Court File No. BK-26-03437896-0031

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT,* R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF THAI INDOCHINE TRADING INC.

Applicant

FACTUM OF THE APPLICANT

(Returnable November 12, 2026)

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FACTUM OF THAI INDOCHINE TRADING INC.

PART I - OVERVIEW

1. This factum is filed by Thai Indochine Trading Inc. (the "**Company**" or "**TI Foods**") in support of its motion for an Order:

   (a) extending the time to file a proposal under the *Bankruptcy and Insolvency Act* (the "**BIA**") up to and including December 11, 2026 (the "**Stay Extension**"), and

   (b) approving the first report of TDB Restructuring Limited (in such capacity, the "**Proposal Trustee**") dated November 11, 2026 (the "**First Report**"), and the activities of the Proposal Trustee described therein.

2. The Company commenced these proceedings by filing a Notice of Intention to Make a Proposal (the "**NOI**") under the BIA on October 16, 2026 in response to mounting financial pressures. Immediately following the filing of the NOI, G2 Capital Advisors, the Company's sales advisor ("**G2**"), in collaboration with the Company and the Proposal Trustee, ran an expedited

bidding process to solicit cash offers for the business. The Company and its advisors are negotiating a transaction with a third-party arm's length purchaser for the sale of the Company's shares or assets (the "**Proposed Transaction**") in order to maximize value to stakeholders and preserve the going concern value of the business. TI Foods requires more time to finalize the same.

3. The requested extension is necessary to allow the Company to continue to advance its restructuring efforts through the negotiation and closing of the Proposed Transaction. The Company has acted, and continues to act, in good faith and with due diligence, and the Proposal Trustee and the Company's senior secured creditors support the requested extension.

PART II - SUMMARY OF FACTS

4. The facts set out below are more fully detailed in the Affidavit of Glen Silvestri sworn November 10, 2026 (the "**Silvestri Affidavit**")[1] and the First Report.[2]

A. Background

5. TI Foods is a longstanding Canadian importer, marketer and distributor of Asian food products. The Company was founded in 1985, and initially serviced the Thai, Laotian, Cambodian, and Vietnamese communities before expanding its business through mainstream retailers. Today, TI Foods is a trusted distributor for several reputed brands and caters to hundreds of grocery stores across Canada.[3]

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[1] Affidavit of Glen Silvestri sworn November 10, 2026; Tab 2 to the Motion Record of the Company dated November 10, 2026 (the "**Motion Record**").
[2] First Report of the Proposal Trustee dated November 11, 2026 (the "**First Report**").
[3] Silvestri Affidavit at paras 7-8.

6. The Company's portfolio includes a number of established and recognized food brands and product categories and relies upon a complex operating platform that includes inventory procurement, importation services, customs compliance, warehousing, logistics, order fulfillment, regulatory compliance and national distribution capabilities.[4]

B. Financial Challenges

7. The Company has been heavily impacted by rapidly rising costs over the past 14-16 months, which have affected both the price of packaging and raw material expenses. Freight costs, which represent about 25% of the landed costs of many products TI Foods sells, have skyrocketed. In addition, the continuously rising fuel costs due to geopolitical unrest have significantly impacted the Company's delivery costs.[5]

8. Furthermore, the Company has been affected by increased competition on certain brand name products, which has created a pricing war. TI Foods purchases approximately 51% of its goods from one supplier, for which the Company has seen a decrease of almost 15% of profit year over year due to the increased competition.[6]

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[4] Silvestri Affidavit at para 11.
[5] Silvestri Affidavit at para 76.
[6] Silvestri Affidavit at para 77.

C. Stay Extension

9. The current stay of proceedings expires on November 15, 2026. The Company requires additional time to continue its discussions with its stakeholders, including The Toronto-Dominion Bank ("**TD**") and Pathward, N.A. ("**Pathward**"), its senior secured creditors, and the proposed purchaser to finalize the terms of the Proposed Transaction and advance the restructuring efforts.

10. TI Foods has acted, and continues to act, in good faith and with due diligence in these NOI proceedings. The Proposal Trustee supports the requested extension to December 11, 2026, and is of the view that the extension will provide the Company with additional time to advance a viable restructuring for the benefit of its stakeholders.[7]

PART III - ISSUES

11. The issues to be considered on this motion are:

(a) whether the Company has satisfied the requirements for an extension of time to file a proposal and an extension of the stay of proceedings; and,

(b) whether the First Report should be approved.

12. The Company submits the answer to each of these questions is yes.

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[7] Silvestri Affidavit at para 101; First Report at para 43.

