

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPS KIRT HAWAII, LLC AND
YOSOX USA INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**MOTION RECORD
(returnable July 14, 2025)**

July 9, 2025

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(as at July 8, 2025)

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPSIRT HAWAII, LLC AND
YOSOX USA INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**NOTICE OF MOTION
(returnable July 14, 2025)**

KPMG Inc. (“**KPMG**”), in its capacity as the court-appointed receiver (the “**Receiver**”) without security, of all of the assets, undertakings and properties (the “**Property**”) of Giftcraft Ltd. (“**Giftcraft Canada**”), Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc. (“**GHI**”), Giftcraft Inc. (“**Giftcraft US**”), Ripskirt Hawaii, LLC (“**Ripskirt**”) and Yosox USA Inc. (“**Yosox**”) (collectively, the “**Debtors**”), appointed pursuant to the Order of this Honourable Court, dated May 14, 2025 (the “**Receivership Order**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on July 14, 2025, at 10:30 a.m., or as soon after that time as the motion can be heard.

THE PROPOSED METHOD OF HEARING: The motion is to be heard

- ☐ In writing under subrule 37.12.1 (1) because it is (*insert one of* on consent, unopposed *or* made without notice);
- ☐ In writing as an opposed motion under subrule 37.12.1 (4);

- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location

330 University Ave, Toronto, Ontario via Zoom (details to be provided by the Court at a later date).

THE MOTION IS FOR:

1. An Order substantially in the form attached as **Tab 3** of the Receiver's Motion Record, providing the following relief:
 - (a) abridging the time for service of the Notice of Motion and Motion Record of the Receiver and validating service thereof;
 - (b) approving the asset purchase agreement, dated July 7, 2025 (the "APA"), entered into between the Receiver and Giftcraft 2025 Inc. (the "**Purchaser**") and the transaction contemplated therein (the "**Transaction**"), and upon delivery of a certificate of the Receiver certifying that the Transaction has been completed to the satisfaction of the Receiver, vesting the right, title and interest of the Subject Companies (defined below) in and to the Purchased Assets (as defined in the APA) in and to the Purchaser; and
 - (c) authorizing the Receiver to take such steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and the conveyance of the Purchased Assets to the Purchaser.
2. An Order substantially in the form attached as **Tab 5** of the Receiver's Motion Record, providing the following relief:
 - (a) abridging the time for service of the Notice of Motion and Motion Record of the Receiver and validating service thereof;

- (b) approving the First Report to the Court of the Receiver, dated July 8, 2025, and the activities and conduct of the Receiver described therein;
 - (c) approving the Receiver's statement of receipts and disbursements to June 27, 2025 (the "**Receiver's R&D**"); and
 - (d) sealing the Confidential Appendices to the First Report until the closing of the Transaction, or further order of the Court.
3. Such further and other relief that the Receiver may request and this Honourable Court may consider just.

THE GROUNDS FOR THIS MOTION ARE:

Background

4. The Debtors are comprised of a group of companies in which GHI is the ultimate parent. Giftcraft Canada is the sole Canadian incorporated entity, and the other Debtors are incorporated in the United States.
5. The Debtors operate from leased premises located at 8550 Airport Road, Brampton, Ontario (the "**Premises**").
6. The Debtors primarily operate in two business segments:
- (a) as a producer and distributor of women's apparel aimed at the vacation and leisure market, which is operated by Ripskirt; and
 - (b) as a supplier of primarily gift items, including home decor, jewelry, and other novelties that are distributed primarily through retailers across North America, which is operated by Giftcraft Canada and Giftcraft US (herein collectively referred to as "**Giftcraft**").
7. Giftcraft Canada had 60 employees and Giftcraft US had 2 employees as of the date of the Receivership Order. Giftcraft's workforce is not unionized.

8. Yosox operates as an e-commerce company and sells socks and other novelties products acquired from Giftcraft Canada to customers in the United States. Yosox has no employees or material assets.
9. The Debtors defaulted on their loans with Royal Bank of Canada (“**RBC**”), and upon the application of RBC, the Receiver was appointed pursuant to the Receivership Order.
10. As of the date of the Receiver’s appointment, the Debtors were indebted to RBC in the approximate amount of CA\$49.7 million, exclusive of fees, costs and interest. RBC is expected to suffer a shortfall in the repayment of its indebtedness.
11. Since its appointment, the Receiver has managed the Debtors’ business with a view to selling their assets on a going-concern basis.

U.S. Recognition

12. On May 20, 2025, Giftcraft Canada, Giftcraft US, Yosox and Ripskirt (collectively, the “**Chapter 15 Debtors**”) filed voluntary petitions under chapter 15 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court, Southern District of New York (the “**U.S. Court**”), with such cases being jointly administered for procedural purposes only as Case No. 25-11030 (MG) (the “**Chapter 15 Cases**”);
13. Pursuant to the Order entered on June 16, 2025, by the U.S. Court in the Chapter 15 Cases, the Receivership Proceeding was recognized and the Receivership Order was given effect in the United States as they pertain to the Chapter 15 Debtors.

Marketing Efforts

14. Pursuant to the Receivership Order, the Receiver is empowered and authorized, among other things:
 - (a) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and

- (b) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property.
- 15. Upon its appointment, the Receiver recognized immediately that the Debtors' business was subject to rapid deterioration in value and goodwill if a sales process was not commenced immediately.
- 16. An expedited sales process for the Giftcraft business was required due to, among other things, the limited market of buyers for the Property, many of which are experiencing their own liquidity challenges and inventory issues in the current market and trade war, the seasonality of the business and the need to meet impending deadlines for holiday orders, the uncertainty for employees and the Debtors' ongoing significant liquidity challenges.
- 17. The Receiver contacted a total of eighteen (18) potentially interested parties, consisting primarily of strategic buyers. Ten (10) interested parties executed confidentiality agreements and were provided access to a virtual data room. The Receiver held follow-up diligence calls with potential bidders and to the extent requested, organized site visits to the Premises to allow interested parties to view the Debtors' operations and meet with management.
- 18. Receiver asked potential bidders to submit a non-binding letter of intent ("**LOI**") on or before May 30, 2025. Two (2) LOIs were received by May 30, 2025. One from an affiliate of the Purchaser for the business and assets of Giftcraft and Yosox, and the other was for all of the Property.
- 19. The Receiver reviewed both LOIs and concluded that the offer from the Purchaser was the superior offer for the Giftcraft and Yosox businesses and proceeded to negotiate the terms of the APA.
- 20. The Receiver is continuing to market the Ripskirt business.

APA

21. Subject to the approval by the Court, the Receiver and the Purchaser executed the APA which contemplates the sale of substantially all of the assets of Giftcraft Canada, Giftcraft US and Yosox (collectively, the “**Subject Companies**”) as a going concern. The assets of Ripskirt are not subject to the APA.
22. The Transaction is on an “as is, where is” basis with limited representations and warranties.
23. As set out in the First Report, the Receiver recommends the approval of the APA for the following reasons, among others:
 - (a) the Sale Process undertaken by the Receiver was commercially reasonable and involved the participation of multiple interested parties and multiple offers;
 - (b) there is not sufficient funding available to support a prolonged sales process and the value of the Purchased Assets are at risk of being diminished by additional employee departures and lost customer orders due to the uncertainty caused by the within proceedings;
 - (c) RBC, which is expected to suffer a loss, supports the Transaction and any further marketing efforts are not likely to result in proceeds that would be in excess of RBC’s indebtedness;
 - (d) the Transaction provides greater value than a forced liquidation of assets;
 - (e) the APA provides for a going-concern sale to the Purchaser, which preserves significant value and maintains important customer and vendor relationships and provides for employment for certain of the employees of Giftcraft Canada; and
 - (f) based on the available alternatives, the Transaction is in the best interests of the stakeholders of Giftcraft and Yosox.

Sealing

24. The Confidential Appendices to the First Report contain commercially sensitive information, including a summary of offers and the Receiver's liquidation analysis. If this information is publicly disclosed, it could negatively affect the Receiver's ability to market the business to other interested parties and obtain the highest and best price if the Transaction does not close. Accordingly, the Receiver requests an order that the Confidential Appendices be sealed until the closing of the Transaction or further order of this Honourable Court.

Approval of R&D

25. The R&D is appended to the First Report. As of June 27, 2025, the Receiver has \$2,430,990 in net funds on hand.

Other Grounds

26. Section 243 of the BIA;
27. Section 100 of the *Courts of Justice Act*;
28. Rules 1.04, 1.05, 2.01, 2.03, 16.04 and 37 of the *Rules of Civil Procedure* (Ontario); and
29. Such further and other grounds as counsel may advise this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The First Report; and

2. Such further and other materials as counsel may advise and this Honourable Court may permit.

July 9, 2025

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appointed receiver of Giftcraft Ltd., et al.*

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Respondents

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

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TAB 2

Court File No.: CV-25-00742864-00CL

**FIRST REPORT OF KPMG INC.,
IN ITS CAPACITY AS RECEIVER
OF GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT
HOLDINGS USA INC., GIFTCRAFT HOLDINGS, INC., GIFTCRAFT
INC., RIPS KIRT HAWAII, LLC AND YOSOX USA INC.**

July 8, 2025

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APPENDICES

APPENDIX “A” – Order and Endorsement of the Honourable Mr. Justice Osborne dated May 14, 2025

APPENDIX “B” – Final Recognition Order of the US Court dated June 16, 2025

APPENDIX “C” – Agreement of Purchase and Sale dated July 7, 2025 between the Receiver and Giftcraft 2025 Inc.

CONFIDENTIAL APPENDICES

CONFIDENTIAL APPENDIX “1” – Offer Summary

CONFIDENTIAL APPENDIX “2” – Liquidation Analysis

Court File No.: CV-25-00742864-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
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BETWEEN:

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AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED**

**FIRST REPORT OF KPMG INC.
IN ITS CAPACITY AS RECEIVER**

July 8, 2025

I. INTRODUCTION

1. Pursuant to an application by Royal Bank of Canada (“**RBC**” or the “**Lender**”) under section 243(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act*, KPMG Inc. (“**KPMG**”) was appointed as receiver (in such capacity, the “**Receiver**”) without security over all the assets, undertakings and properties (the “**Property**”) of Giftcraft Holdings USA Inc. (“**GH USA**”), Giftcraft Holdings, Inc. (“**GHI**”), Giftcraft Midco, Inc. (“**Midco**”), Giftcraft Inc. (“**Giftcraft US**”), Giftcraft Ltd. (“**Giftcraft Canada**”), Ripskirt Hawaii, LLC (“**Ripskirt**”), and Yosox USA Inc. (“**Yosox**”, and together with GH USA, GHI, Midco, Giftcraft US, Giftcraft Canada, Ripskirt, and Yosox, the “**Debtors**”) by way of an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”), dated May 14, 2025 (the “**Date of Appointment**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. On May 20, 2025, the Receiver, as the duly appointed foreign representative of the Debtors, commenced proceedings in the United States Bankruptcy Court for the Southern District of New York (the “**US Court**” and together with the “**Canadian Court**”, the “**Courts**”) by filing, among other things, petitions (the “**Chapter 15 Petitions**”) in relation to Giftcraft Canada, Giftcraft US, Yosox and Ripskirt pursuant to sections 1504 and 1515 of the US Bankruptcy Code seeking recognition by the US Court of the Canadian proceedings as a foreign main proceeding (the “**Chapter 15 Proceedings**”). On May 23, 2025, the US Court entered, among other things, a provisional recognition order in respect of Giftcraft Canada. On May 29, 2025, the US Court entered, among other things, a provisional recognition order in respect of Giftcraft US, Yosox and Ripskirt. On June 16, 2025, the US Court granted a final recognition order, a copy of which is attached hereto as **Appendix “B”**, in respect of Giftcraft Canada, Giftcraft US, Yosox and Ripskirt. The Canadian Proceedings and the Chapter 15 Proceedings are together hereinafter referred to as the “**Receivership Proceedings**”.
3. This report is the Receiver’s first report (the “**First Report**”) filed with the Canadian Court in connection with these receivership proceedings.

II. PURPOSE OF REPORT

4. The purpose of the First Report is to provide the Canadian Court with information pertaining to:

- (a) background information on the Debtors, their corporate structure, operations and financial position;
- (b) the activities of the Receiver since the Date of Appointment;
- (c) the Receiver's interim statement of receipts and disbursements for the period from the Date of Appointment to June 27, 2025 (the "**Interim R&D**");
- (d) the expedited sales process undertaken by the Receiver for the Property and the proposed sale transaction which has been negotiated;
- (e) a summary of the key terms of the proposed transaction (the "**Transaction**") between the Receiver and Giftcraft 2025 Inc. (the "**Purchaser**") for the sale of the Purchased Assets (as defined herein) pursuant to an Asset Purchase Agreement dated July 7, 2025 between the Receiver and the Purchaser (the "**APA**");
- (f) the Receiver's recommendation that the Canadian Court make an order (the "**Approval and Vesting Order**"):
 - (i) approving the APA and the Transaction, and authorizing and directing the Receiver to take such steps as necessary to complete the Transaction;
 - (ii) vesting title in and to the Purchased Assets in the Purchaser, free and clear of all liens, claims and encumbrances, except the Permitted Encumbrances (as defined in the APA), upon the Receiver filing a certificate (the "**Receiver's Certificate**") confirming, among other things, completion of the Transaction;
- (g) the Receiver's recommendation that the Canadian Court make an order (the "**Ancillary Order**"):
 - (iii) approving the First Report and the activities of the Receiver described herein;

- (iv) approving the Interim R&D; and
- (v) sealing the confidential appendices to the First Report, pending completion of the Transaction or further Court Order.

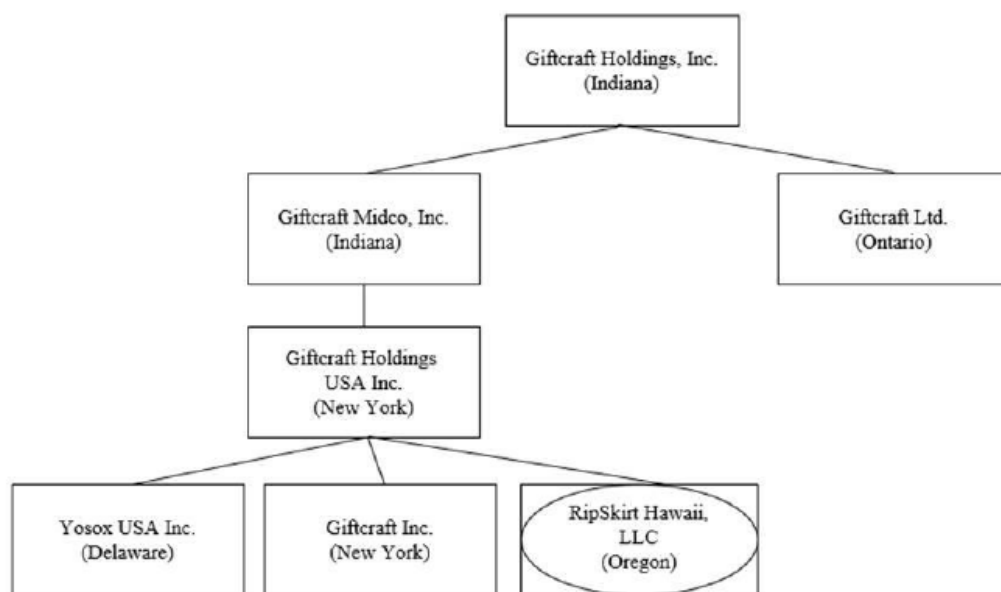
III. TERMS OF REFERENCE

5. In preparing this First Report, KPMG has relied upon unaudited financial information, the Debtors' books and records, financial information prepared by the Debtors and discussions with the Lender and its legal counsel (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the First Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
6. The Receiver has prepared this First Report in connection with its motion seeking approval of, among other things, the APA, the Transaction and the activities of the Receiver, which is currently scheduled to be heard by the Canadian Court on July 14, 2025. This First Report should not be relied on for other purposes.
7. Capitalized terms used but not defined in this First Report are defined in the APA.
8. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. BACKGROUND

Overview of the Debtors

9. The Debtors are comprised of a group of companies in which GHI is the ultimate parent, Giftcraft Canada is the sole Canadian incorporated entity, and Midco, GH USA, Giftcraft US, Yosox and Ripskirt are incorporated in the United States, as outlined below:



10. The Debtors operate from leased premises located at 8550 Airport Road in Brampton, Ontario (the “**Premises**”).
11. The Debtors primarily operate in two business segments:
- (a) as a producer and distributor of women’s apparel aimed at the vacation and leisure market, specifically quick-drying skirts, dresses, and cover-ups, which are sold through primarily direct to consumer through e-commerce channels. This business is operated by Ripskirt; and
 - (b) as a supplier of primarily gift items, including home decor, jewelry, and other novelties that are distributed primarily through retailers across North America, ranging from independent specialty retailers to national chains. This business is

operated by Giftcraft Canada and Giftcraft US (herein collectively referred to as “**Giftcraft**”).

Giftcraft

12. Giftcraft is a wholesale distributor of lifestyle, fashion, décor, giftware, health and wellness products. It was founded in 1946 and is headquartered at the Premises. Prior to the Date of Appointment, Giftcraft operated showrooms in Brampton, Ontario, Atlanta, Georgia, Dallas, Texas, and Las Vegas, Nevada.
13. Giftcraft’s products include bed and bath products, furniture, apparel, jewelry, kitchen products, lighting solutions, photo frames and planters, among other items. Its brands include Astral, Avenue 9, Be Our Guest, Charlie Paige, The Simple Joy Co. and Yes Designs, among others. Historically, Giftcraft employed over 200 people and delivered over 10,000 products annually to more than 25,000 independent and specialty retailers throughout North America.
14. Giftcraft had generated the majority of its sales through its road and show sales channels, which sold its products to independent or speciality retailers throughout North America (the “**Road Business**”). Giftcraft exited the Road Business in or about March 2025 to focus on the key account channel, which sold private label products to national retail chains throughout North America (the “**Key Account Business**”).
15. In 2024, Giftcraft generated revenues of \$58 million, of which approximately \$44.4 million was related to the Road Business and approximately \$13.6 million was for the Key Account Business.
16. Giftcraft Canada had 60 employees and Giftcraft US had 2 employees as at the Date of Appointment. Giftcraft’s workforce is not unionized and Giftcraft does not maintain a pension plan for its employees, however it did have a defined contribution plan for legacy employees that was frozen in the 1990s.
17. Based on the Debtors’ books and records, Giftcraft US had approximately \$3.5 million of accounts receivable, and Giftcraft Canada had approximately \$13.0 million of book value

inventory (a large portion of which was related to the now-defunct Road Business) and \$2.5 million of accounts receivable, as at the Date of Appointment. Giftcraft US holds no inventory as all inventory is either purchased from Giftcraft Canada or from overseas suppliers and shipped directly to its customers.

Ripskirt

18. The Debtors acquired Ripskirt from its original founder on September 16, 2022.
19. RipSkirt is a retailer of quick-wrap skirts, dresses, tops and T-shirts, cover-ups and accessories. It was founded in 2014 and its products are distributed through a third-party logistics facility operated by FedEx Supply Chain, LLC (“**FedEx Supply Chain**”) located in Greenwood, Indiana (the “**3PL**”).
20. RipSkirt’s wrap skirts are available in four different lengths and are made using quick-dry, wrinkle-resistant fabric that is lightweight and comfortable. RipSkirt’s accessories include beach towels, totes and sun scarves. Ripskirt does not operate brick-and-mortar stores, but its products are available for purchase online through RipSkirt’s website and through Amazon in the United States, Canada, Australia and New Zealand.
21. In 2024, Ripskirt generated \$28.2 million in revenue and \$4.9 million in EBITDA.
22. As at the Date of Appointment, Ripskirt employed eleven individuals in the United States and one in Canada, all of whom worked remotely. The Ripskirt employees provide customer support, e-commerce, product development, and marketing services, but all material financial, strategic, management, marketing and personnel decisions of Ripskirt were made by Giftcraft’s senior management located in Brampton, Ontario.
23. Ripskirt’s workforce is not unionized and Ripskirt does not maintain a pension plan for its employees.
24. Based on the Debtors’ books and records, Ripskirt has approximately USD\$1.8 million in book value inventory located at the 3PL, approximately USD\$0.4 million in book value inventory located at the Premises, and USD\$0.3 million in book value inventory located at

a third-party logistics facility operated by NP Fulfillment in Australia, as at the Date of Appointment.

Yosox

25. Yosox operates as an e-commerce company and sells socks and other novelties products acquired from Giftcraft Canada to customers in the United States. Yosox has no employees or material assets.
26. In 2024, Yosox generated approximately \$2.0 million of sales.

Assets

27. According to the Debtors' unaudited and internal books and records, as at March 31, 2025, the Property consisted of the following:

Description	Amount (\$CAD)
Accounts Receivable	\$7,648,615
Inventory	\$17,440,672
Fixed Assets	\$1,432,648
Intangible Assets	\$73,333,787
Other Assets	\$3,682,596
Total	\$103,538,318

Note: The above amounts represent book values of the Debtors' assets and do not necessarily represent the realizable of the Property, which may differ materially from the book value.

