b>	<b>(50)</b>	<b>(50)</b>	<b>(306)</b>
<b>Cash Position</b>						
Opening Cash Position	640	607	484	434	384	640
<b>Closing Cash Position</b>	<b>\$ 607</b>	<b>\$ 484</b>	<b>\$ 434</b>	<b>\$ 384</b>	<b>\$ 334</b>	<b>\$ 334</b>

8.2 The Monitor does not expect there to be significant payments required during the Revised Extended Post-Closing Period as the majority of pre-closing expenses have been paid.

8.3 As noted in the Seventh Report, funds remaining with the Companies upon the conclusion of the CCAA Proceedings are Remaining Cash and, in accordance with the Acquisition Agreement, are to be returned to Lifestyle.

8.4 Excluded from the Extended Post-Closing CCAA Cash Flow Forecast are the 1120 Funds of US\$1.43 million (subsequently discussed), 50% of the Inventory Price from the QC Purchaser (with the remainder due in November 2020) and \$25,000 from Lifestyle pursuant to the Acquisition Agreement, all of which are held in trust by the Monitor.

## 9.0 UPDATE ON THE MINISO INTERNATIONAL CLAIMS PROCESS AND THE ADJUDICATION PROCESS

9.1 On January 31, 2020, this Honourable Court granted the International Claims Process Order authorizing the Monitor to initiate the International Claims Process.

9.2 The final date for creditors to submit Proof of Claim forms was March 31, 2020 (the “**International Claims Bar Date**”) and the final date for creditors to submit Restructuring Claims is the later of the International Claims Bar Date or ten days after the date of the Notice of Disclaimer or Resiliation (the “**Restructuring Claims Bar Date**”).

9.3 As at the date of this Eighth Report, the International Claims Bar Date has passed and no Restructuring Claims are anticipated as the Monitor did not issue any Notices of Disclaimer or Resiliation.

9.4 As at May 1, 2020, the Monitor had received a total of 43 claims summarized as follows:

Miniso International - Claims Received						
Type of Claim	Number of Claims			Value of Claims (\$'000's)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Pre-filing	4	39	43	974	6,629	7,603
Restructuring	-	1	-	-	192	192
<b>Total</b>	<b>4</b>	<b>40</b>	<b>43</b>	<b>974</b>	<b>6,822</b>	<b>7,795</b>

9.5 Following the International Claims Bar Date, the Monitor issued eight NORDs resulting in accepted claims of \$6,760,000, a summary of which is provided below:

Miniso International - Claims & NORD Summary						
Type of Claimant	# Claims	Claim Amount (\$'000)	# NORDs	NORD (\$'000)	Allowed Claims (\$'000)	
					Secured	Unsecured
JV Investors	43	7,795	8	1,035	-	6,760
Others	-	-	-	-	-	-
<b>Total</b>	<b>43</b>	<b>7,795</b>	<b>8</b>	<b>1,035</b>	<b>-</b>	<b>6,760</b>

9.6 As at the date of the Eighth Report one creditor with a claim of \$280,774.95 has submitted a Notice of Dispute.

## **10.0 CLOSING OF THE TRANSACTIONS IN CHILE, PERU AND ARGENTINA**

10.1 As noted in the previous reports, and in particular the Second Report, prior to the commencement of these CCAA proceedings, various entities incorporated in Chile, Peru and Argentina (collectively, the “**Vendor Entities**”) entered into a purchase agreement with Miniso BF Holding S.A.P.I. de C.V. (the “**SA Purchaser**”) for the sale of the “Miniso” license and operations in Chile, Peru and Argentina, including the sale of 17 stores located in those three countries.

10.2 The Chilean Vendor Entities are all wholly owned subsidiaries of 1120, which in turn is a wholly owned subsidiary of the respondent, Migu. The remaining Vendor Entities, which own the license rights, stores and operations in Peru and Argentina, are not direct or indirect subsidiaries of the Respondents.

10.3 Upon learning of the foregoing, and as set out at the beginning of this Report, the Monitor sought and obtained an order adding 1120 as a respondent to these proceedings, and authorizing the Monitor to act as required in relation to the closing of the Amended and Restated Asset Purchase Agreement for the SA Assets.