PART IV - LAW AND ANALYSIS

A. The Stay Extension Should be Granted

13. Section 50.4(9) of the BIA provides the jurisdiction for this Court to grant an extension of the stay. This Court may grant the extension of the stay if it is satisfied that: (i) the debtor has acted, and is acting, in good faith and with due diligence, (ii) the debtor would likely be able to make a viable proposal if the extension being applied for is granted, and (iii) no creditor will be materially prejudiced if the extension is granted.[8]

14. Courts routinely grant extensions in NOI proceedings to allow an applicant to pursue a sale of its business to facilitate a possible proposal.[9]

15. The Company has acted, and continues to act, in good faith and with due diligence throughout these NOI proceedings. Since filing on October 16, 2026, TI Foods has engaged with its stakeholders and G2 to undertake a comprehensive sale process and has advanced negotiations of the Proposed Transaction with the support of Pathward and TD as secured creditors.[10] The Company is expected to have sufficient liquidity to carry it through the requested extension.[11]

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[8] BIA, s 50.4(9).
[9] See, for example: *In the Matter of the Notice of Intention to make a proposal of JointCraft Inc.,* 2026 ONSC 965 (CanLII); *Indeed Laboratories Inc. v. BDO Canada Limited*, BK-25-03213105-0032, Endorsement of Steele J. (May 2, 2025); *Kline Inc. v. Hielte et. al.,* BK-25-03224600-0031, Endorsement of Steele J. (July 29, 2025).
[10] Silvestri Affidavit at para 91.
[11] Silvestri Affidavit at para 99; First Report at para 34.

16. Whether an applicant would likely be able to make a viable proposal if granted an extension of time is determined by whether an applicant might – not certainly will – be able to present a proposal that seems reasonable on its face to a reasonable creditor.[12]

17. The requested Stay Extension will afford the Company sufficient time to complete the Proposed Transaction and advance these proceedings.[13] No creditor will be materially prejudiced by the requested Stay Extension, which will allow for the continued negotiation of a sale transaction for the benefit of the Company's stakeholders.[14]

18. The requested Stay Extension is supported by the Company's senior secured creditors, Pathward and TD, and the Proposal Trustee.[15]

B. The First Report should be Approved

19. The Company further seeks this Court's approval of the Proposal Trustee's activities as set out in the First Report. Requests to approve a court officer's reports are not unusual in insolvency proceedings, and there are good practical and policy reasons to do so.[16] These policy and practical reasons set out in matters under the *Companies' Creditors Arrangement Act* (the "**CCAA**") also apply to matters under the BIA, as the CCAA and BIA should be read in harmony to the extent possible.[17]

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[12] *H&H Fisheries Limited, Re,* 2005 NSSC 364 (CanLII) at para 22.
[13] Silvestri Affidavit at para 98.
[14] Silvestri Affidavit at para 99.
[15] Silvestri Affidavit at para 102; First Report at para 44.
[16] *Target Canada Co. (Re),* 2015 ONSC 7574 (CanLII) at paras 2, 22.
[17] *Century Services Inc v Canada (Attorney General)*, 2010 SCC 60 at para 24.

20. The activities of the Proposal Trustee as set out in the First Report were necessary, consistent with its duties and powers as set out in the BIA, and were undertaken with efficiency and reasonableness in the interests of the Company's stakeholders.

PART V - ORDER REQUESTED

21. The Company therefore requests that this Honourable Court grant the order sought substantially on the terms of the draft order included at Tab 3 of the Motion Record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 11th day of November 2026.



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SCHEDULE "A"

LIST OF AUTHORITIES

1. *Century Services Inc v Canada (Attorney General)*, 2010 SCC 60;

2. *H&H Fisheries Limited, Re,* 2005 NSSC 364 (CanLII);

3. *In the Matter of the Notice of Intention to make a proposal of JointCraft Inc.,* 2026 ONSC 965;

4. *Indeed Laboratories Inc. v. BDO Canada Limited*, BK-25-03213105-0032, Endorsement of Steele J. (May 2, 2025);

5. *Kline Inc. v. Hielte et. al.,* BK-25-03224600-0031, Endorsement of Steele J. (July 29, 2025);

6. *Target Canada Co. (Re),* 2015 ONSC 7574 (CanLII)

I certify that I am satisfied as to the authenticity of every authority, and I am satisfied that every quotation from an authority that appears in the factum accurately reproduces the text of the authority.

Date November 11, 2026



Signature

SCHEDULE "B"

TEXT OF STATUTES, REGULATIONS & BY - LAWS

Bankruptcy and Insolvency Act, RSC 1985, c B-3

50.4 (1) Before filing a copy of a proposal with a licensed trustee, an insolvent person may file a notice of intention, in the prescribed form, with the official receiver in the insolvent person's locality, stating

(a) the insolvent person's intention to make a proposal,

(b) the name and address of the licensed trustee who has consented, in writing, to act as the trustee under the proposal, and

(c) the names of the creditors with claims amounting to two hundred and fifty dollars or more and the amounts of their claims as known or shown by the debtor's books,

and attaching thereto a copy of the consent referred to in paragraph (b).

(9) The insolvent person may, before the expiry of the 30-day period referred to in subsection (8) or of any extension granted under this subsection, apply to the court for an extension, or further extension, as the case may be, of that period, and the court, on notice to any interested persons that the court may direct, may grant the extensions, not exceeding 45 days for any individual extension and not exceeding in the aggregate five months after the expiry of the 30-day period referred to in subsection (8), if satisfied on each application that

(a) the insolvent person has acted, and is acting, in good faith and with due diligence;

(b) the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and

(c) no creditor would be materially prejudiced if the extension being applied for were granted.

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF THAI INDOCHINE TRADING INC.

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PROCEEDING COMMENCED AT
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