Creditors

28. Based on its books and records as at the Date of Appointment, the Debtors had total liabilities of approximately \$54 million, as summarized in the table below:

Creditor	Estimated Liability (\$CAD)
Royal Bank of Canada	49,662,712
Xerox Canada Ltd	3,537
Total Secured Creditors	\$49,666,249
Vacation Pay	158,298
Canada Revenue Agency	2,401
Revenu Quebec	8,304
Government of British Columbia	549
Commonwealth of Virginia	160,889
Australian Taxation Office	31,948
Potential Priority Claims	\$362,390
Unsecured Liabilities	\$4,014,514
Total Liabilities	\$54,043,153

Note: USD and AUD amounts were converted at 1.3964 USD/CAD rate and 0.9000 AUD/CAD rate as of the Date of Appointment.

RBC Credit Facilities

29. Pursuant to a commitment letter dated March 21, 2024 from HSBC Bank Canada (“**HSBC**”), as lender, to Giftcraft Canada, as borrower (as amended, the “**Operating Facility Letter**”), HSBC extended various credit facilities to Giftcraft Canada, including a revolving demand facility in the principal amount of \$15 million.
30. Pursuant to a separate commitment letter also dated March 21, 2024 from HSBC, as lender, to Giftcraft Canada and Midco, as borrowers (the “**Borrowers**”) (as amended, the “**Capital Facility Letter**,” and with the Operating Facility letter, the “**Facility Letters**”), HSBC extended various credit facilities to Giftcraft Canada and Midco, including three non-revolving demand facilities in the principal amounts of approximately USD\$16.875 million, USD\$3.0 million, and USD\$8.1 million, respectively (the “**Capital Loans**”).
31. Effective March 29, 2024, RBC and HSBC (and certain of HSBC’s affiliated entities) amalgamated and continued as RBC. As a result, RBC assumed all the business and assets of HSBC, including all of its right, title, and interest in the Operating Facility Letter and the Capital Facility Letter.
32. In accordance with the terms of the Operating Facility Letter, the Operating Loan is secured by various security granted by Giftcraft Canada in favor of RBC. This included a General Security Agreement, dated as of January 10, 2019, by Giftcraft Ltd. and Giftcraft Holdings Canada Ltd. (corporate predecessors of Giftcraft Canada) (the “**Giftcraft Canada GSA**”)

granting to RBC a security interest in all present or after-acquired personal property of Giftcraft Canada and all proceeds and renewals thereof, accretions thereto, and substitutions therefor.

33. In accordance with the terms of the Capital Facility Letter, the Capital Loans are secured by various security granted by Giftcraft Canada and Midco in favor of RBC, including, without limitation, the Giftcraft Canada GSA, and a General Security Agreement dated as of January 10, 2019 by Midco and GH USA, GHI, Giftcraft US, and Yosox (the “**Giftcraft US GSA**”). The Giftcraft US GSA grants a security interest in all present or after-acquired personal property of each of Midco, GH USA, GHI, Giftcraft US, and Yosox.
34. Additionally, the debts and liabilities owing by the Borrowers to RBC, including under the Facility Letters, were guaranteed by each of Midco, GH USA, GHI, Giftcraft US and Yosox (collectively, the “**Guarantors**”), pursuant to a guaranty of payment dated as of January 10, 2019 (the “**Secured Guarantee**”). Ripskirt assumed and joined the Secured Guarantee as a Guarantor by the guaranty of payment joinder dated September 16, 2022 (the “**Guarantee Joinder**”).
35. The Secured Guarantee is secured by the Giftcraft US GSA. Ripskirt assumed and joined the Giftcraft US GSA by the security agreement joinder dated September 16, 2022 (the “**GSA Joinder**”). The Giftcraft US GSA and GSA Joinder grant to RBC a security interest in all present or after-acquired personal property of the Guarantors.
36. As at the Date of Appointment, approximately \$49.7 million, exclusive of fees, costs and interest, was outstanding under the Facility Letters (the “**RBC Secured Debt**”).
37. The Receiver has instructed independent counsel in Canada, Harrison Pensa LLP (“**Harrison**”) ¹, and in the United States, Chipman Brown Cicero & Cole, LLP (“**Chipman**”), to review RBC’s security and to render an opinion in due course with respect to the validity and enforceability thereof. Harrison has issued an opinion, subject

¹ Dentons Canada LLP (“**Dentons**”) who is generally acting for the Receiver had a conflict in giving an opinion on the RBC security. So Dentons arranged for Harrison to be retained to give the opinion.

to standard assumptions and qualifications, that the RBC Security in Canada is valid and enforceable.

Potential Priority Claims

38. Based on the Debtors' books and records, the Receiver understands that the Debtors had liabilities as of the Date of Appointment that rank, or may rank, in priority to the RBC Secured Debt, including:
 - (a) approximately \$158,298 owed to current or former employees of the Debtors, in respect of gross vacation pay accrued to the Date of Appointment (the "**Pre-Filing Vacation Pay**"), of which approximately \$35,000 could be subject to a priority under section 81.4 of the BIA;
 - (b) approximately \$2,401 owed to Canada Revenue Agency ("**CRA**") in respect of pre-filing sales taxes for April 2025 (the "**Pre-Filing HST**");
 - (c) approximately \$8,304 owed to Revenu Quebec in respect of pre-filing sales taxes for April 2025 (the "**Pre-Filing QST**");
 - (d) approximately \$584 owed to the Government of British Columbia in respect of pre-filing sales taxes for April 2025 (the "**Pre-Filing PST**");
 - (e) approximately USD\$115,217 owed to the Commonwealth of Virginia Department of Taxation in respect of pre-filing state use taxes (the "**Pre-Filing VT Taxes**"); and
 - (f) approximately AUD\$35,498 owed to the Australian Taxation Office in respect of pre-filing value-added taxes for April (the "**Pre-Filing AUS Taxes**" and together with the Pre-Filing HST, the Pre-Filing QST, the Pre-Filing PST, the Pre-Filing VT Taxes, the "**Pre-Filing Taxes**").
39. The Receiver notes the CRA is currently completing a review of the Giftcraft Canada's books and records as part of a sales tax audit. Further, the Receiver is currently reviewing the Debtors' books and records to understand the nature and support for the Pre-Filing

Taxes and also in discussions with its counsel on the relative priority of each claim as against the RBC Secured Debt.

40. In addition, the appointment of the Receiver resulted in some suppliers having the right under section 81.1 of the BIA to demand that the Receiver either pay for, or return, certain goods supplied in the 30 days prior to the Appointment Order. To date the Receiver has received one claim under 81.1 of BIA in the total amount of \$13,329. The Receiver has reviewed the claim and noted the subject goods were not in the Receiver's possession at the time of the demand was received. The Receiver consented to the return of the subject goods to the claimant subject to the repayment of the deposit. The deposit was repaid and the claimant repossessed its goods.
41. Finally, as noted above, Ripskirt's inventory is located at the 3PL managed by FedEx Supply Chain. On or about June 5, 2025, the Receiver received notice from FedEx Supply Chain that it was suspending services to Ripskirt until an agreement could be reached on a prepayment amounts for post-filing services and a means to protect FedEx Supply Chain's purported lien against the inventory held in the 3PL. FedEx Supply Chain was owed approximately USD\$580,000 as at the Date of Appointment. Halting the 3PL services would be detrimental to the Ripskirt business as it would prevent the fulfillment of customer orders and impact the Receiver's ability to sell Ripskirt as a going concern.
42. Over the subsequent days, the Receiver, FedEx Supply Chain and RBC, and their respective counsels, engaged in series of discussions to resolve these issues in order to resume services at the 3PL. FedEx Supply Chain asserted that it had a lien on the goods that ranked in priority to RBC. On June 10, 2025, the parties agreed that, in addition to the Receiver providing FedEx Supply Chain with a security deposit for post-filing services, the Receiver would set aside funds over a 6-week period until the estimated pre-filing amounts owed to FedEx Supply Chain would be fully reserved for and held in trust by the Receiver pending further order of the Courts with respect to the extent, validity and priority of the liens of RBC and FedEx Supply Chain, respectively, with respect to the Ripskirt inventory. FedEx Supply Chain resumed services at the 3PL on the same date.

Unsecured Claims

43. The Receiver understands that the Debtors had unsecured trade payables of approximately \$4 million as at the Date of Appointment, the majority of which relates to amounts owed to the landlord for the Premises, Ripskirt service providers in the United States and Debtors' foreign suppliers of goods.

V. ACTIVITIES OF THE RECEIVER

44. Since the Date of Appointment, the Receiver's activities have included:
- (a) taking possession and control of the Property;
 - (b) opening new bank accounts under the Receiver's name and arranging for the Debtors' accounts to be frozen and all amounts to be transferred to the Receiver's accounts;
 - (c) sending to all creditors on record the Notice and Statement of Receiver required under section 245(1) and 246(1) of the BIA;
 - (d) notifying the Debtors' employees of the receivership proceedings;
 - (e) attending at the Premises on a periodic basis;
 - (f) responding to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Receiver on the toll-free telephone hotlines and/or general email account established by the Receiver for these receivership proceedings;
 - (g) notifying the landlord for the Premises of the Appointment Order, arranging for the payment of occupation rent in accordance with the Appointment Order;
 - (h) reviewing the Company's books and records, and specifically its accounting and financial records with respect to the Debtors accounts receivable, inventory and other assets;

- (i) identifying potential priority claims that rank, or may rank, in priority to the RBC Security;
- (j) corresponding with the Lender and its counsel regarding the status of the receivership proceedings;
- (k) reviewing and processing payment on goods and services provided after the Date of Appointment;
- (l) correspondence and discussions with the Debtors' key suppliers in regard to the Appointment Order and the treatment of pre-filing amounts thereunder;
- (m) correspondence and discussions with Giftcraft's key customers with respect to the Appointment Order and payment of pre-filing receivables;
- (n) issuing demand notices to the customers of the Road Business to collect on past due amounts owed to Giftcraft;
- (o) correspondence and extensive discussions with the Debtors' key suppliers in regard to the Appointment Order, the requirement to continue services thereunder, and negotiating deposits for supplier to continue post-filing services;
- (p) discussions with HSBC regarding access to the Debtors bank accounts, including the transfer of cash to the Receiver's accounts and discussions on certain pre-filing amounts that continue to clear the accounts;
- (q) reviewing and responding to demands for repossession of goods received from suppliers, including demands filed under section 81.1 of the BIA;
- (r) terminating the employment of Giftcraft's employees, on behalf of the Debtors, on temporary lay-off and/or salary continuance;
- (s) negotiating retention payments with certain key employees of Giftcraft Canada;
- (t) determining the amounts owed to Giftcraft Canada employees pursuant to the *Wage Earner's Protection Program Act* ("WEPPA");

- (u) planning and executing a solicitation process for the Property, including the preparation of a confidentiality agreement (“CA”), establishing a virtual data room (the “VDR”) containing various financial and operational information on the Debtors to assist with due diligence for interested parties;
 - (v) responding to diligence questions and information requests from interested parties;
 - (w) communicating with various interested parties regarding the Property and timeline for submitting non-binding letters of intent (“LOI”);
 - (x) reviewing and evaluating LOIs received;
 - (y) negotiating the APA with the Purchaser, including timeline to closing;
 - (z) communicating with various interested parties regarding the business and assets of Ripskirt;
 - (aa) preparation of Chapter 15 Petitions and related materials filed with the US Court;
 - (bb) attending before the US Court in respect of the provisional and final recognition orders entered on May 29, 2015, and June 16, 2025, respectively;
 - (cc) attending before the Canadian Court in respect of the Appointment Order; and
 - (dd) preparing this First Report.
45. To inform creditors and all other stakeholders, general information on these proceedings has been posted on the Receiver’s website at <https://kpmg.com/ca/Giftcraft>. As noted above, the Receiver has also established a dedicated toll-free hotline 1-833-724-5995 for general creditor inquiries, as well as a general email address giftcraft@kpmg.ca to address specific questions or concerns from stakeholders with respect to these receivership proceedings.

VI. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

46. The Interim R&D is presented in the table below:

Giftcraft Holdings, Inc. et al Interim Statement of Receipts and Disbursements For the period May 14, 2025 to June 27, 2025			(\$CAD)	Notes
Cash on Hand - May 14	851,427	1		
Giftcraft Accounts Receivable Collections and Other	3,446,652	2		
Ripskirt Sale Collections	1,964,991	3		
Total Receipts	5,411,643			
Disbursements				
Payroll	865,021	4		
Employee Benefits & Expenses	93,719	4		
Inventory Payments	789,217	5		
Operating Expenses	251,329	6		
Shipping	635,398	7		
Occupation Rent	892,813	8		
Insurance	25,359	9		
Sales Tax	243,823	10		
Bank Charges	35,402	11		
Total Disbursements	3,832,080			
Excess of Receipts over Disbursements	1,579,563			
Cash on Hand - June 27, 2025	2,430,990	12		
Notes				
1 Represents cash in the Debtor's bank account on or about the Date of Appointment				
2 Represents the collection of accounts receivable for the Giftcraft business and other miscellaneous				
3 Represents receipts sales from the Ripskirt business.				
4 Includes pre-filing wages, expenses and benefits paid to the Debtors' employees.				
5 Represents inventory payments, including deposits, made to factories for fulfillment of orders for the Key Account Business.				
6 Primarily represents payments for software subscriptions, marketing, and general operating expenses.				
7 Represents expenses paid for shipment of inventory to customers.				
8 Represents rent paid in relation to the head office lease at 8550 Airport Road.				
9 Represents payment for general business insurance.				
10 Primarily represents post-filing payments for US and Canada sales taxes.				
11 Primarily represents bank charges for HSBC and RBC accounts.				
12 Aggregate cash balance, including cash in-transit, among the Receivership Accounts. USD cash balances have been converted to CAD at a rate of 1.40				

47. The Receiver notes the following in connection with the Interim R&D:
- (a) wherever possible, the Receiver has maintained the Debtors' cash management system, which includes a total of 7 active bank accounts located at HSBC, RBC and CIBC (the "**Cash Management System**") without material change since the Date of Appointment. The Debtors' primary banking accounts utilized in the Cash Management System are held at HSBC and RBC. In addition, the Receiver has opened two (2) additional estate accounts (the "**Estate Accounts**", and together with the existing Cash Management System, the "**Receivership Accounts**"). The Interim R&D includes the combined receipts and disbursements in the Receivership Accounts;
 - (b) as shown in the Interim R&D, receipts, totaled approximately \$5.4 million. Approximately \$3.4 million is related to the collection of Giftcraft accounts receivable and other miscellaneous receipts, The remaining approximately \$2.0 million is related to receipts generated from Ripskirt sales; and
 - (c) disbursements during the period of the Interim R&D, totaled approximately \$3.8 million and primarily consisted of payroll and source deductions, inventory payments, and occupation rent for the Premises.
48. Since May 26, 2025, the Receiver has been in discussions with HSBC Bank USA, N.A. ("**HSBC**") regarding continued access and use of the Debtors accounts with HSBC. The Receiver notes that since that date a number of pre-filing payments have cleared through the Debtors' HSBC account, totalling approximately USD\$40,000, which amounts are reflected in the Interim R&D. The Receiver is investigating the possibility of returning these payments with HSBC.

VII. RECEIVER'S EFFORTS TO MARKET THE PROPERTY

49. The Receiver recognized immediately that the Debtors' business was subject to rapid deterioration in value and goodwill if a sales process was not commenced immediately. The Receiver, with the powers authorized by the Appointment Order, in particular paragraph 3(j) thereof, immediately began soliciting interest from prospective parties on an expedited basis.
50. In the Receiver's view, an expedited sales process for Giftcraft and Yosox was required due to the following reasons:
- (a) Limited market of buyers for the Property: Many of Giftcraft's competitors are also experiencing liquidity challenges and inventory issues and as such, may not be interested in an acquisition in the current environment. Further, the current trade war and resulting tariffs implemented by the United States has created uncertainty in the market as the majority of the Debtors' products are sourced from China, where tariffs have fluctuated anywhere between 20% and 145% over the prior 3 months.
 - (b) Seasonality of business: The Purchased Assets need to be transferred to a buyer as soon as possible to allow a purchaser sufficient time to meet certain manufacturing and shipping deadlines for holiday orders for the Key Accounts Business. An expedited sales process also affords a purchaser the ability to complete and fulfill customer orders for the Key Accounts Business in order to maintain the going concern value of Giftcraft.
 - (c) Retaining talent and necessary employee base: the Receivership Proceedings have created uncertainty for the Debtors' employees, particularly at Giftcraft. Since the Date of Appointment, approximately eight (8) Giftcraft employees have tendered their resignations, including those in senior positions of sales, logistics, and product designs. A relatively quick transaction for Giftcraft is needed to be undertaken immediately in order to preserve as many critical employees as possible for a potential purchaser in order to maintain a going concern value.

- (d) Limited cash flows: the Debtors experienced significant liquidity challenges prior to the Date of Appointment, where the business was projected to burn approximately \$1.6 million between the months of May and July, due to funding operating losses of Giftcraft, coupled with outflows required to fulfill Giftcraft customer orders for the holiday season. While the Receiver has attempted to limit costs where possible, Giftcraft has a high fixed cost base with monthly rent and payroll costs of approximately \$0.5 million each. Funds from the collection of Giftcraft accounts receivable and sale of inventory have been limited due to the closure of the Road Business. Absent an immediate sale of the Purchased Assets, the Receiver will require additional funding through the use of Receiver's Borrowings, which will only further increase RBC's exposure and eventual loss on its secured advances.

Solicitation Process

51. On or about the Date of Appointment, the Receiver immediately began working in good faith and with due diligence to fulfill its duties and responsibilities under the Appointment Order with the aim to pursue a sale process (the "**Sale Process**") with respect to all of the Property in an effort to maximize value for the benefit of all stakeholders. A summary of the key aspects of the Sale Process and its results are summarized below:
- (a) the Receiver contacted a total of eighteen (18) potentially interested parties (the "**Interested Parties**"), consisting primarily of strategic buyers, in connection with a sale or other strategic restructuring transaction involving the Debtors' business and assets. The Interested Parties contacted include parties that had previously expressed an interest in some or all of the Debtors' assets through formal or informal marketing efforts conducted by the Debtors prior to entry of the Appointment Order;
 - (b) the Receiver held introductory calls with many of these parties, and ten (10) of the Interested Parties executed CAs (the "**Potential Bidders**") with the Receiver and were provided access to the VDR maintained by the Receiver containing financial, operational, and other diligence information concerning the Debtors and their assets to assist the Potential Bidders in evaluating a potential transaction;

- (c) the Receiver held follow-up diligence calls with many of the Potential Bidders and, to the extent requested, organized a site visit to the Premises for one Potential Bidder (being the Purchaser) to review Giftcraft’s operations and meet with management;
 - (d) the Receiver asked Potential Bidders to submit a non-binding letter of intent (“**LOI**”), on or before May 30, 2025, if they were interested in pursuing a transaction for some or all of the Debtors’ business or assets;
 - (e) the Receiver received two (2) LOIs by May 30, 2025. One LOI was from CTG Brands Inc. (“**CTG**”), an affiliate of the Purchaser, for business and assets of Giftcraft and Yosox, and the other was for all of the Property, including Ripskirt; and
 - (f) the Receiver reviewed both LOIs and concluded that the offer from CTG provided the highest consideration for Giftcraft and Yosox, and was the offer the Receiver would pursue on an exclusive basis to a closing. Accordingly, on or about June 6, 2025, the Receiver advised CTG and the other Potential Bidders of its intended course of action for the sale of Giftcraft and Yosox.
52. Over the past four (4) weeks, the Receiver has been working with CTG to address a number of conditions contained in its offer. These conditions included discussions with Giftcraft employees, review of customer contracts, and the pipeline of customer purchase orders for the Key Accounts Business.
53. On July 7, 2025, the Purchaser and the Receiver executed the APA, which remains subject to the Courts approving the Transaction.
54. The Receiver has prepared a schedule summarizing and comparing all offers received in the Sale Process (the “**Offer Summary**”). Further, the Receiver prepared a liquidation analysis of the Purchased Assets (the “**Liquidation Analysis**”) taking into consideration such things as the:
- (a) quality of the accounts receivable and inventory;
 - (b) value of the fixed assets; and

- (c) costs of operating and realizing on Giftcraft's assets, including professional fees.
55. In the event the Canadian Court approves the Transaction and the APA, but the Transaction does not close, the Receiver is of the view that efforts to remarket the Purchased Assets may be impaired if the Offer Summary or the Liquidation Analysis, which have each been filed separately with the Canadian Court as **Confidential Appendix “1”** and **Confidential Appendix “2”**, respectively, are made public at this time. In the circumstances, the Receiver is of the view that it is appropriate for the Offer Summary and the Liquidation Analysis be sealed pending further order of the Canadian Court.
56. The Receiver notes it continues to market the business and assets of Ripskirt for sale to prospective purchasers and will provide an update to the Canadian Court in respect thereof in due course.