10.4 Following that order, the Monitor executed an acknowledgment and consent to the Amended and Restated Asset Purchase Agreement, and entered into certain agreements with the Vendor Entities to ensure payments owing to the Chilean Vendor Entities and 1120 were preserved for the benefit of the stakeholders in this CCAA proceeding. However, neither the Monitor nor any of the Respondents are “Vendor Entities” or party to the Amended and Restated Asset Purchase Agreement.

10.5 As noted in the previous reports to this Honourable Court, the sale of Miniso Chile closed on August 23, 2019, and the Monitor received US\$1.43 million on behalf of 1120 from the SA Purchaser, which is being held in trust (the “**1120 Funds**”).

10.6 In addition, US\$2.7 million was sent by the SA Purchaser in October 2019 to its Canadian counsel to be held in trust in respect of the Peruvian Miniso assets. As at the date of this Eighth Report, the sale of the Peruvian Miniso assets has not closed and the funds have been returned to the SA Purchaser. The closing of the transaction for the Argentinian assets was on hold pending the finalization of the Peruvian transactions.

- 10.7 The Monitor contacted counsel for the SA Purchaser to understand if these transactions could move forward. Based on the lack of progress in the past six months and the trust funds being returned to the SA Purchaser, it is not clear to the Monitor that these transactions will advance towards closing.

#### **11.0 THE 1120 FUNDS**

- 11.1 On April 20, 2020, the Monitor received a letter from counsel to the SA Purchaser alleging certain breaches by the Chilean Vendor Entities of the Amended and Restated Asset Purchase Agreement, including the failure to pay taxes to the Chilean tax authorities, and putting the Monitor on notice that the 1120 Funds should not be distributed to any party without written consent from the SA Purchaser or an order from this Honourable Court.
- 11.2 The Monitor has had a follow-up discussion with counsel to the SA Purchaser and understands that their claims include unpaid Chilean value-added taxes of at least US\$408,000, which are subject to final review by the Chilean tax authorities, and an unquantified damage claim. The SA Purchaser asserts that these claims have a structural priority to any creditors of 1120, as they originate at the Chilean Vendor Entity level. The Monitor has requested further details regarding these claims.

#### **12.0 DEVELOPMENT OF A PLAN**

- 12.1 Further to the Monitor's observations in the Seventh Report, the Monitor remains of the view that a second plan of arrangement (or a distribution to the creditors of MC Investments and potentially to all the Non-Migu Plan Companies), including to all of the JV Investors who did not invest in stores that are continuing to operate (the "**JV-No Investors**") could be formulated, if the 1120 Funds are paid to MC Investments.
- 12.2 Prior to such a plan being developed the competing claims against the 1120 Funds must be resolved. Accordingly, the Monitor plans to continue discussions with the Petitioners, the Petitioners counsel, counsel for the JV-No Investors and counsel to the SA Purchaser to determine if such a plan can move forward.
- 12.3 Alternatively, the Monitor may be required to seek a claims adjudication order to resolve the claim of the SA Purchaser against the 1120 Funds and/or seek distribution orders for the trust funds on hand.

#### **13.0 EXTENSION OF STAY OF PROCEEDINGS**

- 13.1 The current Stay of Proceedings will expire on May 6, 2020. The Monitor has considered several factors in its application for the Fourth Stay Extension, including the following:

- a) The time required by the Monitor to develop a plan in relation to the 1120 Funds and the Miniso International Claims Process;
- b) The time required by the Monitor to develop an exit and/or wind-up plan for the Respondents;
- c) Whether there would be any material financial prejudice to any of Miniso Canada's creditors;
- d) Whether Miniso Canada is acting with good faith and due diligence; and
- e) Whether Miniso Canada's prospects of effecting a viable restructuring would be enhanced by an extension of the Stay of Proceedings.

13.2 The Monitor is of the view that Miniso Canada is acting in good faith and with due diligence and that there would not be material prejudice to Miniso Canada's stakeholders should the extension of the Stay of Proceedings to September 4, 2020 be granted by this Honourable Court.