VIII. TRANSACTION

57. The Receiver, CTG, and their respective counsel have negotiated the terms and provisions of the APA pursuant to which the Purchaser shall, on an ‘as is, where is’ basis, acquire the Purchased Assets as a going concern, subject approval of the Courts.
58. A summary of the material terms of the Transaction and APA, a copy of which is attached hereto as **Appendix “C”**, are as follows²:
- (a) Purchaser: Giftcraft 2025 Inc., an affiliate of CTG. CTG has guaranteed the obligations of the Purchaser under the APA.
 - (b) Subject Companies: Giftcraft and Yosox.
 - (c) Purchased Business: the business of the Subject Companies relating to the supply of gift items, including home décor, jewelry, and other novelties. The Purchased Business does not include the Ripskirt Business.
 - (d) Purchase Price: the total purchase is comprised of: (i) a fixed amount of \$2.66 million (the “**Base Purchase Price**”), plus (ii) the Value of the Accounts Receivable, plus

² All capitalized terms in this section summarizing the APA shall, unless otherwise defined herein, have the meanings ascribed thereto in the APA

(iii) the Value of the Inventory, plus (iv) the Value of the Pre-Closing Deposits, plus (v) the Value of the Charlie Page In-Transit Inventory Payments and less (v) 50% of the “Cure Costs” of the Assumed Contracts, if any. As at the date of this First Report, the Receiver estimates a total purchase price of approximately \$8.5 million.

- (e) Deposit: \$900,000, representing approximately 10% of the Purchase Price.
- (f) Payment of the Purchase Price: at least 3 business days prior to the Closing Date, the Receiver shall prepare and deliver to the Purchaser a statement setting forth its calculations of the Estimated Value of Inventory, the Estimated Value of Accounts Receivable, the Value of Pre-Closing Deposits and the Value of the Charlie Page In-Transit Inventory Payments as at the Closing Date (collectively, the “**Estimated Working Capital Value**”). Based on these estimates, the Purchaser shall pay to the Receiver at the Closing Time the sum of: (a) the Base Purchase Price, less; (b) the Deposit, plus; (c) the Estimated Working Capital, plus; (e) all applicable Transfer Taxes.
- (g) Purchased Assets: other than the Excluded Assets, all or substantially all of the assets of the Subject Companies used in relation to the Purchased Business, including:
 - i. all the accounts receivable for the Key Accounts Business and all of the under 90-day receivables for the Road Business;
 - ii. all of the goods and materials of the Subject Companies used in the ordinary course of business, other than any Damaged Inventory;
 - iii. Information Technology;
 - iv. Intellectual Property, including but not limited to the right, title and interest in and to the name “Giftcraft” or “Yosox”, or any variation of such names;
 - v. Licenses, registrations and qualifications of the Subject Companies required by any governmental or regulatory authority, to the extent transferable;
 - vi. all warranties and warranty rights (express or implied) against manufacturers and vendors which apply to any of the Purchased Assets and all maintenance contracts on machinery, equipment, and the other Purchased Assets (where applicable);

- vii. all showroom and office furniture, fixtures, displays and props located at the Premises;
 - viii. all of the Subject Companies' rights to contracts and agreements (written or oral) relating directly or indirectly to the Subject Companies' Business, including distribution contracts, e-commerce accounts, agreements and the Assumed Contracts;
 - ix. all of the Subject Companies' rights to future-dated sales orders, customer data, customer information and purchase history, including the Key Accounts Receivable;
 - x. all of the Subject Companies' rights to supplier contracts, including any supplier data, supplier information, past purchase history, and any deposits paid to suppliers with respect to those supplier contract; and
 - xi. all assets held in the name of one or more of the Debtors (other than the Subject Companies) that are used in the Purchased Business.
- (h) Purchase Price Post-Closing Adjustment: Within 15 days following the Closing Date, the Purchaser may prepare and provide to the Receiver a statement setting forth the Purchaser's calculation of the Actual Value of Inventory and the Actual Value of Accounts Receivable, as well as any resulting adjustments based on the Estimated Working Capital Value amounts provided prior to the Closing Time. In the event the Purchaser does not deliver to the Vendor a Final Statement within thirty (30) days following the Closing Date, the Estimated Value of Inventory and the Estimated Value of Accounts Receivable shall be deemed final, conclusive, and binding upon the Parties for all purposes of this Agreement.
- (i) Assumed Contracts: subject to the receipt of Third Party Consents, as required, the Assumed Contracts will be assigned to the Purchaser on Closing. Any Cure Costs related to the Assumed Contracts, which will be split between the parties, shall be paid to the counterparty by the Purchaser;
- (j) As Is, Where Is: the Transaction is on an "as is, where is" basis with limited representations and warranties.

- (k) Conditions: the conditions to Closing include, among other things, the issuance of the Approval and Vesting Order and the Sale Recognition Order by the Courts.
- (l) Closing Date: three (3) business days after both the Approval and Vesting Order and an order granted by the US Court giving full effect to the Approval and Vesting Order (the “**Sale Recognition Order**”) become Final Orders, provided that occurs before the Outside Date;
- (m) Outside Date: August 15, 2025, or such later date and time as the Purchaser and the Receiver may agree to in writing;
- (n) Employees: the Purchaser may make written offers of employment to any employees that the Purchaser wishes to employ (the “**Transferred Employees**”) no later than two (2) business days prior to the Closing Date. The Purchaser shall assume and be responsible for all Liabilities and obligations with respect to the Transferred Employees arising on or after the Closing Date;
- (o) Name Change: no later than three (3) business days following the Closing Date, the Receiver will file documents with the appropriate government authorities to change the names of Giftcraft and Yosox to names that are not the same or confusingly similar to the name “Giftcraft” or “Yosox”³;
- (p) Termination: the APA may be terminated prior to the Closing Date upon the occurrence of, but not limited to, one of the following:
 - i. mutual agreement of the Receiver and the Purchaser;
 - ii. the Receiver or the Purchaser, on written notice to the other party if such party has failed to comply in any material respect with any of its obligations under APA for a period of three (3) business days after being notified of such failure to comply;
 - iii. the Receiver on written notice to the Purchaser, if any of the conditions specified in the Purchaser has failed to comply in any material respect with any of its

³ The Receiver may refer to “Giftcraft Ltd.”, “Giftcraft Inc.”, and “Yosox USA Inc.” as former names, including for legal and noticing purposes in the Receivership Proceedings, the winding down of the affairs of the Subject Companies, for the purposes of liquidation sales, sales of Damaged Inventory, or the collection of accounts receivable included in Excluded Assets, or as otherwise required by Applicable Law.

obligations under APA for a period of three (3) business days after being notified of such failure to comply;

- iv. the Receiver or the Purchaser, on written notice to the other party, if such party has failed to satisfy the conditions outlined in the APA; and
- v. either party if the Approval and Vesting Order and the Sale Recognition Order have not been pronounced and entered by the Outside Date.

59. Pending the closing of the Transaction, the Purchaser or CTG intends to issue one or more purchase orders to the Receiver to purchase a portion of the inventory currently in the Receiver's possession. Any purchase order will be for under \$250,000 and will not, in the aggregate, exceed the cap of \$1,000,000 for out of the ordinary course sales that do not require Canadian Court approval.

60. Upon the waiver or satisfaction of the conditions precedent, and the completion of the Transaction, the Receiver will file the Receiver's Certificate with the Canadian Court attesting that the Transaction has been completed to the satisfaction of the Receiver and confirming the closing of the sale for the Purchased Assets.

IX. CONCLUSIONS AND RECOMMENDATIONS

61. The Receiver is of the view that the Transaction represents the best value for the Purchased Assets in the circumstances and recommends the Canadian Court issue an order approving the APA and the Transaction for the following reasons:

- (a) the Sale Process undertaken by the Receiver was commercially reasonable and involved the participation of multiple interested parties and multiple offers;
- (b) the Receiver is operating the Debtors' business on a limited basis since the Date of Appointment and there is not sufficient funding available to support a prolonged sales process for the Purchased Assets;
- (c) RBC is the creditor with the largest economic interest in the Purchased Assets and any further marketing efforts, in the Receiver's view, are not likely to result in proceeds that would be in excess of the RBC Secured Debt;

- (d) the Transaction provides a return to RBC that is higher than what could be achieved in a forced liquidation of assets;
 - (e) RBC, which is expected to suffer a loss on its secured advances to the Debtors, supports the Transaction;
 - (f) the APA provides for a going-concern sale to the Purchaser, which preserves significant value and maintains important customer and vendor relationships of Giftcraft and Yosox and, conditional upon closing of the Transaction, provides for employment for certain of the employees of Giftcraft Canada. Based on the available alternatives, the Transaction is in the best interests of the stakeholders of Giftcraft and Yosox; and
 - (g) time is of the essence as the Purchased Assets remains at risk of being diminished by additional employee departures and lost customer orders due to the uncertainty caused by the Receivership Proceedings which, in the Receiver's view, do not support further marketing of the Purchased Assets.
62. Based on the foregoing, the Receiver recommends that this Court grant the relief as set out in its Notice of Motion.

All of which is respectfully submitted this 8th day of July 2025.

KPMG Inc.
in its capacity as Receiver of
Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc.,
Giftcraft Inc., Ripskirt Hawaii, LLC and Yosox USA Inc.
and not in its personal or corporate capacity.

Per:

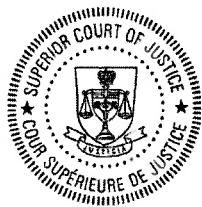
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Pritesh Patel
CIRP, LIT
Senior Vice President

A handwritten signature in blue ink, appearing to read 'Kristina Ho', with a long horizontal stroke extending to the right.

Kristina Ho
CPA
Vice President

Appendix “A” to the First Report of the Receiver



Court File No.: CV-25-00742864-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

)

WEDNESDAY, THE 14th

MR. JUSTICE OSBORNE

)

DAY OF MAY, 2025

)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
 GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPS KIRT HAWAII, LLC AND
 YOSOX USA INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION
 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,
 AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
 R.S.O. 1990, c. C.43, AS AMENDED**

ORDER
(Appointment Order)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KPMG Inc. as receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripskirt Hawaii, LLC and Yosox USA Inc. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day by Zoom video conference.

ON READING the affidavit of Andrew O'Coin sworn May 8, 2025 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for any other party although duly served as appears from the affidavit of service of Joanna Earl sworn May 9, 2025 and on reading the consent of KPMG Inc. to act as the Receiver.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KPMG Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000 and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to make an assignment into bankruptcy on behalf of any of the Debtors and for KPMG Inc. to act as trustee in bankruptcy for any of the Debtors;

- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or

affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court

upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

13. **THIS COURT ORDERS** that, if and to the extent the Receiver is obligated to pay occupation rent in respect of any leased premises, such occupation rent shall be paid by the Receiver twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), for the period commencing from and including the date on which the Receiver is first obligated to pay occupation rent in respect of such premises (the "**Occupation Date**"). On the date of the first of such rent payments, any occupation rent relating to the period commencing from and including the Occupation Date shall also be paid.

RECEIVER TO HOLD FUNDS

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided

for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release

or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<www.kpmg.com/ca/giftcraft>'.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

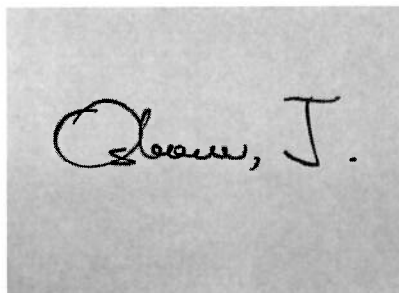
29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Debtors to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1530, as amended.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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Digitally signed
by Osborne J.
Date: 2025.05.14
12:47:58 -04'00'

SCHEDULE "A"**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that KPMG Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripskirt Hawaii, LLC and Yosox USA Inc. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of _____, 2025 (the "**Order**") made in an action having Court File Number CV-25-00742864-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

KPMG Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Electronically issued / Délivré par voie électronique : 14-May-2025
 Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-25-00742864-00CL

Court File No.: CV-25-00742864-00CL

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
 R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

ROYAL BANK OF CANADA

- and -

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC.,
 GIFTCRAFT HOLDINGS USA INC., GIFTCRAFT
 HOLDINGS, INC., GIFTCRAFT INC., RIPS KIRT
 HAWAII, LLC AND YOSOX USA INC.**

Applicant

Respondents

**ONTARIO
 SUPERIOR COURT OF JUSTICE
 (COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

**ORDER
 (Appointment Order)**

BORDEN LADNER GERVAIS LLP

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Toronto, ON M5H 4E3

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NICK HOLLARD – LSO No. 831700

Tel: (416) 367-6545

nhollard@blg.com

Lawyers for the Applicant



**ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00742864-00CL

DATE: MAY 14 2025

NO. ON LIST:1

TITLE OF PROCEEDING: ROYAL BANK OF CANADA v. GFTCRAFT LTD. et al

BEFORE: JUSTICE OSBORNE

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Alex MacFarlane Nick Hollard	Royal Bank of Canada	Tel: (416) 367-6266 amacfarlane@blg.com Tel: (416) 367-6545 nhollard@blg.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Chris Burr	the Respondents	Tel: (416) 863-3261 Chris.burn@blakes.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Pritesh Patel	Proposed Receiver	Tel: (416) 468-7923 pritchpatel@kpmg.ca
Kristina Ho		Tel: (647) 777-5452 kristinaho@kpmg.ca

ENDORSEMENT OF JUSTICE OSBORNE:

- [1] The Royal Bank of Canada (“RBC”) brings this application for the appointment of KPMG Inc. as Receiver of all of the assets of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA, Inc., Giftcraft Holdings, Inc., Giftcraft Inc. Ripskirt Hawaii, LLC and Yosox USA Inc. (collectively, the “Debtors”) pursuant to section 243 of the *Bankruptcy and Insolvency Act* (“BIA”) and section 101 of the *Courts of Justice Act* (the “CJA”).
- [2] RBC relies upon the affidavit of Mr. Andrew O’Coin sworn May 12, 2025, together with exhibits thereto.
- [3] Defined terms in this Endorsement have the meaning given to them in the Application materials unless otherwise stated.
- [4] The Debtors (“Respondents”) do not oppose the relief sought. KPMG consents to act as Receiver, if so appointed.
- [5] The Debtors are currently indebted to RBC with respect to certain credit facilities. The indebtedness is approximately CDN \$15 million and USD \$27 million. The indebtedness is secured by, among other things, general security agreements. The Debtors have committed events of default in the form of covenant defaults, and in particular, breaches of the Liquidity Covenant, the Income Covenant and the Margin Requirement. None of this is contested by the Debtors.
- [6] On March 7, 2025, RBC issue demands for payment and Notices of Intention to Enforce pursuant to section 244 of the *BIA*. The 10 day notice period has long expired.
- [7] On March 20, 2025, RBC and the Debtors entered into a Forbearance Agreement with effect until April 30, 2025, on which date it expired. The Forbearance Agreement provides that the Debtor’s consent to the appointment of a Receiver, and that consent is confirmed by counsel to the Debtors today.
- [8] Giftcraft Canada Ltd. carries on business from leased premises at 8550 Airport Road, Brampton, Ontario. Monthly rent is \$495,000. On May 1, 2025, the landlord amended payment for rent arrears for the months of February to May, 2025. In the amount of \$1,001,732.55. Landlord has apparently requested additional rent for the month of May in the amount of \$247,860.41 the paid immediately.
- [9] The other Respondents are US companies for which the bank holds security. RBC submits and the debtors do not contest that there is approximately CDN \$4 million in inventory located in the United States which will be at risk if the stay is not obtained from the United States Bankruptcy Court pursuant to Chapter 15 of the United States Bankruptcy Code. If

the Receiver is appointed today, it is expected that the Receiver will pursue Chapter 15 relief from the US Bankruptcy Court.

- [10] The RBC credit facilities are fully described in the O'Coin affidavit and exhibits thereto. So too are the defaults. Those are described in particular in the Demand letters attached as exhibits "S" and "T".

- [11] RBC has lost confidence in the Debtors and their ability to repay the indebtedness. The Debtors acknowledged that there are, at present, no other options.

- [12] The test for the appointment of a receiver pursuant to section 243 of the *BIA* or section 101 of the *CJA* is not in dispute. Is it just or convenient to do so?

- [13] In making a determination about whether it is, in the circumstances of a particular case, just or convenient to appoint a receiver, the Court must have regard to all of the circumstances, but in particular the nature of the property and the rights and interests of all parties in relation thereto. These include the rights of the secured creditor pursuant to its security: *Bank of Nova Scotia v. Freure Village on the Clair Creek*, 1996 O.J. No. 5088, 1996 CanLII 8258.

- [14] Where the rights of the secured creditor include, pursuant to the terms of its security, the right to seek the appointment of a receiver, the burden on the applicant is lessened: while the appointment of a receiver is generally an extraordinary equitable remedy, the courts do not so regard the nature of the remedy where the relevant security permits the appointment and as a result, the applicant is merely seeking to enforce a term of an agreement already made by both parties: *Elleway Acquisitions Ltd. v. Cruise Professionals Ltd.*, 2013 ONSC 6866 at para. 27. However, the presence or lack of such a contractual entitlement is not determinative of the issue.

- [15] As observed in *Canadian Equipment Finance and Leasing Inc. v. The Hypoint Company Limited*, 2022 ONSC 6186, the Supreme Court of British Columbia, citing *Bennett on Receivership*, 2nd ed. (Toronto, Carswell, 1999) listed numerous factors which have been historically taken into account in the determination of whether it is appropriate to appoint a receiver and with which I agree: *Maple Trade Finance Inc. v. CY Oriental Holdings Ltd.*, 2009 BCSC 1527 at para. 25):
 - a. whether irreparable harm might be caused if no order is made, although as stated above, it is not essential for a creditor to establish irreparable harm if a receiver is not appointed where the appointment is authorized by the security documentation;
 - b. the risk to the security holder taking into consideration the size of the debtor's equity in the assets and the need for protection or safeguarding of assets while litigation takes place;
 - c. the nature of the property;

- d. the apprehended or actual waste of the debtor's assets;
- e. the preservation and protection of the property pending judicial resolution;
- f. the balance of convenience to the parties;
- g. the fact that the creditor has a right to appointment under the loan documentation;
- h. the enforcement of rights under a security instrument where the security-holder encounters or expects to encounter difficulties with the debtor;
- i. the principle that the appointment of a receiver should be granted cautiously;
- j. the consideration of whether a court appointment is necessary to enable the receiver to carry out its duties efficiently;
- k. the effect of the order upon the parties;
- l. the conduct of the parties;
- m. the length of time that a receiver may be in place;
- n. the cost to the parties;
- o. the likelihood of maximizing return to the parties; and
- p. the goal of facilitating the duties of the receiver.

[16] How are these factors to be applied? The British Columbia Supreme Court put it, I think, correctly: "these factors are not a checklist but a collection of considerations to be viewed holistically in an assessment as to whether, in all the circumstances, the appointment of a receiver is just or convenient: *Pandion Mine Finance Fund LP v. Otso Gold Corp.*, 2022 BCSC 136 at para. 54).

[17] It is not essential that the moving party establish, prior to the appointment of a receiver, that it will suffer irreparable harm or that the situation is urgent. However, where the evidence respecting the conduct of the debtor suggests that a creditor's attempts to privately enforce its security will be delayed or otherwise fail, a court-appointed receiver may be warranted: *Bank of Montreal v. Carnival National Leasing Ltd.*, 2011 ONSC 1007 at paras. 24, 28-29.

[18] Accordingly, is it just or convenient to appoint a receiver in the particular circumstances of this case?

[19] In my view, it is, for the above reasons.

[20] KPMG consents to act as Receiver and is qualified to do so.

[21] The Application is granted.

- [22] The draft order is consistent with the Model Order of the Commercial List with appropriate amendments reflecting the particular circumstances of this matter. I am satisfied that the proposed powers of the Receiver and scope of the receivership are appropriate.
- [23] Order to go in the form signed by me which is effective immediately and without the necessity of issuing and entering.

A handwritten signature in green ink, reading "O'Brien J.", with a comma at the end.

Appendix “B” to the First Report of the Receiver

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

Giftcraft Ltd. *et al.*,¹

Debtors in a Foreign
Proceeding.

Chapter No. 15

Case No.: 25-11030 (MG)

(Jointly Administered)

**ORDER GRANTING VERIFIED PETITION OF FOREIGN REPRESENTATIVE FOR
(I) RECOGNITION OF CANADIAN PROCEEDING AS FOREIGN MAIN
PROCEEDING, (II) RECOGNITION OF FOREIGN REPRESENTATIVE, AND (III)
RELATED RELIEF UNDER CHAPTER 15 OF THE BANKRUPTCY CODE**

Upon consideration of the *Verified Petition for (I) Recognition of a Canadian Proceeding as Foreign Main Proceeding, (II) Recognition of Foreign Representative, and (III) Related Relief under Chapter 15 of the Bankruptcy Code* (together with the form petitions filed concurrently therewith, the “Verified Petition”),² filed by KPMG Inc. (“KPMG”), in its capacity as the court-appointed receiver (in such capacity, the “Receiver”) and authorized foreign representative (in such capacity, the “Foreign Representative”) of the above-captioned debtors (“Giftcraft” or the “Debtors”); and upon the hearing on the Verified Petition and this Court’s review and consideration of the Verified Petition, the *Supplemental Memorandum of Law in Further Support of (A) Motion of Foreign Representative for Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code and (B) Verified Petition for (I) Recognition of Foreign Main Proceedings,*

¹ The chapter 15 debtor incorporated in Canada and/or in the province of Ontario (the “Canadian Debtor”), along with the last four digits of the Canadian Debtor’s Canadian business number, is: Giftcraft Ltd. (“Giftcraft Canada”) (9013). The chapter 15 debtors incorporated in the United States (the “U.S. Debtors”), along with the last four digits of each U.S. Debtor’s federal tax identification number, are: Giftcraft Inc. (“Giftcraft US”) (6759); Ripskirt Hawaii, LLC (“Ripskirt”) (7613); and Yosox USA Inc. (“Yosox”) (1367). The Canadian Debtor and the U.S. Debtors are referred to herein, collectively, as the “Debtors” or “Giftcraft”. The Debtors’ executive headquarters are located at 8550 Airport Road, Brampton, Ontario, L6T 5A3.

² Capitalized terms used but not defined herein have the meanings ascribed to them in the Verified Petition.

(II) Recognition of Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code [Docket No. 19] (the “Supplemental Brief”), the Foreign Representative Declaration, the *Supplemental Declaration of Foreign Representative Pursuant to 11 U.S.C. § 1515 and Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure in Support of Verified Petition for (I) Recognition of Foreign Main Proceedings, (II) Recognition of Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code* [Docket No. 20] (the “First Supplemental Declaration”), the *Second Supplemental Declaration of Foreign Representative in Further Support of Verified Petition for (I) Recognition of Foreign Main Proceedings, (II) Recognition of Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code* [Docket No. 33] (the “Second Supplemental Declaration”), and the Kraft Declaration;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the Southern District of New York, dated January 31, 2012.

B. Venue is proper before this Court pursuant to 28 U.S.C. § 1410. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and this Court may enter a final order consistent with Article III of the United States Constitution.

C. Appropriate notice of the filing of, and the Hearing on, the Verified Petition was given, which notice is deemed adequate for all purposes, and no other or further notice need be given.

D. No objections or other responses were filed that have not been overruled, withdrawn, or otherwise resolved.

E. This Chapter 15 Case was properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.

F. The Debtors have a domicile, principal place of business, and/or property in the United States, and the Debtors are eligible to be debtors in a chapter 15 case pursuant to, as applicable, 11 U.S.C. §§ 109 and 1501.

G. The Foreign Representative is a “person” pursuant to section 101(41) of the Bankruptcy Code and is the duly appointed “foreign representative” of the Debtors as such term is defined in section 101(24) of the Bankruptcy Code. The Foreign Representative has satisfied the requirements of section 1515 of the Bankruptcy Code and Bankruptcy Rule 1007(a)(4).

H. The Giftcraft Receivership is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

I. The Giftcraft Receivership is pending in Canada, where the Debtors have their “center of its main interests” as referred to in section 1517(b)(1) of the Bankruptcy Code. Accordingly, the Giftcraft Receivership is a “foreign main proceeding” pursuant to section 1502(4) of the Bankruptcy Code and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.

J. The Foreign Representative is entitled to all the relief provided pursuant to sections 1507, 1519, 1520, and 1521 of the Bankruptcy Code without limitation, because those protections are necessary to effectuate the purposes of chapter 15 of the Bankruptcy Code and to protect the assets of the Debtors and the interests of the Debtors’ creditors.

K. All creditors and other parties in interest, including the Debtors, are sufficiently protected by the grant of relief ordered hereby in accordance with section 1522(a) of the Bankruptcy Code.

L. The relief granted hereby is necessary to effectuate the purposes and objectives of chapter 15 and to protect the Debtors and the interests of their creditors and other parties in interest, is in the interest of the public and international comity, is consistent with the public policy of the United States, and will not cause any hardship to any party in interest that is not outweighed by the benefits of the relief granted. Absent the requested relief, the efforts of the Receiver in conducting the Giftcraft Receivership and the liquidation process may be frustrated by the actions of individual creditors, a result contrary to the purposes of chapter 15.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Verified Petition is granted as set forth herein.
2. The Giftcraft Receivership is recognized as a foreign main proceeding pursuant to section 1517 of the Bankruptcy Code and is entitled to the protections of 11 U.S.C. § 1520(a), including, without limitation, the application of the protection afforded by the automatic stay under 11 U.S.C. § 362 to the Debtors and to the Debtors' property that is within the territorial jurisdiction of the United States.
3. KPMG, in its capacity as Receiver, is the duly appointed foreign representative of the Debtors within the meaning of 11 U.S.C. § 101(24), is authorized to act on behalf of the Debtors in these Chapter 15 Cases, and is established as the exclusive representative of the Debtors in the United States.
4. The Appointment Order, including any and all existing and future extensions, amendments, restatements, and/or supplements authorized by the Canadian Court, is hereby given full force and effect, on a final basis, with respect to the Debtors and the Debtors' property that now or in the future is located within the territorial jurisdiction of the United States, including,

without limitation, staying the commencement or continuation of any actions against the Debtors or their assets (except as otherwise expressly provided herein or therein).

5. All objections, if any, to the Verified Petition or the relief requested therein that have not been withdrawn, waived, or settled by stipulation filed with the Court, and all reservations of rights included therein, are hereby overruled on the merits.

6. Upon entry of this order (this "Order"), the Giftcraft Receivership and all prior orders of the Canadian Court shall be and hereby are granted comity and given full force and effect in the United States and, among other things:

a. the protections of sections 362 and 365(e) of the Bankruptcy Code apply to the Debtors;

b. all persons and entities are enjoined from taking any actions inconsistent with the Giftcraft Receivership, and from seizing, attaching, and enforcing or executing liens or judgments against the Debtors' assets in the United States or from transferring, encumbering or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express consent of the Foreign Representative;

c. all persons and entities are enjoined from commencing or continuing, including the issuance or employment of process of, any judicial, administrative or any other action or proceeding involving or against the Debtors or their assets or proceeds thereof, or to recover a claim or enforce any judicial, quasi-judicial, regulatory, administrative, or other judgment, assessment, order, lien or arbitration award against the Debtors or their assets or proceeds thereof;

d. all persons and entities are enjoined from commencing any suit, action, or proceeding against the Debtors, the Foreign Representative, or any of their respective successors, directors, officers, agents, employees, representatives, advisors, or attorneys in respect of any claim or cause of action, in law or in equity, arising out of or relating to any action taken or omitted to be taken in connection with these Chapter 15 Cases and the Giftcraft Receivership; and

e. all persons and entities are enjoined from terminating or modifying an executory contract or unexpired lease at any time after the commencement of these Chapter 15 Cases solely because of a provision in such contract or lease that is conditioned upon the commencement of the Giftcraft Receivership or a case under the Bankruptcy Code, or the insolvency or financial condition of the Debtors.

7. The Foreign Representative and the Debtors shall be entitled to the full protections and rights enumerated under sections 1521(a)(4) and (5) and 1521(b) of the Bankruptcy Code, and accordingly, the Foreign Representative:

a. is entrusted with the administration or realization and distribution of all or part of the Debtors' assets located in the United States; and

b. has the right and power to examine witnesses, take evidence or deliver information concerning the Debtors' assets, affairs, rights, obligations, or liabilities.

8. All parties who believe they have a claim against the Debtors are obligated to file such claim in, and only in, the Giftcraft Receivership.

9. Pursuant to section 1521(a)(6) of the Bankruptcy Code, all prior relief granted to the Debtor and the Foreign Representative by this Court pursuant to section 1519(a) of the Bankruptcy Code shall be extended, and that certain Order Granting Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code [Docket No. 28] (the "Provisional Relief Order") shall remain in full force and effect, on a final basis. To the extent there is any inconsistency between this Order and the Provisional Relief Order, the language in this Order shall control.

10. The Foreign Representative is hereby established as the representative of the Debtors with full authority to administer the Debtors' assets and affairs in the United States, including, without limitation, making payments on account of the Debtors' prepetition and postpetition obligations, if necessary.

11. The Foreign Representative and its agents are authorized to serve or provide any notices required under the Bankruptcy Rules or Local Rules of this Court.

12. No action taken by the Foreign Representative, the Debtors, or their respective successors, agents, representatives, advisors, or counsel in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Giftcraft

Receivership, this Order, these Chapter 15 Cases, or any adversary proceeding herein, or contested matters in connection therewith, will be deemed to constitute a waiver of any immunity afforded the Foreign Representative, including without limitation pursuant to sections 306 or 1510 of the Bankruptcy Code.

13. Pursuant to paragraphs 3 and 12 of the Appointment Order, (i) the banks and financial institutions with which the Debtors maintain bank accounts or on which checks are drawn or electronic payment requests made in payment of prepetition or postpetition obligations (each a “Bank” and, collectively, “Banks”) are authorized and directed, at the direction of the Foreign Representative, (a) to continue to service and administer the Debtors’ bank accounts without interruption and in the ordinary course of business, (b) to transfer funds located in the United States to the Foreign Representatives’ accounts in Canada, and (c) to receive, process, honor and pay any and all such checks, drafts, wires and automatic clearing house transfers issued, whether before or after the Petition Date and drawn on the Debtors’ bank accounts by respective holders and makers thereof, and (ii) Banks providing centralized banking services to the Debtors are restrained until further order of the Canadian Court from discontinuing, altering, interfering with or terminating the supply of such services as may be required by the Foreign Representative.

14. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

15. This Order is without prejudice to the Foreign Representative requesting any additional relief in the Chapter 15 Case, including seeking recognition and enforcement by this Court of any further orders issued in the Giftcraft Receivership.

16. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

17. A copy of this Order shall be served within five business days of entry of this Order, by electronic mail to the extent email addresses are available and otherwise by U.S. mail, overnight or first-class postage prepaid, upon the Core Notice Parties (as defined in the *Motion for Order Scheduling Recognition Hearing and Specifying Form and Manner of Service of Notice*) and such other entities as the Court may direct. Such service shall be good and sufficient service and adequate notice for all purposes.

18. This Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Order, any requests for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

19. Notwithstanding any applicability of any Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

20. This Order applies to all parties in interest in this Chapter 15 Case and all of their agents, employees, and representatives, and all those who act in concert with them who receive notice of this Order.

New York, New York
Dated: June 16, 2025

/s/Martin Glenn
UNITED STATES BANKRUPTCY JUDGE

Appendix “C” to the First Report of the Receiver

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 7th day of July, 2025.

BETWEEN: **KPMG INC.**, solely in its capacity as Court-appointed Receiver of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc. Ripskirt Hawaii, LLC, and Yosox USA Inc., and not in its personal or corporate capacity (the “**Vendor**”)

AND: **GIFTCRAFT 2025 INC.** (the “**Purchaser**”)

WHEREAS:

- A. Pursuant to the order (the “**Receivership Order**”) granted on May 14, 2025, by the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) in Court File No. CV-25-00743864-00CL, KPMG Inc. was appointed receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings, and properties (collectively, the “**Property**”) of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripskirt Hawaii, LLC (“**Ripskirt**”), and Yosox USA Inc. (collectively, “**Debtors**”);
- B. On May 20, 2025, Giftcraft Ltd., Giftcraft Inc. Ripskirt Hawaii, LLC, and Yosox USA Inc. (collectively, the “**Chapter 15 Debtors**”) filed voluntary petitions under chapter 15 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court, Southern District of New York (the “**U.S. Court**”), with such cases being jointly administered for procedural purposes only as Case No. 25-11030 (MG) (the “**Chapter 15 Cases**”);
- C. Pursuant to the Order entered on June 16, 2025, by the U.S. Court in the Chapter 15 Cases, the Receivership Proceeding was recognized and the Receivership Order was given effect in the United States as they pertain to the Chapter 15 Debtors; and
- D. The Vendor wishes to sell to the Purchaser all of the Subject Companies’ right, title, and interest in and to the Purchased Assets (as defined herein and appended as Schedule “A”) and the Purchaser wishes to purchase all of the Subject Companies’ right, title, and interest in and to the Purchased Assets on and subject to the terms and conditions of this Agreement.

IN CONSIDERATION of the premises and covenants, agreements, representations, warranties, and payments contained in this Agreement, the Vendor and the Purchaser agree as follows:

1. **DEFINITIONS**

The following terms have the following meanings:

- (a) **“Accounts Receivable”** means accounts receivable, trade accounts, notes receivable, book debts, and other trade debts due or accruing due to the Subject Companies;
- (b) **“Actual Value of Accounts Receivable”** has the meaning attributed to such term in Section 4.4(a);
- (c) **“Actual Value of Inventory”** has the meaning attributed to such term in Section 4.4(a);
- (d) **“Agreement”** means this Asset Purchase Agreement made as of the date first written above;
- (e) **“Applicable Law”** means, with respect to any Person, property, transaction, event or other matter, (i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (ii) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (i) and (ii), **“Law”**) in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.
- (f) **“Approval and Vesting Order”** means an order to be made by the Canadian Court, substantially in the form attached hereto as Schedule “C”, which among other things, (i) authorizes the Vendor to enter into this Agreement and sell the Purchased Assets pursuant to and in accordance with this Agreement and approves same, and (ii) provides that, upon Closing, all the Vendor’s right, title and interest in the Purchased Assets sold pursuant to this Agreement shall irrevocably vest in the Purchaser free and clear of all Encumbrances except for Permitted Encumbrances, if any, such vesting to occur upon the delivery by the Vendor to the Purchaser of the Receiver’s Certificate;
- (g) **“Assignment and Assumption Agreement”** means an assignment and assumption agreement evidencing the assignment to the Purchaser of the Subject Companies’ interest in, to and under the Assumed Contracts and the assumption by Purchaser of the Assumed Liabilities, in form and substance satisfactory to the Parties, acting reasonably;
- (h) **“Assignment of Intellectual Property Agreement”** means an assignment agreement evidencing the assignment to the Purchaser of the Intellectual Property, in form and substance satisfactory to the Parties, acting reasonably;
- (i) **“Assumed Contracts”** means the contracts to be assumed by the Purchaser described in Schedule “D”;

- (j) **“Assumed Liabilities”** has the meaning ascribed thereto in Section 4.9;
- (k) **“Bankruptcy Code”** has the meaning ascribed thereto in the recitals hereto;
- (l) **“Base Purchase Price”** has the meaning ascribed thereto in Section 4.1(a);
- (m) **“Books and Records”** means all books, records, files and papers used or intended for use in connection with the ownership of the Purchased Assets, including title documentation, manuals, sales and advertising materials, and all other documents and data (technical or otherwise) relating to the Purchased Assets, and all copies and recordings of the foregoing;
- (n) **“Business Day”** means any day other than a Saturday, Sunday, any other statutory holiday in the Province of Ontario, or any other day on which the principal banks located in the City of Toronto, Ontario are not open for business during normal banking hours;
- (o) **“Canadian Court”** has the meaning ascribed thereto in the recitals hereto;
- (p) **“Chapter 15 Cases”** has the meaning ascribed thereto in the recitals hereto;
- (q) **“Chapter 15 Debtors”** has the meaning ascribed thereto in the recitals hereto;
- (r) **“Charlie Page In-Transit Inventory Payments”** means any payments that the Subject Companies or the Vendor have paid to a third-party on or after June 20, 2025 in connection with the future delivery of goods under the Charlie Page product line and the payment of which have been approved in writing by the Purchaser;
- (s) **“Closing”** means the completion of the Transaction in accordance with this Agreement;
- (t) **“Closing Date”** means three Business Days after the Approval and Vesting Order and Sale Recognition Order both become Final Orders, provided that such occurs on or before the Outside Date;
- (u) **“Closing Time”** means 5:00 pm on the Closing Date;
- (v) **“Cure Payment”** means a payment required to cure any existing monetary default or breach of the Subject Companies under any contract which is to become an Assumed Contract as at the date such contract becomes an Assumed Contract.
- (w) **“Damaged Inventory”** means Inventory that is (i) damaged or has opened packaging or otherwise cannot reasonably be sold at the same price as the other inventory that is the same product, (ii) Inventory that has been returned by the customer or consumer, or (iii) Inventory that is used as showroom samples;
- (x) **“Debtors”** has the meaning ascribed thereto in the recitals hereto;

- (y) **“Deposit”** has the meaning ascribed thereto in Section 4.2(a);
- (z) **“Dispute Notice”** has the meaning ascribed thereto in Section 4.4(b);
- (aa) **“ETA”** means the *Excise Tax Act*, RSC, 1985, c E-15 and the regulations thereto;
- (bb) **“Encumbrances”** means all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system;
- (cc) **“Estimated Value of Accounts Receivable”** has the meaning attributed to such term in Section 4.3;
- (dd) **“Estimated Value of Inventory”** has the meaning attributed to such term in Section 4.3;
- (ee) **“Excluded Assets”** has the meaning attributed to such term in Section 3.2;
- (ff) **“Final Order”** means an order of the applicable court of competent jurisdiction (including the Canadian Court and U.S. Court) with respect to the relevant subject matter, that has not been reversed, stayed, modified, or amended, and as to which the time to seek leave to appeal, appeal or seek certiorari has expired and no application for leave to appeal, appeal or petition for certiorari has been timely taken, or as to which any application for leave to appeal or appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought, or the new trial, re-argument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice;
- (gg) **“Final Statement”** has the meaning attributed to such term in Section 4.4(a);
- (hh) **“Governmental Authority”** means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal, or local governmental authority, quasi-governmental authority, instrumentality, court, government, or self-regulatory organization, bureau, commission, tribunal, or organization or any regulatory, administrative, or other agency, or any political or other subdivision, department, or branch of any of the foregoing having jurisdiction with respect to the Subject Companies, the Purchased Assets, or any other matter that is the subject of this Agreement;

- (ii) **“GST/HST”** means any goods and services tax/harmonized sales tax imposed under Part IX of the ETA;
- (jj) **“Independent Accounts Receivable”** means all Accounts Receivable other than Key Accounts Receivable;
- (kk) **“Information Technology”** means all servers, workstations, data storage devices, data backup systems and devices, enterprise software and licenses, application software and licenses, telephone numbers and listings, and all business records associated with the Subject Companies, including, without limitation, all e-commerce data and associated accounts and cloud storage and associated accounts;
- (ll) **“Intellectual Property”** means any and all of the following of the Subject Companies in any jurisdiction throughout the world: (i) trademarks, trade names and trade dress, including all applications and registrations, and including the exclusive right of the Purchaser (subject to Section 10.4) to (A) represent itself as carrying on the Purchased Business in continuation of and in succession to the Vendor, and (B) use any words indicating that the Purchased Business is so carried on, including all of the Subject Companies’ right, title and interest in and to the name “Giftcraft” “Yosox”, or any variation of such names, and the goodwill connected with the use and symbolized by the foregoing; (ii) copyrights, including all applications and registrations relating to the foregoing; (iii) trade secrets and confidential information, including without limitation trade secrets, recipes and formulations, and know-how; (iv) patents and patent applications; (v) product designs, production templates, including dyes, industrial designs, logos, related artwork including applications and registrations therefor; (vi) websites, the designs thereunder and the internet domain name registrations; (vii) other intellectual property and related proprietary rights, interests and protections (including all rights to sue and recover and retain damages, costs and legal fees, disbursements and charges for past, present and future infringement and any other rights relating to any of the foregoing). For clarity, “Intellectual Property” does not include any Intellectual Property related solely to the Ripskirt Business;
- (mm) **“Interim Period”** means the period from the date of this Agreement to the Closing Date;
- (nn) **“Inventory”** means the goods and materials the Subject Companies hold for sale in the ordinary course of business;
- (oo) **“ITA”** has the meaning attributed to such term in Section 4.7(b);
- (pp) **“Key Accounts Receivable”** means the accounts identified as “Key Accounts” in Schedule “B”;
- (qq) **“Landed Cost of Inventory”** means the Subject Companies’ landed cost of Inventory determined in accordance with Canadian Accounting Standards for Private Enterprises;

- (rr) **“Legal Proceeding”** means any litigation, action, application, demand, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review;
- (ss) **“Liability”** or **“Liabilities”** means any and all liabilities, obligations, covenants, charges, costs, debt and indebtedness, of any and every kind and nature whatsoever, absolute or contingent, liquidated or unliquidated, known or unknown, disputed or undisputed;
- (tt) **“Material Adverse Change”** means any event, change, circumstance, effect or other matter (each a **“Change”**) that has a material adverse effect on: (i) the business, financial condition or results of operations of the Subject Companies, individually or taken as a whole; or (ii) the ability of the Purchaser, the Vendor or the Subject Companies to consummate timely the Transactions; provided, that, in the case of clause (i), none of the following, either individually or in the aggregate, shall be considered in determining whether there has been a Material Adverse Change: (a) any Change resulting from the filing or pendency of the Receivership Proceeding or the Chapter 15 Cases or any reasonably anticipated effects of such filings and pendency of such proceedings; (b) any Change that affects any industry as a whole in which the Subject Companies operate; (c) any action taken or omitted to be taken by a Debtor as expressly required by this Agreement or at the written request of Purchaser; and (d) any Change in Applicable Law arising after the date hereof;
- (uu) **“Order”** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;
- (vv) **“Outside Date”** means August 15, 2025, or as otherwise agreed upon by the Vendor and the Purchaser;
- (ww) **“Party”** or **“Parties”** mean either the Vendor or the Purchaser, as appropriate in the context, or both;
- (xx) **“Permitted Encumbrances”** means the permitted Encumbrances, if any, identified in the Approval and Vesting Order;
- (yy) **“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (zz) **“Pre-Closing Deposits”** any deposits that the Subject Companies or the Vendor have paid to a third-party on or after June 20, 2025 in connection with the future delivery of goods the payment of which have been approved in writing by the