#### **14.0 OTHER MATTERS**

##### Change of Legal Names for the Respondents

14.1 Pursuant to the Acquisition Agreement, Lifestyle requested that the Monitor change the name of any of the Respondents or JV Affiliates that have the term "Miniso" in their name, in order to reduce confusion for Lifestyle's operations under the "Miniso" brand going forward. In accordance with the Acquisition Agreement, the Monitor agreed it was appropriate to implement the name changes and sought authorization to change the names of select entities from this Honourable Court. Steps to complete this task have been initiated by the Monitor's legal counsel.

#### **15.0 MONITOR'S RECOMMENDATIONS**

15.1 The Monitor respectfully recommends that this Honourable Court grant an extension of the Stay of Proceedings to September 4, 2020.

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All of which is respectfully submitted to this Honourable Court this 1st day of May, 2020.

**Alvarez & Marsal Canada Inc.,**

in its capacity as Monitor of

Migu Investments Inc., Miniso (Canada) Store Inc., 1120701 B.C. Ltd,

Bright Migu International Ltd., Miniso Canada Investments Inc. and its subsidiaries

A handwritten signature in black ink, appearing to read 'Anthony Tillman', written in a cursive style.

Per: Anthony Tillman  
Senior Vice President

**APPENDIX A – REVISED EXTENDED POST-CLOSING CCAA CASH FLOW FORECAST FOR  
THE PERIOD APRIL 18 TO SEPTEMBER 4, 2020**



**Miniso Canada**  
**Revised Extended Post-Closing CCAA Cash Flow Forecast**  
**For the period from April 17, 2020 to September 4, 2020**  
**(C\$000s)**

Period Ending	30-Apr-20	31-May-20	30-Jun-20	31-Jul-20	31-Aug-20	Total
<b>Receipts</b>						
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Receipts</b>	-	-	-	-	-	-
<b>Disbursements</b>						
Pre-closing store operating disbursements	-	10	-	-	-	10
Professional fees	33	50	50	50	50	233
GST/PST/HST/QST	-	63	-	-	-	63
Return of sales proceeds to Lifestyle	-	-	-	-	-	-
<b>Total Disbursements</b>	33	123	50	50	50	306
<b>Net Cash Flow</b>	<b>(33)</b>	<b>(123)</b>	<b>(50)</b>	<b>(50)</b>	<b>(50)</b>	<b>(306)</b>
<b>Cash Position</b>						
Opening Cash Position	640	607	484	434	384	640
<b>Closing Cash Position</b>	<b>\$ 607</b>	<b>\$ 484</b>	<b>\$ 434</b>	<b>\$ 384</b>	<b>\$ 334</b>	<b>\$ 334</b>

**Migu Investments Inc., Miniso (Canada) Store Inc., 1120701 B.C. Ltd., Bright Migu International Ltd., Miniso Canada Investments Inc. and its subsidiaries (collectively "Miniso Canada")**

**Revised Extended Post-Closing CCAA Cash Flow Forecast**

**Notes and Assumptions**

1. The Revised Extended Post Closing CCAA Cash Flow Forecast has been prepared by the Monitor to set out the cash flow of Miniso Canada during the Companies' Creditors Arrangement Act proceedings (the "CCAA Proceedings") for the period from April 18, 2020 to September 4, 2020. Readers are cautioned that it may not be appropriate for other purposes.
2. The opening cash position as presented in the Revised Extended Post Closing CCAA Cash Flow Forecast is the actual cash balances at Miniso Canada's TD accounts and the Monitor's RBC trust account set-up for Miniso Canada related payments as at April 17, 2020.
3. Subsequent to April 17, 2020, the Monitor has arranged a professional fees payment of \$33,000 for fees accrued during February and March 2020. Restructuring professional fees have been forecast based on estimated costs of professional service firms relating to the CCAA Proceedings and include the Monitor and its legal counsel.
4. The forecast includes certain pre-closing store operating disbursements which are to be paid for store operating costs and other expenses that Miniso Canada will be required to settle as they are related to the period prior to November 15, 2019.