Purchaser; provided, however, that “Pre-Closing Deposits” shall not include any Charlie Page In-Transit Inventory Payments;

- (aaa) “**Property**” has the meaning ascribed thereto in the recitals hereto;
- (bbb) “**Purchaser**” has the meaning ascribed thereto in the preamble hereto;
- (ccc) “**Purchase Price**” has the meaning ascribed thereto in Section 4.1;
- (ddd) “**Purchased Assets**” means, other than the Excluded Assets, all or substantially all of the assets of the Subject Companies used in relation to the Purchased Business, including those assets enumerated in Schedule “A” hereto;
- (eee) “**Purchased Business**” means the business of the Subject Companies relating to the supply of gift items, including home décor, jewelry, and other novelties. For clarity, the Purchased Business does not include the Ripskirt Business;
- (fff) “**Receiver**” has the meaning ascribed thereto in the recitals hereto;
- (ggg) “**Receivership Order**” has the meaning ascribed thereto in the recitals hereto;
- (hhh) “**Receivership Proceeding**” means the Canadian Court proceeding bearing Court File No. CV-25-00743864-00CL, pursuant to which KPMG Inc. was appointed Receiver of the Property;
- (iii) “**Receiver’s Certificate**” means a certificate of the Receiver confirming the payment of the Purchase Price, the satisfaction or waiver of the conditions to Closing and the completion of the Transaction to the satisfaction of the Receiver, in the form appended to the Approval and Vesting Order;
- (jjj) “**Review Period**” has the meaning attributed to such term in Section 4.4(b);
- (kkk) “**Ripskirt Business**” means the business of producing and distributing women’s apparel, specializing in quick drying skirts, dresses and cover-ups, which is operated by Ripskirt;
- (lll) “**Sale Recognition Order**” means an Order entered by the U.S. Court recognizing and giving effect to the Approval and Vesting Order in the United States of America and authorizing the sale of the Purchased Assets;
- (mmm) “**Subject Companies**” means Giftcraft Ltd., Giftcraft Inc., and Yosox USA Inc.;
- (nnn) “**Taxes**” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes,

occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties;

- (ooo) **“Third-Party Accounting Firm”** has the meaning ascribed thereto in Section 4.4(c);
- (ppp) **“Third Party Consents”** means the consents, approvals and/or authorizations as may be required for the assignment of the Assumed Contracts and/or other Purchased Assets to Purchaser;
- (qqq) **“Transfer Taxes”** means all applicable Taxes, including where applicable, all GST/HST payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement;
- (rrr) **“Transaction”** means the purchase and sale of the Purchased Assets and all other transactions contemplated by this Agreement;
- (sss) **“Transferred Employees”** means those employees of the Subject Companies who accept offers of employment to be made by the Purchaser pursuant to the terms of this Agreement;
- (ttt) **“U.S. Court”** has the meaning ascribed thereto in the recitals hereto;
- (uuu) **“Value of Accounts Receivable”** means such amount equal to: (i) 85% of the Key Accounts Receivable, plus (ii) 37.5% of the Independent Accounts Receivable, in each case calculated as of the Closing Time; provided, however, that any Independent Accounts Receivable which are 90 days or more past the due date for payment thereof shall be excluded from the calculation of the “Value of Accounts Receivable” and are an “Excluded Asset”;
- (vvv) **“Value of Inventory”** means such amount equal to: (i) 50% multiplied by A, plus (ii) 40% multiplied by B, plus (iii) 30% multiplied by C, plus (iv) 20% multiplied by D, plus (v) 10% multiplied by E, where, “A” shall be the Landed Cost of Inventory received by the Vendor in the 90 days preceding July 4, 2025, “B” shall be the Landed Cost of Inventory received by the Vendor more than 90 days and less than 181 days preceding July 4, 2025, “C” is the Landed Cost of Inventory received by the Vendor more than 180 days and less than 271 days preceding July 4, 2025, “D” is the Landed Cost of Inventory received by the Vendor more than 270 days and less than 361 days preceding July 4, 2025, and “E” is the Landed Cost of Inventory received by the Vendor more than 360 days preceding July 4, 2025. For clarity, Damaged Inventory is not included in the calculation of “Value of Inventory” and is an “Excluded Asset”;
- (www) **“Value of Charlie Page In-Transit Inventory”** means such amount equal to the total amount of Charlie Page In-Transit Inventory Payments;

(xxx) “**Value of Pre-Closing Deposits**” means such amount equal to the total amount of Pre-Closing Deposits;

(yyy) “**Vendor**” has the meaning ascribed thereto in the preamble hereto; and

(zzz) “**Vendor's Solicitors**” means Dentons Canada LLP.

2. INTERPRETATION

2.1 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

Schedule “A”	Purchased Assets
Schedule “B”	Key Accounts Receivable
Schedule “C”	Form of Approval and Vesting Order
Schedule “D”	Assumed Contracts
Schedule “E”	Intentionally deleted
Schedule “F”	Intellectual Property

2.2 Headings

The division of this Agreement into separate articles, sections and schedules, the provision of a table of contents and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement.

2.3 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

2.4 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and will be paid in Canadian currency.

2.5 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by Applicable Law, the Parties waive any provision of law that renders any provision of this Agreement invalid or unenforceable in any respect. The Parties will engage in good faith negotiations to replace any provision that is declared invalid or unenforceable with a valid and enforceable provision, the

economic effect of which comes as close as possible to that of the invalid or unenforceable provision that it replaces.

2.6 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

2.7 Date for Any Action

If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

2.8 Statutory References

Any reference to a statute will mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided.

2.9 Arm's Length Negotiations

The Parties acknowledge that they are dealing with one another at arm's length. This Agreement will not be construed in favour of or against either Party by reason of the extent to which either Party or its professional advisors participated in the preparation of this Agreement.

3. PURCHASE AND SALE OF ASSETS

3.1 Purchased Assets and Excluded Assets

Subject to the timely fulfillment or waiver of the conditions precedent set forth in Sections 5, and 6, including the granting of the Approval and Vesting Order and the Sale Recognition Order, and the terms and conditions of this Agreement, on the Closing Date, the Vendor agrees to sell, assign, and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor, all right, title, and interest of the Subject Companies, if any, in and to the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances, at the Closing Time. For clarity, the Purchased Assets shall not include the Excluded Assets.

3.2 Excluded Assets

The Purchased Assets shall not include the following assets (collectively, the "**Excluded Assets**"):

- (a) all cash and cash equivalents, including but not limited to, guaranteed investment certificates, treasury bills, bank balances, customer deposits, other securities and similar items;
- (b) the shares of the capital stock or other equity interests in any Person held by the Vendor, include any shares of the capital stock of any Debtor;

- (c) tax refunds, including but not limited to income tax refunds, and input tax credits receivable by the Subject Companies or the Vendor;
- (d) any Independent Accounts Receivable which are 90 days or more past the due date;
- (e) Damaged Inventory;
- (f) all loans of the Subject Companies;
- (g) all contracts of the Vendor and the Subject Companies that are not Assumed Contracts;
- (h) any land, buildings, structures, fixtures, improvements and other interests in real property that are leased or otherwise occupied by the Vendor;
- (i) motor vehicles, whether owned or leased (other than any motor vehicles identified in Schedule "A");
- (j) warehouse lift trucks, warehouse storage racks, and warehouse equipment;
- (k) any assets of the Debtors that are used solely in the Ripskirt Business;
- (l) the benefit of any insurance policies on the life of any person;
- (m) all of the Vendor's correspondence and file material, including, without limitation, correspondence to and from the Vendor's legal counsel; and
- (n) valuations and any other records or reports generated by the Vendor as a result or in the context of the administration of the receivership of the Subject Companies.

3.3 Assumed Liabilities

Other than expressly contemplated in this Agreement, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfill any Liability or obligation of the Vendor or the Subject Companies or in connection with the Purchased Assets or the Purchased Business, whether known, unknown, direct, indirect, absolute, contingent or otherwise arising out of facts, circumstances or events, in existence on or prior to the date on which a contract becomes an Assumed Contract. Without limiting the generality of the foregoing, the Purchaser shall not assume and shall have no obligation in respect of (a) any of the Excluded Assets, or (b) except as expressly provided herein, any Liabilities of the Vendor for Taxes other than as set out in Section 4.6 and Section 4.7.

3.4 Acknowledgements by Purchaser

The Purchaser acknowledges that:

- (a) the interest of the Vendor in the Purchased Assets may be limited, and the Vendor will be obliged to convey to the Purchaser only such interest as the Subject

Companies may have therein and no interest of any third party, provided that nothing in this Section 3.4(a) shall be applied or construed so as to derogate from the title or interest acquired by the Purchaser pursuant to and in accordance with the Approval and Vesting Order and Sale Recognition Order. To the extent that any obligation of the Vendor requires the co-operation or assistance of any third party, the Vendor will not be required to compel any such co-operation or assistance for the purposes of making any conveyance to the Purchaser. The provisions of this Subsection 3.4(a) shall not derogate from the Purchaser's right to rely upon the conditions to Closing in favour of the Purchaser as set out herein;

- (b) the Approval and Vesting Order shall provide that the Receiver, upon the conditions to Closing having been satisfied or waived by the Receiver and the Purchaser, respectively, in accordance with the terms of this Agreement, shall file the Receiver's Certificate and that title to the Purchased Assets shall vest in the Purchaser effective immediately upon the delivery of the Receiver's Certificate to the Purchaser, free and clear of all Encumbrances except for Permitted Encumbrances, if any; and
- (c) despite the issuance of the Approval and Vesting Order, the Receiver shall have no obligation to complete the Transaction until such time as the Approval and Vesting Order and the Sale Recognition Order each become a Final Order and the Purchaser shall have no rights thereunder, nor any right, title or interest in the Purchased Assets until the Receiver's Certificate is executed and delivered by the Receiver.

4. **PURCHASE PRICE AND RELATED MATTERS**

4.1 **Purchase Price**

Subject to the terms and conditions of this Agreement, the consideration payable by the Purchaser to the Vendor for the Purchased Assets (the "**Purchase Price**") shall consist of the aggregate of:

- (a) \$2,666,000 (the "**Base Purchase Price**");
- (b) plus the Value of Inventory;
- (c) plus the Value of Accounts Receivable;
- (d) plus the Value of Pre-Closing Deposits;
- (e) plus the Value of Charlie Page In-Transit Inventory Payments; and
- (f) plus the assumption of the Assumed Liabilities.

For clarity, the calculation of the Base Purchase Price includes (a) the value of deposits paid by the Subject Companies to a third-party prior to June 20, 2025, in connection with the future delivery of goods pursuant to any Assumed Contracts; and (b) 50% of any Cure Payments.

4.2 Deposit

- (a) Within one (1) Business Day of the execution and delivery of this Agreement, the Purchaser shall pay to the Vendor's Solicitors, in trust, a deposit of \$900,000 by wire transfer of immediately available funds (the "**Deposit**"), which shall be held in accordance with the provisions of this Agreement pending completion or other termination of this Agreement and shall be applied against and towards the Purchase Price due on Closing;
- (b) if the Closing does not occur by reason of the failure by the Purchaser to perform any of the covenants or conditions on the Purchaser's part to be performed hereunder and which cannot or will not be remedied by the Purchaser by the Closing Date, then the Deposit shall be forfeited to the Vendor on account of liquidated damages and no Party to this Agreement shall have a claim against any other Party hereto with respect to this Agreement other than the Vendor's claim to the Deposit as aforesaid; and
- (c) if the Closing does not occur for any other reason by the Outside Date, the Deposit shall be returned to the Purchaser without interest and no Party to this Agreement shall have a claim against any other Party with respect to this Agreement other than the Purchaser's claim to the return of the Deposit as aforesaid.

4.3 Payment at Closing

At the Closing Time, the Purchaser shall pay by wire transfer of immediately available funds to the Vendor, or as the Vendor may direct in writing, an amount equal to:

- (a) the Base Purchase Price;
- (b) less the Deposit;
- (c) plus the Estimated Value of Inventory;
- (d) plus the Estimated Value of Accounts Receivable;
- (e) plus the Value of Pre-Closing Deposits;
- (f) plus the Value of Charlie Page In-Transit Inventory Payments; and
- (g) plus all applicable Transfer Taxes.

At least three (3) Business Days prior to the Closing Date, the Vendor shall prepare and deliver to the Purchaser a statement setting forth its calculations of (i) the estimated Value of Inventory as of the Closing Time (the "**Estimated Value of Inventory**"); (ii) the estimated Value of Accounts Receivable as of the Closing Time (the "**Estimated Value of Accounts Receivable**"); (iii) the Value of Pre-Closing Deposits as of the Closing Time; and (iv) the Value of Charlie Page In-Transit Inventory Payments.

4.4 Purchase Price Post-Closing Adjustment

- (a) Within fifteen (15) days following the Closing Date, the Purchaser may prepare and deliver to the Vendor a statement (the “**Final Statement**”) setting forth its calculation of: (i) the actual Value of Inventory as of the Closing Time (the “**Actual Value of Inventory**”), and (ii) the actual Value of Accounts Receivable as of the Closing Time (the “**Actual Value of Accounts Receivable**”). In the event the Purchaser does not deliver to the Vendor a Final Statement within fifteen (15) days following the Closing Date, the Estimated Value of Inventory and the Estimated Value of Accounts Receivable shall be deemed final, conclusive, and binding upon the Parties for all purposes of this Agreement. Neither Party shall have any further right to dispute, contest, or otherwise challenge the Estimated Value of Inventory or the Estimated Value of Accounts Receivable, and any payments or adjustments required under this Agreement shall be made based on the Estimated Value of Inventory and the Estimated Value of Accounts Receivable.
- (b) The Vendor shall be entitled to review the Final Statement and the Vendor shall be entitled to have access to and to receive copies of any supporting documents relied upon for the purposes of preparing the Final Statement. The Final Statement shall be final and binding upon the parties for all purposes hereof, absent manifest error, unless the Vendor notifies the Purchaser in writing that it disputes any amounts shown therein (such notice, a “**Dispute Notice**”) within ten (10) Business Days after receipt by the Vendor of the Final Statement (the “**Review Period**”).
- (c) In the event that the Vendor disputes any amount shown in the Final Statement, the Parties will work in good faith in an attempt to resolve such disputes within ten (10) Business Days after the date of notification by the Vendor to the Purchaser of such disputes, failing resolution of which such disputes shall be submitted for determination to an independent national firm of chartered accountants mutually agreed to by the Parties (and, failing such agreement between the Parties within a further period of five (5) days, such independent national firm of chartered accountants shall be selected by two such national firms, one nominated by the Vendor, on one hand, and the Purchaser, on the other hand) (the “**Third-Party Accounting Firm**”).
- (d) The Third-Party Accounting Firm will determine (based solely on written and, if requested by the Third-Party Accounting Firm, oral presentations and a review of working papers of the Purchaser, the Vendor and their respective representatives, as applicable, and not by independent review) only those matters in dispute and will render a written report as to the disputed matters and any disputed calculations included in the Final Statement, which written report of the Third-Party Accounting Firm will be conclusive and binding upon the Parties. In resolving any disputed item, the Third-Party Accounting Firm shall act as an expert and not as arbitrator and may not assign a value to any item greater than the greatest value for such item claimed by the Purchaser or the Vendor or less than the smallest value for such item claimed by the Purchaser or the Vendor. The determination of the Actual Value of Inventory and the Actual Value of Accounts Receivable as determined by the

Third-Party Accounting Firm shall be final and binding upon the Parties and not subject to appeal. The fees of the Third-Party Accounting Firm so appointed shall be borne pro rata as between the Purchaser, on one hand, and the Vendor, on the other hand in proportion to the final allocation made by the Third-Party Accounting Firm of the disputed items weighed in relation to the total quantum of the disputed items, such that the prevailing party pays the lesser proportion of such fees, costs and expenses. For example, if the Vendor claims the Value of Inventory is, in the aggregate, \$1,000 greater than the Value of Inventory determined by the Purchaser in the Final Statement and if the Third-Party Accounting Firm ultimately resolves the dispute by awarding to the Vendor an aggregate of \$300 of the \$1,000 contested, then the fees, costs and expenses of the Third-Party Accounting Firm will be allocated 30% (i.e. \$300 divided by \$1,000) to the Purchaser and 70% (i.e. \$700 divided by \$1,000) to the Vendor. The Vendor, on the one hand, and the Purchaser, on the other hand, shall each bear their own costs in presenting their cases to the Third-Party Accounting Firm.

- (e) If the Vendor fails to deliver a Dispute Notice within the Review Period, the Final Statement (including the calculation of the Actual Value of Inventory and the Actual Value of Accounts Receivable reflected therein) will be conclusive and binding on the Parties. If the Vendor notifies the Purchaser of its agreement with all the items in the Final Statement (including the calculation of the Actual Value of Inventory and the Actual Value of Accounts Receivable reflected therein), such items will be conclusive and binding on the Parties immediately upon such notice.
- (f) Within two (2) Business Days following the resolution of the Actual Value of Inventory and the Actual Value of Accounts Receivable as set forth in this Section 4.4:
 - (i) if the final calculation of the Actual Value of Inventory exceeds the Estimated Value of Inventory, the Purchaser shall pay to the Vendor by wire transfer of immediately available funds, the amount of any such excess, if any;
 - (ii) if the final calculation of the Actual Value of Inventory is less than the Estimated Value of Inventory, the Vendor shall pay to the Purchaser, by wire transfer of immediately available funds, the amount of such difference, if any;
 - (iii) if the final calculation of the Actual Value of Accounts Receivable exceeds the Estimated Value of Accounts Receivable, the Purchaser shall pay to the Vendor by wire transfer of immediately available funds, the amount of any such excess, if any; and
 - (iv) if the final calculation of the Actual Value of Accounts Receivable is less than the Estimated Value of Accounts Receivable, the Vendor shall pay to the Purchaser, by wire transfer of immediately available funds, the amount of such difference, if any.

- (g) Any payments made pursuant to Section 4.4(f) will be effected by wire transfer of immediately available funds to an account designated by the Vendor or the Purchaser, as the case may be, and shall be treated as an adjustment to the Purchase Price by the Parties, unless otherwise required by Law.

4.5 Purchase Price Allocation

The Parties agree that the Purchase Price shall be allocated among the Purchased Assets and the Assumed Liabilities as mutually agreed to between the Parties in writing, acting reasonably, prior to Closing and form part of this Agreement.

4.6 Transfer Taxes

The Purchase Price does not include Transfer Taxes, and the Purchaser shall be liable for and shall pay all Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets. Purchaser and Vendor shall cooperate to (i) determine the amount of Transfer Taxes payable in connection with the Transaction, (ii) provide all requisite exemption certificates, if applicable, and (iii) prepare and file any and all required tax returns for or with respect to such Transfer Taxes with any and all appropriate Governmental Authorities. The Purchaser shall indemnify the Vendor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor may pay or for which the Vendor or the Subject Companies may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes. This covenant to indemnify shall survive the Closing and shall continue in full force for the benefit of the Vendor and the Subject Companies until the expiration of the time during which the relevant Governmental Authority may assess the Vendor or the Subject Companies in respect of the sale and transfer of the Purchased Assets (as extended pursuant to any waivers, including extensions).

4.7 Tax Elections

- (a) If available, at the Closing, the Vendor (on behalf of Giftcraft Ltd.) and the Purchaser shall execute jointly an election under Section 167 of the ETA, to have the sale of the Purchased Assets by Giftcraft Ltd. take place on a GST/HST-free basis under Part IX of the ETA. The Purchaser shall file the elections in the manner and within the time prescribed by the relevant legislation, together with a return for the Purchaser's reporting period in which the Transaction occurs and, as soon as reasonably practicable after filing such election, provide the Vendor with proof of filing of such election to the relevant Governmental Authority. Notwithstanding anything to the contrary in this Agreement, the Purchaser shall indemnify and hold harmless the Vendor and Giftcraft Ltd. in respect of any GST/HST, penalties, interest and any other amounts, including professional fees, which may be assessed against or become payable by the Vendor and Giftcraft Ltd. as a result of the Transaction under this Agreement not being eligible for such election or as a result of the Purchaser's failure to file the election within the prescribed time. This covenant to indemnify shall survive the Closing and shall continue in full force for the benefit of the Vendor and Giftcraft Ltd. until the expiration of the time during which the relevant Governmental Authority may assess the Vendor and Giftcraft

Ltd. in respect of the sale and transfer of the Purchased Assets (as extended pursuant to any waivers, including extensions).

- (b) The Purchaser and the Vendor shall, if applicable, elect jointly in the prescribed form under Section 22 of the *Income Tax Act* (Canada) (the “ITA”) and the corresponding provisions of any other applicable provincial Tax statute as to the sale of the Accounts Receivable forming part of the Purchased Assets and designate in such election an amount equal to the portion of the Purchase Price allocated to the Accounts Receivable pursuant to Section 4.5. This election, or these elections, shall be made within the time prescribed for such elections.
- (c) The Purchaser and the Vendor shall, if applicable, jointly execute and file an election under Subsection 20(24) of the ITA in the manner required by Subsection 20(25) of the ITA and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, in the prescribed forms and within the time period permitted under the ITA and under any other applicable provincial statute as to such amount paid by the Vendor to the Purchaser for assuming future obligations. In this regard, the Purchaser and the Vendor acknowledge that a portion of the Purchased Assets transferred by the Vendor pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the ITA and the equivalent provisions of any applicable provincial or territorial statute, is being transferred by the Vendor as a payment for the assumption of such future obligations by the Purchaser.

4.8 Costs

Except as otherwise provided herein, each of the Vendor and the Purchaser shall be responsible for its own costs (including, without limitation, costs of its solicitors) in respect of this Transaction.

4.9 Assumed Contracts

Subject to Section 4.10, on Closing the Vendor shall be deemed to have assigned the benefit of the Assumed Contracts and the Purchaser shall be deemed to have assumed, all of the Subject Companies’ obligations and liabilities relating to such Assumed Contracts arising and accruing in respect of the period after Closing and not related to any default existing at, prior to or as a consequence of the Closing or of the assignment of such Assumed Contract (collectively, the “**Assumed Liabilities**”), in each case without payment of any additional consideration.

4.10 Consent Required Contracts

Nothing in this Agreement shall be construed as an agreement to assign any Assumed Contract that is not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto other than the Vendor, unless the consent, approval or waiver required to assign such Assumed Contract has been given. The Purchaser shall use reasonable commercial efforts to obtain any required Third Party Consents. Any Cure Payments required to be paid in connection with the assignment of any Assumed Contract shall be borne equally by the Vendor and the Purchaser, with the Vendor’s portion of the Cure Payments deducted from the Purchase Price. Any Cure Payments to be paid following Closing shall be paid by the Purchaser. The Purchaser

shall be under no obligation to pay any money, incur any obligations, commence any legal proceedings, or offer or grant any accommodation (financial or otherwise) to any third party in order to obtain any Third Party Consent.

5. CONDITIONS IN FAVOUR OF THE PURCHASER

5.1 The Purchaser's obligations under this Agreement are conditional upon the performance of or compliance with the following terms and conditions (which are included in this Agreement for the benefit of the Purchaser and where applicable, may be waived in writing in whole or in part by the Purchaser at any time):

- (a) the representations and warranties of the Vendor set forth in Section 7 shall be true and correct as of the Closing Time and have the same force and effect as if made at and as of such time;
- (b) at the Closing Time, no Order will have been issued by a court of competent jurisdiction which remains in effect, and no action or proceeding will have been instigated which remains pending before a court of competent jurisdiction, to prevent the purchase and sale of the Purchased Assets or any portion thereof pursuant to this Agreement;
- (c) the Vendor shall have executed and delivered all agreements, instruments and documentation contemplated by this Agreement, and complied with all the terms, covenants and conditions of this Agreement to be performed or complied with by the Vendor to conclude the Transaction at or prior to the Closing Time;
- (d) pursuant to the Approval and Vesting Order and Sale Recognition Order, the Purchased Assets shall vest in and to the Purchaser free and clear of any Encumbrances, other than Permitted Encumbrances;
- (e) no Material Adverse Change has occurred;
- (f) the Approval and Vesting Order shall have been issued by the Canadian Court and shall be a Final Order; and
- (g) the Sale Recognition Order shall have been issued by the U.S. Court and shall be a Final Order.

5.2 Purchaser's Right to Terminate

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in Section 5.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in Section

5.1 is not satisfied or performed on or prior to the Closing Date, the Purchaser may elect, on written notice to the Vendor, to terminate the Agreement.

5.3 Purchaser's Right to Waive

The Purchaser may, in its sole discretion, waive any of the foregoing conditions. Any waiver by the Purchaser must be in writing and delivered to the Vendor's Solicitors.

6. CONDITIONS IN FAVOUR OF THE VENDOR

6.1 The Vendor's obligations under this Agreement are conditional upon the performance of or compliance with the following terms and conditions (which are included in this Agreement for the benefit of the Vendor and where applicable, may be waived in writing in whole or in part by the Vendor at any time):

- (a) the representations and warranties of the Purchaser set forth in Section 8 hereof shall be true and correct as of the Closing Time and have the same force and effect as if made at and as of such time;
- (b) the Purchaser shall have executed and delivered all agreements, instruments and documentation contemplated by this Agreement, and complied with all the terms, covenants and conditions of this Agreement to be performed or complied with by the Purchaser to conclude the Transaction at or prior to the Closing Time;
- (c) the Purchaser shall have paid the Purchase Price;
- (d) at the Closing Time, no order will have been issued by a court of competent jurisdiction which remains in effect, and no action or proceeding will have been instigated which remains pending before a court of competent jurisdiction, to prevent the purchase and sale of the Purchased Assets or any portion thereof pursuant to this Agreement;
- (e) the Approval and Vesting Order shall have been issued by the Canadian Court and shall be a Final Order; and
- (f) the Sale Recognition Order shall have been issued by the U.S. Court and shall be a Final Order.

6.2 Vendor's Right to Terminate

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in Section 6.1 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section

6.1 is not satisfied or performed on or prior to the Closing Date, the Vendor may elect, on written notice to the Purchaser, to terminate this Agreement.

7. REPRESENTATIONS AND WARRANTIES BY THE VENDOR

7.1 The Vendor represents, warrants and covenants to the Purchaser, with the intent that the Purchaser will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction:

- (a) subject to obtaining the Approval and Vesting Order and the Sale Recognition Order, on Closing, the Vendor shall have the power and authority to sell the Purchased Assets to the Purchaser, in accordance with the terms and conditions of this Agreement, the Approval and Vesting Order and the Sale Recognition Order;
- (b) subject to obtaining the Approval and Vesting Order, the Sale Recognition Order, and any other orders required by the Court in connection with the Transactions, this Agreement constitutes a valid and legally binding obligation of the Vendor enforceable against the Vendor in accordance with its terms;
- (c) Giftcraft Ltd. is registered for the purposes of Part IX of the ETA, and the Vendor shall provide its registration number to the Purchaser on or prior to the Closing;
- (d) Giftcraft Ltd. is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (e) based on the information provided by the Debtors' management and tax advisors, the Purchased Assets that are owned by Giftcraft Inc. and Yosox USA Inc. do not constitute "taxable Canadian property" within the meaning of section 116 of the *Income Tax Act* (Canada); and
- (f) there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement made by or on behalf of the Vendor.

7.2 All representations and warranties set forth in Section 7.1 will be true and correct on and as of the Closing Time with the same force and effect as if made on and as of such date.

7.3 Except as set forth in this Agreement, the Vendor makes no covenants, representations or warranties whatsoever, including with respect to the condition of the Purchased Assets and the sufficiency or condition of the Subject Companies' title thereto.

8. REPRESENTATIONS AND WARRANTIES BY THE PURCHASER

8.1 The Purchaser represents and warrants to the Vendor as follows, with the intent that the Vendor will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction:

- (a) the Purchaser is duly incorporated, organized and a subsisting corporation under the laws of the jurisdiction of its formation and the Purchaser has all necessary corporate power and authority to enter into this Agreement and carry out its obligations hereunder;
- (b) the execution and delivery of this Agreement and the completion of the Transaction contemplated by this Agreement have been duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement constitutes a legal, valid, and binding obligation of the Purchaser;
- (c) there is no Legal Proceeding in progress, pending against or threatened against or affecting either Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder;
- (d) the execution and delivery of this Agreement and the completion of the Transaction require no approval, consent or other action of any Governmental Authority or Person;
- (e) the Purchaser is not a “non-Canadian” within the meaning of the *Investment Canada Act*, RSC 1985, c 28 and at the Closing Time will be registered for GST/HST purposes under Part IX of the *ETA*, and shall provide its registration number to the Vendor at or prior to Closing; and
- (f) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

8.2 All representations and warranties set forth in Section 8.1 will be true and correct on and as of the Closing Time with the same force and effect as if made on and as of such date.

9. AS IS WHERE IS

9.1 Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Vendor set forth in Section 7.1, it is entering into this Agreement and acquiring the Subject Companies’ right, title and interest, if any, in and to the Purchased Assets on an “as is, where is” basis as they exist as of the Closing Time with no recourse to the Vendor and will accept the Purchased Assets in their state, condition and location as of the Closing Time;

- (b) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets as it deemed appropriate, and based solely thereon, has determined to proceed with the Transaction;
- (c) except as expressly stated in Section 7.1 , neither the Vendor nor its representatives have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Vendor's right, title or interest in or to the Purchased Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;
- (d) all written and oral information obtained from the Vendor or its representatives, including in any asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain "**data rooms**", management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets has been obtained for the convenience of the Purchaser only, and neither the Vendor nor its representatives have made any representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information; and
- (e) any information regarding or describing the Purchased Assets in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Vendor, the Receiver or their representatives, or any other Person concerning the completeness or accuracy of such information or descriptions.

9.2 Notwithstanding anything to the contrary herein, the Purchaser hereby expressly acknowledges that if any consents of any Governmental Authority (other than the Approval and Vesting Order and Sale Recognition Order) are required to effect the transfer of any of the Purchased Assets, then it is the sole responsibility of the Purchaser to obtain any such consents, and the granting of any such consents shall not be a condition precedent to the Purchaser's obligations under this Agreement, including the payment of the Purchase Price. At the request and cost of the Purchaser, both before and after the Closing Date, the Vendor will assist the Purchaser in its efforts to obtain any consents required of any Government Authority in order to complete the sale and transfer of the Purchased Assets pursuant to this Agreement.

10. COVENANTS

- 10.1** From and after the date hereof until the Closing Date, Purchaser shall use commercially reasonable efforts to obtain all Third Party Consents prior to the Closing Time.
- 10.2** The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent reasonably feasible), available to the Vendor, its respective successors, and any trustee in bankruptcy, and shall permit any of the foregoing persons to take copies of such Books and Records as they may require.
- 10.3** Subject to Applicable Laws, the Vendor shall (a) upon reasonable notice, permit the Purchaser and its employees, agents, counsel, accountants or other representatives, to have reasonable access during normal business hours to (i) the Purchased Assets, including all Books and Records pertaining to the Purchased Business in the Vendor's possession and control, (ii) all contracts and agreements relating directly or indirectly to the Purchased Business, including distribution contracts, e-commerce accounts and agreements, (iii) personnel files relating to the employees of the Purchased Business (which shall be maintained in strict confidence by the Purchaser and only used for the purpose of considering and/or making employment offers to employees), and (iv) the senior personnel of the Subject Companies; and (b) furnish to the Purchaser or its employees, agents, counsel, accountants or other such representatives such financial and operating data and other information as they may reasonably request.
- 10.4** No later than three (3) Business Days following Closing Date, provided that the Approval and Vesting Order and the Sale Recognition Order authorize the Vendor to change the names of the Subject Companies, the Vendor will file all documents with the appropriate Governmental Authorities to change the name of the Subject Companies to names that are not the same or confusingly similar to the name "Giftcraft" or "Yosox". Notwithstanding any other provision of this Agreement, the Vendor may refer to "Giftcraft Ltd.", "Giftcraft Inc.", and "Yosox USA Inc." as former names, including for legal and noticing purposes in the Receivership Proceeding and the Chapter 15 Cases, the winding down of the affairs of the Subject Companies, for the purposes of liquidation sales, sales of Damaged Inventory, or the collection of accounts receivable included in Excluded Assets, or as otherwise required by Applicable Law.
- 10.5** After the Closing: (a) the Vendor will use commercially reasonable efforts to promptly notify the Purchaser of each inquiry that it or any of the Subject Companies receives relating to the Purchased Assets. Without limiting the generality of the foregoing, the Vendor shall forward all correspondence relating to or received in connection with the Purchased Assets, including electronic mail addressed to Transferred Employees, to addresses specified by the Purchaser; and (b) if the Vendor receives any property, assets or monies properly belonging to the Purchaser as a result of the transfer of the Purchased Assets and the Transactions (including any payments on account of Accounts Receivable included in the Purchased Assets or made pursuant to any Assumed Contract), the Vendor

will promptly advise the Purchaser thereof in writing, will segregate and hold such property, assets or monies in trust for the benefit of the Purchaser, and will promptly deliver such property, assets or monies as the Purchaser may direct.

- 10.6** After the Closing: (a) the Purchaser will use commercially reasonable efforts to promptly notify the Vendor of each inquiry that it receives relating to the Excluded Assets or any Property that is not a Purchased Asset. Without limiting the generality of the foregoing, the Purchaser shall forward all correspondence relating to or received in connection with the Excluded Assets or property that is not a Purchased Asset, to addresses specified by the Vendor; and (b) if the Purchaser receives any property, assets or monies properly belonging to the Vendor (including any payments on account of Accounts Receivable that are an Excluded Asset or any contract that is not an Assumed Contract), the Purchaser will promptly advise the Vendor thereof in writing, will segregate and hold such property, assets or monies in trust for the benefit of the Vendor, and will promptly deliver such property, assets or monies as the Vendor may direct.
- 10.7** From the date hereof until the Closing Date, the Vendor shall not, directly or indirectly, solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, or enter into any agreement with, any Person (other than the Purchaser) relating to any transaction involving the sale of any of the Purchased Assets.

11. EMPLOYEES

- 11.1** The Purchaser may make written offers of employment to any employees that the Purchaser wishes to employ no later than two Business Days prior to the Closing Date, which shall be conditional upon Closing and effective as of the Closing Time. The Purchaser shall assume and be responsible for all Liabilities and obligations with respect to the Transferred Employees arising on or after the Closing Date. The Purchaser shall provide to the Vendor the final list of Transferred Employees no later than the Closing Date.
- 11.2** The Purchaser shall not be liable for any salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of the employees of the Subject Companies for the period prior to the Closing Date. The Purchaser shall not be liable for statutory notice of termination or payment in lieu of notice obligations and statutory severance obligations in respect of any employees of the Subject Companies, other than in respect of the Transferred Employees.

12. INTERIM PERIOD

- 12.1** Subject to any order or direction made by the Canadian Court or U.S. Court, during the Interim Period, the Vendor:
- (a) shall use commercially reasonable efforts to maintain the goodwill of the Purchased Business, will not engage in any activities or transactions which are outside the ordinary and usual course of the Purchased Business, will maintain the Purchased Assets in good working order and condition, and shall not transport, remove, or dispose of the Purchased Assets outside the ordinary course of business, except:

- (i) as contemplated or permitted by this Agreement;
- (ii) as necessary in connection with the Receivership Proceeding or the Chapter 15 Cases;
- (iii) as otherwise provided for in the Receivership Order and any other Court Order issued prior to the Closing Time; or
- (iv) as consented to by the Purchaser, such consent not to be unreasonably withheld, conditioned or delayed;

provided, however, that in the event any actions are taken by the Vendor pursuant to Section 12.1(a)(ii) or Section 12.1(a)(iii), the Vendor shall provide prompt written notice thereof to the Purchaser.

12.2 Subject to the terms of this Agreement, the Vendor will use all commercially reasonable efforts to take or cause to be taken all other actions, and do or cause to be done all other things, necessary or appropriate to obtain the Approval and Vesting Order and the Sale Recognition Order.

12.3 Subject to any order or direction made by the Canadian Court or U.S. Court, during the Interim Period, the Vendor shall not materially amend, disclaim, or restate any Assumed Contract except with the prior written consent of the Purchaser.

13. TERMINATION

This Agreement may be terminated by notice given prior to or at the Closing Time as follows:

- (a) by mutual written agreement of the Parties;
- (b) by the Purchaser by notice in writing to the Vendor if the Vendor has failed to comply in any material respect with any of its obligations under this Agreement (other than those to be performed at the Closing Time) for a period of three (3) Business Days (or a lesser period specified by the Purchaser if the Closing Date is to occur within three (3) Business Days after the giving of such notice) after the Purchaser shall have notified the Vendor of such failure to comply in writing;
- (c) by the Purchaser by notice in writing to the Vendor if any conditions specified in Section 5 have not been satisfied by the Closing Time, and the Purchaser has not waived such conditions by such time;
- (d) by the Vendor by notice in writing to the Purchaser if the Purchaser has failed to comply in any material respect with any of its obligations under this Agreement (other than those to be performed at the Closing Time) for a period of three Business Days (or a lesser period specified by the Purchaser if the Closing Date is to occur within three Business Days after the giving of such notice) after the Vendor shall have notified the Purchaser of such failure to comply in writing;

- (e) by the Vendor by notice in writing to the Purchaser if the conditions specified in Section 6 have not been satisfied by the Closing Time and the Vendor has not waived such conditions by such time; or
- (f) by either of the Parties on written notice to the other, provided such Party is not in material breach of its obligations under this Agreement, if the Approval and Vesting Order and Sale Recognition Order have not been pronounced and entered by the Outside Date.

14. CLOSING

14.1 Subject to the terms and conditions of this Agreement, and the satisfaction or waiver of the conditions precedent in Sections 5 and 6, the purchase and sale of the Purchased Assets will be completed at the Closing Time. The Closing shall be deemed to have occurred upon delivery by the Vendor of an executed copy of the Receiver's Certificate to the Purchaser.

14.2 At or prior to the Closing Time, the Purchaser will deliver, or cause to be delivered to the Vendor:

- (a) payment of the balance of the Purchase Price and all applicable Transfer Taxes;
- (b) if requested by the Purchaser and available at Law, the executed joint elections set forth in Section 4.7;
- (c) a certificate of the Purchaser (without personal liability on the part of the individual making such certificate), certifying that each of the representations and warranties of the Purchaser set forth in Section 8 are true and accurate in all material respects on the Closing Date;
- (d) a duly executed Assignment and Assumption Agreement;
- (e) copies of the Third Party Consents;
- (f) a duly executed Assignment of Intellectual Property Agreement;
- (g) a certificate of an officer of the Purchaser dated as of the Closing confirming that each of the conditions set forth in Section 5.1 have been satisfied;
- (h) all such assignments, instruments of transfer, deeds, assurances, consents, registrations, and other documents executed by the Purchaser as reasonably requested by the Vendor in connection with the Transaction and the purchase of the Purchased Assets by the Purchaser; and
- (i) any other documents or deliveries required pursuant to this Agreement.

14.3 At or prior to Closing Time, the Vendor shall deliver, or cause to be delivered to the Purchaser:

- (a) copies of the Approval and Vesting Order and the Sale Recognition Order;
- (b) if requested by the Purchaser and available at Law, the executed joint elections set forth in Section 4.7;
- (c) a certificate of the Vendor (without personal liability on the part of the individual making such certificate), certifying that each of the representations and warranties of the Vendor set forth in Section 7.1 are true and accurate in all material respects on the Closing Date;
- (d) a duly executed copy of the Receiver's Certificate;
- (e) a duly executed Assignment and Assumption Agreement;
- (f) a duly executed Assignment of Intellectual Property Agreement;
- (g) true and complete copies of the Assumed Contracts to which the Subject Companies are party, to the extent not delivered prior to Closing;
- (h) the Books and Records in the Vendor's possession and control;
- (i) all such assignments, instruments of transfer, deeds, assurances, consents, registrations, and other documents executed by the Vendor as reasonably requested by the Purchaser in connection with the Transaction and the purchase of the Purchased Assets by the Purchaser; and
- (j) any other documents or deliveries required pursuant to this Agreement.

14.4 The Purchaser shall have a period of fifteen (15) days from the Closing Date to take physical possession of the Purchased Assets. During such period, the Vendor shall make the Purchased Assets available for delivery to the Purchaser at 8550 Airport Road, Brampton, Ontario, and shall permit the Purchaser and its employees, agents or other representatives, to have reasonable access to thereto to enable the Purchaser to take physical possession thereof. The Vendor shall provide such assistance as may be reasonably required to facilitate the delivery of the Purchased Assets to the Purchaser in accordance with this Section 14.4. In the event any Inventory is delivered to the Purchaser which is subsequently determined to be Damaged Inventory, the Vendor shall be responsible for collecting such Damaged Inventory from the Purchaser.

15. LIABILITY OF THE RECEIVER

The Purchaser hereby expressly acknowledges and agrees that KPMG Inc. is entering into this Agreement only in its representative capacity as Court-appointed Receiver of the Property and KPMG Inc. shall have no Liability in its personal or corporate capacity under or as a result of entering into this Agreement or carrying out the Transaction which is the subject of this Agreement.

16. NOTICE

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by email or by hand-delivery as hereinafter provided. Any such notice or other communication, if sent by electronic communication, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. Notices and other communications shall be addressed as follows:

(a) if to the Vendor:

KPMG Inc.
Attn: **Pritesh Patel/Kristina Ho**
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5

Email: pritchpatel@kpmg.ca / Kristinaho@kpmg.ca

with a copy to:

Kenneth Kraft
Dentons Canada LLP
77 King Street West, Suite 400
Toronto, ON M5H 2A1

Email: Kenneth.Kraft@Dentons.com

(b) if to the Purchaser:

GIFTCRAFT 2025 INC.
Attn: **Grant Pittam / Bin Wang**
123 Great Gulf Drive
Concord, Ontario L4K 5V1

Email: gpittam@ctgbrands.com / bwang@ctgbrands.com

with a copy to:

Matthew Kindree
Pallett Valo LLP
77 City Centre Drive, West Tower, Ste 300
Mississauga, Ontario, Canada L5B 1M5

E-mail: mkindree@pallettvalo.com

17. GENERAL

17.1 Risk of Loss

Until the Closing Time, the Purchased Assets shall remain at the risk of the Vendor. After Closing occurs, the Purchased Assets shall be at the sole risk of the Purchaser. If, prior to the Closing Time, all or any material part of the Purchased Assets are destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by any Governmental Authority or other lawful authority, the Purchaser shall be entitled but not required to complete the purchase contemplated hereby, subject to a reduction in the Purchase Price to be mutually agreed upon by the Vendor and the Purchaser, each acting reasonably. If the Purchaser elects to complete the purchase contemplated hereby in accordance with the previous sentence, the Purchaser shall be entitled to all proceeds of insurance related to the Purchased Assets arising from such destruction or damage, in the event of destruction or damage, and, in the event of appropriation, expropriation or seizure, to all compensation related to the Purchased Assets for appropriation, expropriation or seizure, to all compensation related to the Purchased Assets for appropriation, expropriation or seizure that are, in each case, payable to the Vendor, and all right and claim of the Vendor to any such amounts not paid by the Closing Date shall be assigned to the Purchaser.

17.2 Further Assurances

The Parties will execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

17.3 Legal Advice

The Parties have each consulted with and been advised by their own solicitors before entering into this Agreement.

17.4 Expenses

Each Party shall pay all of its own expenses (including taxes imposed on those expenses) incurred in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transaction, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

17.5 No Third Party Beneficiary

This Agreement is solely for the benefit of the Parties, and no third party accrues any benefit, claim or right of any kind pursuant to, under, by or through this Agreement.

17.6 Entire Agreement

This Agreement constitutes the entire agreement between the Parties, and there are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Agreement.

17.7 Amendment

No amendment of this Agreement will be binding unless made in writing by both Parties.

17.8 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited, or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition, or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances.

17.9 Assignment

This Agreement may not be assigned by any Party without the prior written consent of the other Party, which consent may be arbitrarily withheld, provided that the Purchaser may designate one or more nominees to take title in and to the Purchased Assets by giving the Vendor written notice of such assignment at least five Business Days prior to the date of the hearing for the Approval and Vesting Order.

17.10 Time of the Essence

Time will be of the essence of this Agreement.

17.11 Applicable Law and Court Jurisdiction

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the Federal laws of Canada applicable therein, and the Parties hereby attorn to the jurisdiction of the Canadian Court.

17.12 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

17.13 Counterparts

This Agreement may be signed in counterparts and each such counterpart will constitute an original document, and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by email or any other form of electronic transmission.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

KPMG INC., solely in its capacity as court-appointed receiver of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc. Ripskirt Hawaii, LLC, and Yosox USA Inc., and not in its personal or corporate



Name: Pritesh Patel
Title: Senior Vice President

GIFTCRAFT 2025 INC.

Name:
Title:

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CTG Brands Inc. hereby guarantees the obligations of the Purchaser under this Agreement:

CTG BRANDS INC.

Name:
Title:

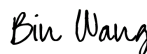
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

KPMG INC., solely in its capacity as court-appointed receiver of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc. Ripskirt Hawaii, LLC, and Yosox USA Inc., and not in its personal or corporate capacity

Name:
Title:

GIFTCRAFT 2025 INC.

Signed by:



Name: Bin Wang
Title: Authorized Signing Authority

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CTG Brands Inc. hereby guarantees the obligations of the Purchaser under this Agreement:

CTG BRANDS INC.

Signed by:



Name: Bin Wang
Title: Authorized Signing Authority

Schedule “A”
Purchased Assets

- (a) Accounts Receivable;
- (b) Inventory, including goods under the Charlie Page product line and brand;
- (c) Information Technology;
- (d) Intellectual Property, including all rights in the Intellectual Property set forth in Schedule “F”;
- (e) Licenses, registrations and qualifications of the Subject Companies required by any governmental or regulatory authority, to the extent transferable;
- (f) All warranties and warranty rights (express or implied) against manufacturers and Vendors which apply to any of the Purchased Assets and all maintenance contracts on machinery, equipment, and the other Purchased Assets (where applicable);
- (g) All showroom and office furniture, fixtures, displays and props;
- (h) All of the Subject Companies’ rights to contracts and agreements (written or oral) relating directly or indirectly to the Purchased Business, including distribution contracts, e-commerce accounts, agreements and the Assumed Contracts;
- (i) All of the Subject Companies’ rights to future-dated sales orders, customer data, customer information and purchase history, including the Key Accounts Receivable;
- (j) All of the Subject Companies’ rights to supplier contracts, including any supplier data, supplier information, past purchase history and any deposits paid to suppliers with respect to those supplier contracts; and
- (k) All assets held in the name of one or more of the Debtors (other than the Subject Companies) that are used in the Purchased Business.

Schedule "B"
Key Accounts Receivable

Giftcraft Inc.

ANCHOR DISTRIBUTORS/WHITAKER CORPORATION
 BARNES & NOBLE PURCHASING PS
 BARNES & NOBLE PURCHASING, INC
 CAESARS ENTERTAINMENT
 C-A-L RANCH STORES
 COLDWATER CREEK INTERNATIONAL
 DELAWARE NORTH
 DELAWARE NORTH RETAIL
 DOLLGENCORP LLC
 FAIRE WHOLESale, INC
 FASHIONGO
 HOSPITALITY PURVEYORS
 IMPERIAL DISTRIBUTORS, INC
 LAMAJAK INC
 MARDEL INC
 MARSHALL RETAIL GROUP LLC
 NAF BUSINESS AND SUPPORT
 PARADIES LAGARDERE TRAVEL
 PARK WEST GALLERY
 PERSONALIZATION MALL
 SEAWORLD PARKS & ENTERTAINMENT
 SIERRA
 VETERANS CANTEEN SERVICE
 VON MAUR
 YANKEE CANDLE CO., INC

Giftcraft Ltd.

ANDREW PELLER LTC
 AUBAINERIE
 AUBAINERIE MAGASIN 97
 CANADIAN TIRE
 COSTCO CANADA
 COSTCO WHOLESALE UK LTD
 FAIRE WHOLESale, INC (CAN)
 FASHIONGO (CDA)
 GREENHAWK INC
 KENT BUILDING SUPPLIES
 LAWTON'S DRUG STORES LTD
 LCBO
 LEONS FURNITURE LTD
 LINEN CHEST
 MACY'S
 MACY'S BACKSTAGE
 MCKESSON CANADA
 NIAGARA PARKS COMMISSION
 POPSHELF
 REXALL
 ROGERS MEDIA INC -ATTN TSC
 SHOPPERS DRUG MART INC
 THE SHOPPING CHANNEL
 WAL-MART CANADA CORP
 WAYFAIR LLC

Schedule "C"
Form of Approval and Vesting Order

Attached.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE	)	MONDAY, THE 14th
	)	
JUSTICE CAVANAGH	)	DAY OF JULY, 2025

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and –

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPSIRT HAWAII, LLC AND
YOSOX USA INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED**

APPROVAL AND VESTING ORDER

KPMG Inc., in its capacity as the court-appointed receiver (the “**Receiver**”), of all of the assets, undertakings and properties of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripsirt Hawaii, LLC and Yosox USA Inc. (collectively, the “**Debtors**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Sale Agreement**”) between the Receiver and Giftcraft 2025 Inc. (the “**Purchaser**”) dated July 7, 2025 and appended to the First Report of the Receiver, dated [DATE] (the “**First Report**”), and vesting in the Purchaser the right, title and interest of Giftcraft Ltd., Giftcraft Inc. and Yosox USA Inc. (collectively, the “**Subject**”

Companies”) in and to the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the First Report, the Factum of the Receiver dated [●] and on hearing the submissions of counsel for the Receiver, and all other counsel listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [●] sworn [●], filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby ratified and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule “A” hereto (the “**Receiver's Certificate**”), all of the Subject Companies' right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Osborne, dated May 14, 2025; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*

(Ontario), Article 9 of the Uniform Commercial Code (Delaware) and Article 9 of the Uniform Commercial Code (New York), or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”), and for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets upon delivery of the Receiver’s Certificate.

4. **THIS COURT ORDERS** that upon the issuance of the Receiver’s Certificate, any of the Receiver or the Purchaser shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets (including by filing such financing charge statements in the Ontario Personal Property Registry (or any analogous legislation as may be necessary)) provided that the Receiver and the Purchaser shall not be authorized to effect any discharge that would have the effect of releasing any Encumbrances against any property other than the Purchased Assets.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Subject Companies’ records pertaining to the Transferred Employees (as defined in the Sale Agreement). The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Subject Companies.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

CHANGE OF NAME AND STYLE OF CAUSE

9. **THIS COURT ORDERS** that the Receiver is authorized to execute and file articles of amendment or such other documents or instruments as may be required to change the Subject Companies' legal names to names that do not include "Giftcraft" or "Yosox", and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective and shall be accepted by the applicable Governmental Authority (as defined in the Sale Agreement) without any requirement to obtain director, shareholder or partner consent.

10. **THIS COURT ORDERS** that, upon the official change to the legal names of each of the Subject Companies that is to occur in accordance with paragraph 9, the names of "Giftcraft Ltd.", "Giftcraft Inc." and "Yosox USA Inc." in the within title of proceedings shall be deleted and replaced with the new and respective legal names of each "Giftcraft Ltd.", "Giftcraft Inc." and "Yosox USA Inc.", and any document filed thereafter in these proceedings (other than the Receiver's Certificate) shall be filed using such revised title of proceedings.

11. **THIS COURT ORDERS** that, notwithstanding paragraphs 9 and 10 this Order shall not prevent the Receiver from referring to “Giftcraft Ltd.”, “Giftcraft Inc.” and “Yosox USA Inc.” for the purposes of any legal or noticing purposes or otherwise in relation to the within proceeding or the Chapter 15 Cases (defined below), the winding down of the affairs of the Subject Companies, for the purposes of liquidation sales, sales of Damaged Inventory (as defined in the Sale Agreement), or the collection of accounts receivable not included as Purchased Assets, or as otherwise required by law.

GENERAL

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order. Specifically, and for the avoidance of doubt, the Receiver is hereby authorized as the Foreign Representative in the jointly administered cases proceeding as In re Giftcraft Ltd., *et al.*, Chapter 15 Bankruptcy Case No. 25-11030 (MG) (the “**Chapter 15 Cases**”) before the United States Bankruptcy Court for the Southern District of New York to seek entry of an order authorizing the effectiveness of this Order within the United States including: (a) the sale of the Purchased Assets free and clear of liens, claims and encumbrances pursuant to sections 105(a), 363(b), 363(f) and 1521(a)(7) of title 11 of the United States Code; and (b) the changes to the names of Giftcraft Inc. and Yosox USA Inc.

Court File No. CV-25-00743864-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and –

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPS KIRT HAWAII, LLC AND
YOSOX USA INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED**

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 14, 2025, KPMG Inc. was appointed as the receiver (the “**Receiver**”) of the assets, undertakings and properties of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripskirt Hawaii, LLC and Yosox USA Inc. (collectively, the “**Debtors**”).

B. Pursuant to an Order of the Court dated [DATE], the Court approved the asset purchase agreement made as of July 7, 2025 (the “**Sale Agreement**”) between the Receiver and Giftcraft 2025 Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the right, title and interest of Giftcraft Ltd., Giftcraft Inc. and Yosox USA Inc. (collectively, the “**Subject Companies**”) in and to the Purchased Assets, which vesting is to be effective with respect to the

Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 5 and 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 5 and 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**KPMG Inc., in its capacity as Receiver of
Gifcraft Ltd., Gifcraft Midco, Inc., Gifcraft
Holdings USA Inc., Gifcraft Holdings, Inc.,
Gifcraft Inc., Ripskirt Hawaii, LLC and
Yosox USA Inc., and not in its personal or
corporate capacity**

Per: _____

Name:

Title:

ROYAL BANK OF CANADA
Applicant

- and -

GIFTCRAFT LTD., et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

DENTONS CANADA LLP

77 King Street West, Suite 400
 Toronto-Dominion Centre
 Toronto, ON M5K 0A1

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Tel: 416-863-4402

sara.wilson@dentons.com

*Lawyers for KPMG Inc. in its capacity court-appointed
 receiver of Giftcraft Ltd., et al.*

Schedule “D”
Assumed Contracts

Attached.

Schedule “D”
Assumed Contracts

Shopify Plus Agreement between Giftcraft Ltd. and Shopify Inc. dated February 18, 2025.

Meltwater Services between Giftcraft and Meltwater News Canada Inc. dated April 4, 2025.

Software & Support Subscription & License Agreement between EMUN Incorporated and GiftCraft, Ltd., dated January 16, 2024.

Product Supply and License Agreement between Paper Source LLC and Giftcraft Inc., dated March 14, 2025.

Canadian Tire Corporation, Limited Purchase Agreement between Canadian Tire Corporation, Limited and Giftcraft Ltd., dated June 22, 2016.

Vendor Purchase Program Agreement between Costco Wholesale Corporation and Giftcraft Ltd. dated January 7, 2025.

2019 Vendor Agreement between Giftcraft Inc. and Lori’s Gifts dated February 20, 2019.

Vendor Rebate Agreement between Giftcraft Inc. and Dollar General Corporation dated February 20, 2025.

Main Contract Vendor Agreement between Today’s Shopping Choice (TSC) A Division of Rogers Media Inc. and Giftcraft Ltd., dated September 3, 2019.

Vendor Agreement between Purchasing Power Plus and Giftcraft dated March 6, 2024.

Such other contracts that the Purchaser requests to be added up to the Business Day before Closing.

Schedule “E”

Intentionally deleted

Schedule “F”
Intellectual Property

Attached.



No.	Reg./Ser. No.	Trademark	Country	Record Owner	Status	Next Action Due
1.	7,227,483	ASTRAL BY CHARLIE PAIGE (2039T051) (class 14)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Nov. 28, 2028
2.	TMA1238905	ASTRAL BY CHARLIE PAIGE (2039T051CA)	CA	Giftcraft Ltd.	Registered	Renewal Due by Jun. 14, 2034
3.	6,181,753	BE OUR GUEST (2039T038) (classes 8, 16, 18, 20, 21, 24)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Oct. 20, 2025
4.	TMA1269385	BE OUR GUEST (2039T038CA)	CA	Giftcraft Ltd.	Registered	Renewal Due by Nov. 15, 2034
5.	TMA809492		CA	Giftcraft Ltd.	Registered	Renewal Due by Oct. 19, 2026
6.	TMA768427		CA	Giftcraft Ltd.	Registered	Renewal Due by June 2, 2025
7.	TMA768409	BIRTHDAY WISHES	CA	Giftcraft Ltd.	Registered	Renewal Due by June 2, 2025
8.	6,381,997	CARTWHEELS (2039T037A) (classes 18, 21, 26)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Jun. 8, 2026



No.	Reg./Ser. No.	Trademark	Country	Record Owner	Status	Next Action Due
9.	88/708,351	CARTWHEELS (2039T037) (class 25)	US	Giftcraft Ltd.	Pending	Statement of Use or Request for Extension of time due by Jun. 19, 2025
10.	7,787,450	CARTWHEELS BY CHARLIE PAIGE (2039T039) (classes 18, 21, 25, 26)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting May 6, 2030
11.	TMA1288930	CARTWHEELS BY CHARLIE PAIGE	CA	Giftcraft Ltd.	Registered	Renewal Due by Feb. 10, 2035
12.	4,486,080	CHARLIE PAIGE (2039T012) (classes 14, 18, 25)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting Feb. 18, 2033
13.	TMA889311	CHARLIE PAIGE	CA	Giftcraft Ltd.	Registered	Renewal Due by Nov. 04, 2029
14.	12128280	CHARLIE PAIGE (class 009)	CN	礼品工艺有限公司 GIFTCRAFT LTD.	Registered	Renewal Due by Jul. 27, 2034
15.	12128278	CHARLIE PAIGE (class 018)	CN	礼品工艺有限公司 GIFTCRAFT LTD.	Registered	Renewal Due by Jul. 27, 2034



No.	Reg./Ser. No.	Trademark	Country	Record Owner	Status	Next Action Due
16.	12128279	CHARLIE PAIGE (class 014)	CN	礼品工艺有限公司 GIFTCRAFT LTD.	Registered	Renewal Due by Jul. 27, 2034
17.	12128277	CHARLIE PAIGE (class 025)	CN	礼品工艺有限公司 GIFTCRAFT LTD.	Registered	Renewal Due by Jul. 27, 2034
18.	5,106,261	EARTH LUXE (2039T011) (class 4)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting Dec. 20, 2025
19.	5,325,069	EARTH LUXE (2039T017) (class 3)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting Oct. 31, 2026
20.	5,459,178	EARTH LUXE (2039T031) (class 3)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting May 1, 2027
21.	TMA1057423	EARTH LUXE	CA	Giftcraft Ltd.	Registered	Renewal Due by Oct. 03, 2029
22.	TMA983108	EARTH LUXE	CA	Giftcraft Ltd.	Registered	Renewal Due by Oct. 18, 2032
23.	TMA811353		CA	Giftcraft Ltd.	Registered	Renewal Due by Nov. 08, 2026
24.	TMA1005337	FANCY THAT	CA	Giftcraft Ltd.	Registered	Renewal Due by Sept. 21, 2033

No.	Reg./Ser. No.	Trademark	Country	Record Owner	Status	Next Action Due
25.	TMA991067	FOR TEA'S SAKE	CA	Giftcraft Ltd.	Registered	Renewal Due by Feb. 21, 2033
26.	2,238,594	GIFTCRAFT (2039T015) (class 35)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting Apr. 13, 2028
27.	TMA480471	GIFTCRAFT	CA	Giftcraft Ltd.	Registered	Renewal Due by Aug. 14, 2027
28.	TMA870227		CA	Giftcraft Ltd.	Registered	Renewal Due by Jan. 30, 2029
29.	10261297	 (class 021)	CN	礼品工艺有限公司 GIFTCRAFT LTD.	Registered	Renewal Due by Feb. 27, 2034
30.	3,762,098	GIFT GALLERY BY GIFTCRAFT (2039T036) (class 35)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting Mar. 23, 2029
31.	5,710,174	GNOMIES (2039T047A) (class 28)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due Sept. 26, 2025
32.	TMA1201741	GNOMIES	CA	Giftcraft Ltd.	Registered	Renewal Due by Oct. 04, 2033

No.	Reg./Ser. No.	Trademark	Country	Record Owner	Status	Next Action Due
33.	6,776,524	HUG FEEL THE LOVE (2039T046) (class 28)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Jun. 28, 2027
34.	TMA1201742	HUG FEEL THE LOVE	CA	Giftcraft Ltd.	Registered	Renewal Due by Oct. 04, 2033
35.	5,464,039	 (2039T029) (classes 14, 16, 21, 28)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting May 8, 2027
36.	5,464,045	JUST GOOD FUN (2039T030) (classes 14, 16, 21, 28)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting May 8, 2027
37.	5,885,913	LIL' LLAMA (2039T025) (classes 3, 16, 20, 21, 24)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due by Oct. 15, 2025
38.	TMA1043871	LIL' LLAMA	CA	Giftcraft Ltd.	Registered	Renewal Due by July 23, 2029
39.	5,782,427	 (2039T026) (classes 3, 16, 20, 21, 24, 25, 28)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due by Jun. 18, 2025

No.	Reg./Ser. No.	Trademark	Country	Record Owner	Status	Next Action Due
40.	TMA1057422		CA	Giftcraft Ltd.	Registered	Renewal Due by Oct. 03, 2029
41.	TMA758938	PIG TALES	CA	Giftcraft Ltd.	Registered	Renewal Due by Aug. 05, 2025
42.	6,482,419	MASKTRENZ (2039T044) (class 10)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Sept. 14, 2026
43.	6,495,006	 MASKTRENZ (2039T045) (class 10)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Sept. 21, 2026
44.	5,318,981	OMBRÉ (2039T020) (class 9)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting Oct. 24, 2026
45.	5,371,954	OMBRÉ EYEWEAR (2039T024) (class 9)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting Jan. 2, 2027
46.	TMA836333	QSPACES	CA	Giftcraft Ltd.	Registered	Renewal Due by Nov. 14, 2027
47.	TMA892630	QUE...	CA	Giftcraft Ltd.	Registered	Renewal Due by Dec. 18, 2029
48.	TMA836332	QUESPACES	CA	Giftcraft Ltd.	Registered	Renewal Due by Nov. 14, 2027

No.	Reg./Ser. No.	Trademark	Country	Record Owner	Status	Next Action Due
49.	TMA876880	RETROFLECTION	CA	Giftcraft Ltd.	Registered	Renewal Due by May 01, 2029
50.	TMA811354		CA	Giftcraft Ltd.	Registered	Renewal Due by Nov. 08, 2026
51.	TMA877308		CA	Giftcraft Ltd.	Registered	Renewal Due by May 07, 2029
52.	TMA879936	SIMPLY YOU	CA	Giftcraft Ltd.	Registered	Renewal Due by Jun. 11, 2029
53.	6,390,751	 (2039T042) (class 5)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Jun. 15, 2026
54.	6,390,749	STAY SAFE BY EARTH LUXE (2039T043) (class 5)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Jun. 15, 2026
55.	6,241,579	 (2039T040) (classes 8, 16, 18, 21, 22, 25)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Jan. 5, 2026

No.	Reg./Ser. No.	Trademark	Country	Record Owner	Status	Next Action Due
56.	6,330,242	 (2039T041) (classes 8, 16, 18, 21, 22, 25)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due starting Apr. 20, 2026
57.	5,846,738	THE HONEST BEAD (2039T032) (class 14)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due by Aug. 27, 2025
58.	5,646,347	YES DESIGNS (2039T028) (classes 3, 14, 16, 21, 28)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due Jan. 8, 2029
59.	5,684,422	 (2039T027) (classes 3, 14, 16, 21, 28)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due Feb. 26, 2029
60.	5,746,046	YO & CO. (2039T021) (class 25)	US	Giftcraft Ltd.	Registered	Declaration of Use due by Nov. 7, 2025
61.	5,746,047	YO & CO. (2039T022) (class 25)	US	Giftcraft Ltd.	Registered	Combined Declaration of Use & Incontestability due by Nov. 7, 2025



No.	Reg./Ser. No.	Trademark	Country	Record Owner	Status	Next Action Due
62.	4,503,260	YO SOX (2039T004) (class 25)	US	Giftcraft Ltd.	Registered	Declaration of Use/Renewal due starting Mar. 25, 2033
63.	TMA944607	YO SOX	CA	Giftcraft Ltd.	Registered	Renewal Due by Aug. 01, 2031
64.	12667676	YO SOX (class 25)	CN	礼品工艺有限公司 GIFTCRAFT LTD.	Registered	Renewal Due by Jan. 06, 2026
65.	302620601	YO SOX (class 25)	HK	Giftcraft Ltd.	Registered	Renewal Due by May 27, 2033

PATENTS OWNED BY GIFTCRAFT LTD.

No.	Reg. No.	Title	Country	Record Owner	Status	Next Action Due
1.	D872,643	FIGURINE (2039D001)	US	Giftcraft Ltd.	Issued	None – Patent Expires Jan. 14, 2035



No.	Reg. No.	Title	Country	Record Owner	Status	Next Action Due
2.	178477	FIGURINE (2039D001CA) 	CA	Giftcraft Ltd.	Issued	None – Patent Expires Oct. 1, 2028

TRADEMARKS OWNED BY GIFTCRAFT INC.

Reg. No.	Trademark	Country	Record Owner	Status	Next Action Due
1192538	YO SOX (class 025)	MP	Giftcraft Inc.	Registered	Renewal Due by Jan. 17, 2034

Confidential Appendix “1” to the First Report of the Receiver

REDACTED

Confidential Appendix “2” to the First Report of the Receiver

REDACTED

ROYAL BANK OF CANADA Applicant	- and -	GIFTCRAFT LTD., et al. Respondents
		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) PROCEEDING COMMENCED AT TORONTO
		FIRST REPORT OF KPMG INC. IN ITS CAPACITY AS RECEIVER
		DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1 Kenneth Kraft (LSO # 31919P) Tel: 416-863-4374 Fax: 416 863-4592 kenneth.kraft@dentons.com Sara-Ann Wilson (LSO # 56016C) Tel: 416-863-4402 sara.wilson@dentons.com <i>Lawyers for KPMG Inc. in its capacity court-appointed receiver of Giftcraft Ltd., et al.</i>

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE	)	MONDAY, THE 14th
	)	
JUSTICE CAVANAGH	)	DAY OF JULY, 2025

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and –

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPSIRT HAWAII, LLC AND
YOSOX USA INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED**

APPROVAL AND VESTING ORDER

KPMG Inc., in its capacity as the court-appointed receiver (the “**Receiver**”), of all of the assets, undertakings and properties of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripsirt Hawaii, LLC and Yosox USA Inc. (collectively, the “**Debtors**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Sale Agreement**”) between the Receiver and Giftcraft 2025 Inc. (the “**Purchaser**”) dated July 7, 2025 and appended to the First Report of the Receiver, dated July 8, 2025 (the “**First Report**”), and vesting in the Purchaser the right, title and interest of Giftcraft Ltd., Giftcraft Inc. and Yosox USA Inc. (collectively, the “**Subject**”

Companies”) in and to the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the First Report, the Factum of the Receiver dated July 8, 2025, and on hearing the submissions of counsel for the Receiver, and all other counsel listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ● sworn July ● 2025, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby ratified and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Subject Companies' right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Osborne, dated May 14, 2025; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), Article 9 of the Uniform Commercial Code (Delaware) and Article 9 of

the Uniform Commercial Code (New York), or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”), and for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets upon delivery of the Receiver’s Certificate.

4. **THIS COURT ORDERS** that upon the issuance of the Receiver’s Certificate, any of the Receiver or the Purchaser shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets (including by filing such financing change statements in the Ontario Personal Property Registry (or any analogous legislation as may be necessary)) provided that the Receiver and the Purchaser shall not be authorized to effect any discharge that would have the effect of releasing any Encumbrances against any property other than the Purchased Assets.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Subject Companies’ records pertaining to the Transferred Employees (as defined in the Sale Agreement). The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Subject Companies.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

CHANGE OF NAME AND STYLE OF CAUSE

9. **THIS COURT ORDERS** that the Receiver is authorized to execute and file articles of amendment or such other documents or instruments as may be required to change the Subject Companies' legal names to names that do not include "Giftcraft" or "Yosox", and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective and shall be accepted by the applicable Governmental Authority (as defined in the Sale Agreement) without any requirement to obtain director, shareholder or partner consent.

10. **THIS COURT ORDERS** that, upon the official change to the legal names of each of the Subject Companies that is to occur in accordance with paragraph 9, the names of "Giftcraft Ltd.", "Giftcraft Inc." and "Yosox USA Inc." in the within title of proceedings shall be deleted and replaced with the new and respective legal names of each "Giftcraft Ltd.", "Giftcraft Inc." and "Yosox USA Inc.", and any document filed thereafter in these proceedings (other than the Receiver's Certificate) shall be filed using such revised title of proceedings.

11. **THIS COURT ORDERS** that, notwithstanding paragraphs 9 and 10 this Order shall not prevent the Receiver from referring to “Giftcraft Ltd.”, “Giftcraft Inc.” and “Yosox USA Inc.” for the purposes of any legal or noticing purposes or otherwise in relation to the within proceeding or the Chapter 15 Cases (defined below), the winding down of the affairs of the Subject Companies, for the purposes of liquidation sales, sales of Damaged Inventory (as defined in the Sale Agreement), or the collection of accounts receivable not included as Purchased Assets, or as otherwise required by law.

GENERAL

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order. Specifically, and for the avoidance of doubt, the Receiver is hereby authorized as the Foreign Representative in the jointly administered cases proceeding as *In re Giftcraft Ltd., et al.*, Chapter 15 Bankruptcy Case No. 25-11030 (MG) (the “**Chapter 15 Cases**”) before the United States Bankruptcy Court for the Southern District of New York to seek entry of an order authorizing the effectiveness of this Order within the United States including: (a) the sale of the Purchased Assets free and clear of liens, claims and encumbrances pursuant to sections 105(a), 363(b), 363(f) and 1521(a)(7) of title 11 of the United States Code; and (b) the changes to the names of Giftcraft Inc. and Yosox USA Inc.

Schedule “A”

Court File No. CV-25-00743864-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPS KIRT HAWAII, LLC AND
YOSOX USA INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED**

RECEIVER’S CERTIFICATE**RECITALS**

A. Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 14, 2025, KPMG Inc. was appointed as the receiver (the “**Receiver**”) of the assets, undertakings and properties of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripskirt Hawaii, LLC and Yosox USA Inc. (collectively, the “**Debtors**”).

B. Pursuant to an Order of the Court dated July 14, 2025, the Court approved the asset purchase agreement made as of July 7, 2025 (the “**Sale Agreement**”) between the Receiver and Giftcraft 2025 Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the right, title and interest of Giftcraft Ltd., Giftcraft Inc. and Yosox USA Inc. (collectively, the “**Subject Companies**”) in and to the Purchased Assets, which vesting is to be effective with respect to the

Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 5 and 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 5 and 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**KPMG Inc., in its capacity as Receiver of
Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft
Holdings USA Inc., Giftcraft Holdings, Inc.,
Giftcraft Inc., Ripskirt Hawaii, LLC and
Yosox USA Inc., and not in its personal or
corporate capacity**

Per: _____

Name:

Title:

ROYAL BANK OF CANADA
Applicant

- and -

¹
GIFTCRAFT LTD., et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

DENTONS CANADA LLP

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*Lawyers for KPMG Inc. in its capacity court-appointed
receiver of Giftcraft Ltd., et al.*

TAB 4

Revised: January 21, 2014

Court File No. CV-25-00742864-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE	)	WEEKDAY <u>MONDAY</u> , THE # <u>14th</u>
	)	
JUSTICE <u>CAVANAGH</u>	)	DAY OF MONTH <u>JULY</u> , 20YR <u>2025</u>

B E T W E E N:

ROYAL BANK OF CANADA~~PLAINTIFF~~ Applicant~~Plaintiff~~

- and -

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPSIRT HAWAII, LLC AND
YOSOX USA INC.**~~DEFENDANT~~ Respondents~~Defendant~~**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED****APPROVAL AND VESTING ORDER**

~~THIS MOTION, made by [RECEIVER'S NAME]~~KPMG Inc., in its capacity as the ~~Court-appointed~~court-appointed receiver (the ~~"Receiver"~~ "Receiver"), ~~of all~~ of all of the ~~undertaking, property and assets of [DEBTOR] (the "Debtor")~~ assets, undertakings and properties of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripsirt Hawaii, LLC and Yosox USA Inc. (collectively, the "Debtors") for an order approving the sale transaction (the ~~"Transaction"~~ "Transaction") contemplated by an asset purchase agreement ~~of purchase and sale~~ (the ~~"Sale Agreement"~~ "Sale Agreement") between the Receiver and ~~[NAME OF~~

~~PURCHASER]~~ (the "Giftcraft 2025 Inc. (the "Purchaser") dated ~~[DATE]~~July 7, 2025 and appended to the First Report of the Receiver, dated ~~[DATE]~~July 8, 2025 (the "First Report"), and vesting in the Purchaser the ~~Debtor's~~ right, title and interest ~~in and to the assets described of~~ Giftcraft Ltd., Giftcraft Inc. and Yosox USA Inc. (collectively, the "Subject Companies") in and to the Purchased Assets (as defined in the Sale Agreement ~~(the "Purchased Assets")~~, was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the First Report, the Factum of the Receiver dated July 8, 2025, and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~ and all other counsel listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~ sworn ~~[DATE]~~July 8, 2025, filed¹:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF TRANSACTION

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby ~~authorized~~ ratified and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional

¹ ~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

² ~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³ ~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

documents as may be necessary or desirable for the completion of the Transaction and ~~for the~~ conveyance of the Purchased Assets to the Purchaser.

23. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all of the ~~Debtor's~~ Subject Companies' right, title and interest in and to the Purchased Assets ~~described in the Sale Agreement [and listed on Schedule B hereto]~~⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~ Osborne, dated ~~[DATE]~~ May 14, 2025; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), Article 9 of the Uniform Commercial Code (Delaware) and Article 9 of the Uniform Commercial Code (New York), or any other personal property registry system; ~~and (iii) those Claims listed on Schedule C hereto~~ (all of which are collectively referred to as the "Encumbrances", ~~which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and,"~~), and for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets upon delivery of the Receiver's Certificate.

34. **THIS COURT ORDERS** that upon the ~~registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver~~ [[Land Titles Division of

⁴ To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

~~{LOCATION} of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*]⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “Real Property”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.~~ issuance of the Receiver’s Certificate, any of the Receiver or the Purchaser shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets (including by filing such financing change statements in the Ontario Personal Property Registry (or any analogous legislation as may be necessary)) provided that the Receiver and the Purchaser shall not be authorized to effect any discharge that would have the effect of releasing any Encumbrances against any property other than the Purchased Assets.

45. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

56. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

67. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the

⁶~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

⁷~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at “net proceeds”.~~

⁸~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

~~Company's~~ Subject Companies' records pertaining to the ~~Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to~~ Transferred Employees (as defined in the Sale Agreement). The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the ~~Debtor~~ Subject Companies.

78. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the ~~Debtor~~ Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the ~~Debtor~~ Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the ~~Debtor~~ Debtors and shall not be void or voidable by creditors of the ~~Debtor~~ Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

~~8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

CHANGE OF NAME AND STYLE OF CAUSE

9. THIS COURT ORDERS that the Receiver is authorized to execute and file articles of amendment or such other documents or instruments as may be required to change the Subject Companies' legal names to names that do not include "Giftcraft" or "Yosox", and such articles,

documents or other instruments shall be deemed to be duly authorized, valid and effective and shall be accepted by the applicable Governmental Authority (as defined in the Sale Agreement) without any requirement to obtain director, shareholder or partner consent.

10. **THIS COURT ORDERS** that, upon the official change to the legal names of each of the Subject Companies that is to occur in accordance with paragraph 9, the names of “Giftcraft Ltd.”, “Giftcraft Inc.” and “Yosox USA Inc.” in the within title of proceedings shall be deleted and replaced with the new and respective legal names of each “Giftcraft Ltd.”, “Giftcraft Inc.” and “Yosox USA Inc.”, and any document filed thereafter in these proceedings (other than the Receiver’s Certificate) shall be filed using such revised title of proceedings.

11. **THIS COURT ORDERS** that, notwithstanding paragraphs 9 and 10 this Order shall not prevent the Receiver from referring to “Giftcraft Ltd.”, “Giftcraft Inc.” and “Yosox USA Inc.” for the purposes of any legal or noticing purposes or otherwise in relation to the within proceeding or the Chapter 15 Cases (defined below), the winding down of the affairs of the Subject Companies, for the purposes of liquidation sales, sales of Damaged Inventory (as defined in the Sale Agreement), or the collection of accounts receivable not included as Purchased Assets, or as otherwise required by law.

GENERAL

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order. Specifically, and for the avoidance of doubt, the Receiver is hereby authorized as the Foreign Representative in the jointly administered cases proceeding as In re Giftcraft Ltd., et al., Chapter 15 Bankruptcy Case No. 25-11030 (MG) (the “Chapter 15 Cases”) before the United States Bankruptcy Court for the Southern District of New York to seek entry of an order authorizing the effectiveness of this Order within the United States including: (a) the sale of the Purchased Assets free and clear of

liens, claims and encumbrances pursuant to sections 105(a), 363(b), 363(f) and 1521(a)(7) of title 11 of the United States Code; and (b) the changes to the names of Giftcraft Inc. and Yosox USA Inc.

Schedule "A—Form of Receiver's Certificate"Court File No. CV-25-00743864-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA~~PLAINTIFF~~ Applicant~~Plaintiff~~

- and -

GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPSIRT HAWAII, LLC AND
YOSOX USA INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED

~~DEFENDANT~~~~Defendant~~

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ~~[DATE OF ORDER], [NAME OF RECEIVER]~~ May 14, 2025, KPMG Inc. was appointed as the receiver (the "Receiver") of the assets, undertakings and properties of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripskirt Hawaii, LLC and YosoX USA Inc. (collectively, the "Debtors").

B. Pursuant to an Order of the Court dated ~~[DATE]~~ July 14, 2025, the Court approved the asset purchase agreement ~~of purchase and sale~~ made as of ~~[DATE OF AGREEMENT]~~ July 7, 2025 (the "Sale Agreement") between the Receiver ~~[Debtor]~~ and ~~[NAME OF PURCHASER]~~ ~~(the "~~and Giftcraft 2025 Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the ~~Debtor's~~ right, title and interest of Giftcraft Ltd., Giftcraft Inc. and Yosox USA Inc. (collectively, the "Subject Companies") in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section~~ sections 5 and 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in ~~section~~ sections 5 and 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

~~[NAME OF RECEIVER]~~ KPMG Inc., in its capacity as Receiver of ~~the undertaking, property and assets of [DEBTOR]~~ Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripskirt Hawaii, LLC and Yosox USA Inc., and not in its personal or corporate capacity

Per: _____

Name:

Title:

BANK OF CANADA- and -GIFTCRAFT LTD.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT THE

APPROVAL AND VESTING ORDER

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

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Lawyers for KPMG Inc. in its capacity court
receiver of Giftcraft Ltd., et al.

~~Schedule B—Purchased Assets~~

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

~~Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)~~

Summary report: Litera Compare for Word 11.4.0.111 Document comparison done on 7/9/2025 8:44:00 AM	
Style name: Underline Strikethrough	
Intelligent Table Comparison: Active	
Original filename: C:\Users\campbellam\OneDrive - Dentons\Documents\AB, BC and CL Model Orders\approval-and-vesting-order-EN.doc	
Modified DMS: iw://worksite.ca.dentons.com/NATDOCS/87440472/3	
Changes:	
<u>Add</u>	110
Delete	125
Move From	1
<u>Move To</u>	1
<u>Table Insert</u>	1
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	238

TAB 5

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE	)	MONDAY, THE 14th
	)	
JUSTICE CAVANAGH	)	DAY OF JULY, 2025

B E T W E E N :

ROYAL BANK OF CANADA

Applicant

- and -

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPSIRT HAWAII, LLC AND
YOSOX USA INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

ORDER

THIS MOTION, made by KPMG Inc. (“**KPMG**”), in its capacity as the court-appointed receiver (the “**Receiver**”) without security, of all of the assets, undertakings and properties of Giftcraft Ltd., Giftcraft Midco, Inc., Giftcraft Holdings USA Inc., Giftcraft Holdings, Inc., Giftcraft Inc., Ripskirt Hawaii, LLC and Yosox USA Inc. (collectively, the “**Debtors**”), for an order approving the Receiver’s activities, and granting certain other relief was heard this day at 330 University Avenue, Toronto, Ontario, by judicial videoconference via Zoom.

ON READING the First Report of the Receiver, dated July 8, 2025 (the “**First Report**”), the Factum of the Receiver, dated ●, 2025, and on hearing the submissions of counsel for the Receiver, and any such other counsel and parties as were present as listed on the counsel slip, no

one appearing for any other person on the service list, although properly served as appears from the affidavit of ● sworn ●, 2025, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

RECEIVER'S ACTIVITIES AND R&D

2. **THIS COURT ORDERS** that the First Report and the activities and conduct of the Receiver as described therein, be and are hereby approved.

3. **THIS COURT ORDERS** that the Receiver's interim statement of receipts and disbursements, to June 27, 2025, be and is hereby approved.

SEALING

4. **THIS COURT ORDERS** that the Confidential Appendices to the First Report are hereby sealed until the closing of the Transaction (as defined in the First Report), or further order of the Court.

Court File No.: CV-25-00742864-00CL	
ROYAL BANK OF CANADA Applicant	- and - GIFTCRAFT LTD., et al. Respondents
ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) PROCEEDING COMMENCED AT TORONTO	
ORDER	
DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1 Kenneth Kraft (LSO # 31919P) Tel: 416-863-4374 Fax: 416 863-4592 kenneth.kraft@dentons.com Sara-Ann Wilson (LSO # 56016C) Tel: 416-863-4402 sara.wilson@dentons.com <i>Lawyers for KPMG Inc. in its capacity court-appointed receiver of Giftcraft Ltd., et al.</i>	

ROYAL BANK OF CANADA
Applicant

- and -

GIFTCRAFT LTD., et al.
Respondents

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) PROCEEDING COMMENCED AT TORONTO	
MOTION RECORD	DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1 Kenneth Kraft (LSO # 31919P) Tel: 416-863-4374 Fax: 416 863-4592 kenneth.kraft@dentons.com Sara-Ann Wilson (LSO # 56016C) Tel: 416-863-4402 sara.wilson@dentons.com <i>Lawyers for KPMG Inc. in its capacity court-appointed receiver of Giftcraft Ltd., et al.</i>